

BOND INDENTURE

Between

**CITY OF BEAUMONT
COMMUNITY FACILITIES DISTRICT NO. 93-1**

and

**WILMINGTON TRUST, NATIONAL ASSOCIATION,
as Trustee**

**\$ _____
CITY OF BEAUMONT
COMMUNITY FACILITIES DISTRICT NO. 93-1
(IMPROVEMENT AREA NO. 17B)
2020 SPECIAL TAX REFUNDING BONDS**

Dated as of July 1, 2020

TABLE OF CONTENTS

Page

ARTICLE I

DEFINITIONS

Section 1.1 Definitions..... 2

ARTICLE II

GENERAL AUTHORIZATION AND BOND TERMS

Section 2.1 Amount, Issuance, Purpose and Nature of Bonds and Parity Bonds 12
Section 2.2 Type and Nature of Bonds and Parity Bonds..... 12
Section 2.3 Equality of Bonds and Parity Bonds and Pledge of Net Special Taxes 13
Section 2.4 Description of Bonds; Interest Rates 13
Section 2.5 Place and Form of Payment 14
Section 2.6 Form of Bonds and Parity Bonds..... 15
Section 2.7 Execution and Authentication..... 15
Section 2.8 Bond Register..... 15
Section 2.9 Registration of Exchange or Transfer 16
Section 2.10 Mutilated, Lost, Destroyed or Stolen Bonds or Parity Bonds..... 16
Section 2.11 Validity of Bonds and Parity Bonds 17

ARTICLE III

CREATION OF FUNDS AND APPLICATION OF PROCEEDS

Section 3.1 Creation of Funds; Application of Proceeds 17
Section 3.2 Deposits to and Disbursements from Special Tax Fund 18
Section 3.3 Administrative Expense Fund..... 19
Section 3.4 Interest Account and Principal Account of the Special Tax Fund..... 19
Section 3.5 Redemption Account of the Special Tax Fund 19
Section 3.6 Surplus Fund 20
Section 3.7 Investments 20

ARTICLE IV

REDEMPTION OF BONDS AND PARITY BONDS

Section 4.1 Redemption of Bonds 22
Section 4.2 Selection of Bonds and Parity Bonds for Redemption 23
Section 4.3 Reserved..... 23
Section 4.4 Partial Redemption of Bonds or Parity Bonds 23
Section 4.5 Availability of Redemption Money 23

TABLE OF CONTENTS
(continued)

Page

ARTICLE V

COVENANTS AND WARRANTY

Section 5.1	Warranty	24
Section 5.2	Covenants.....	24

ARTICLE VI

AMENDMENTS TO INDENTURE

Section 6.1	Supplemental Indentures or Orders Not Requiring Bondowner Consent.....	27
Section 6.2	Supplemental Indentures or Orders Requiring Bondowner Consent.....	28
Section 6.3	Notation of Bonds or Parity Bonds; Delivery of Amended Bonds or Parity Bonds	29
Section 6.4	Execution of Supplemental Indentures	30

ARTICLE VII

TRUSTEE

Section 7.1	Trustee.....	30
Section 7.2	Removal of Trustee.....	31
Section 7.3	Resignation of Trustee	31
Section 7.4	Liability of Trustee	31
Section 7.5	Merger or Consolidation.....	34

ARTICLE VIII

EVENTS OF DEFAULT; REMEDIES

Section 8.1	Events of Default	34
Section 8.2	Remedies of Owners	34
Section 8.3	Application of Revenues and Other Funds After Default.....	35
Section 8.4	Power of Trustee to Control Proceedings	36
Section 8.5	Appointment of Receivers	36
Section 8.6	Non-Waiver.....	36
Section 8.7	Limitations on Rights and Remedies of Owners	37
Section 8.8	Termination of Proceedings.....	37

ARTICLE IX

DEFEASANCE AND PARITY BONDS

Section 9.1	Defeasance	37
Section 9.2	Conditions for the Issuance of Parity Bonds and Other Additional Indebtedness.....	39

TABLE OF CONTENTS
(continued)

Page

ARTICLE X

MISCELLANEOUS

Section 10.1	Cancellation of Bonds and Parity Bonds	41
Section 10.2	Execution of Documents and Proof of Ownership	41
Section 10.3	Unclaimed Moneys	42
Section 10.4	Provisions Constitute Contract.....	42
Section 10.5	Provisions Relating to the Insurer	42
Section 10.6	Further Assurances.....	44
Section 10.7	Severability	44
Section 10.8	Notices	44
Section 10.9	Governing Laws.....	44
Signatures	S-1
EXHIBIT A	FORM OF 2020 SPECIAL TAX REFUNDING BOND	A-1

BOND INDENTURE

THIS BOND INDENTURE dated as of July 1, 2020 (the “Indenture”), is made and entered into by the City of Beaumont Community Facilities District No. 93-1 and Wilmington Trust, National Association, as trustee, and governs the terms of the City of Beaumont Community Facilities District No. 93-1 (Improvement Area No. 17B) 2020 Special Tax Refunding Bonds and any Parity Bonds issued in accordance herewith from time to time.

RECITALS:

WHEREAS, the City Council of the City of Beaumont, located in Riverside County, California (hereinafter sometimes referred to as the “legislative body of the District”), has heretofore undertaken proceedings to form the City of Beaumont Community Facilities District No. 93-1 (the “District”) and Improvement Area No. 17B therein (the “Improvement Area”) pursuant to the terms and provisions of the Mello-Roos Community Facilities Act of 1982, as amended, being Chapter 2.5, Part 1, Division 2, Title 5, of the Government Code of the State of California (the “Act”); and

WHEREAS, the District has previously issued its Prior Bonds (as defined herein) to finance certain public improvements; and

WHEREAS, on July 7, 2020, the legislative body of the District adopted a resolution (the “Resolution”) authorizing the issuance and sale of special tax bonds for the District pursuant to this Indenture designated as the “City of Beaumont Community Facilities District No. 93-1 (Improvement Area No. 17B) 2020 Special Tax Refunding Bonds” (the “Bonds”); and

WHEREAS, it is in the public interest and for the benefit of the District, the persons responsible for the payment of special taxes and the owners of the Bonds that the District enter into this Indenture to provide for the issuance of the Bonds, the disbursement of proceeds of the Bonds, the disposition of the special taxes securing the bonds, and the administration and payment of the Bonds; and

WHEREAS, all things necessary to cause the Bonds, when authenticated by the Trustee and issued as provided in the Act, the Resolution and this Indenture, to be legal, valid and binding and limited obligations in accordance with their terms, and all things necessary to cause the creation, authorization, execution and delivery of this Indenture and the creation, authorization, execution and issuance of the Bonds, subject to the terms hereof, have in all respects been duly authorized;

NOW, THEREFORE, in order to establish the terms and conditions upon and subject to which the Bonds are to be issued, and in consideration of the premises and of the mutual covenants contained herein and of the purchase and acceptance of the Bonds by the Owners thereof, and for other valuable consideration, the receipt of which is hereby acknowledged, the District does hereby covenant and agree, for the benefit of the Owners of the Bonds as follows:

ARTICLE I

DEFINITIONS

Section 1.1 Definitions. Unless the context otherwise requires, the following terms shall have the following meanings:

“Account” means any account created pursuant to this Indenture.

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

“Administrative Expenses” means the administrative costs with respect to the calculation and collection of the Special Taxes, including all attorneys’ fees and other costs related thereto, the fees and expenses of the Trustee, any fees and related costs for credit enhancement for Bonds or which are not otherwise paid as Costs of Issuance, any costs related to the District’s compliance with state and federal laws requiring continuing disclosure of information concerning the Bonds, the District, and any other costs otherwise incurred by the City on behalf of the District in order to carry out the purposes of the District as set forth in the Resolution of Formation and any obligation of the District hereunder. Administrative Expenses shall also include the administrative costs with respect to the collection of Delinquency Proceeds.

“Administrative Expense Fund” means the fund by that name created and established pursuant to Section 3.1 hereof.

“Annual Debt Service” means the principal amount of any Outstanding Bonds or Parity Bonds payable in a Bond Year either at maturity or pursuant to a sinking fund payment and any interest payable on any Outstanding Bonds or Parity Bonds in such Bond Year, if the Bonds and any Parity Bonds are retired as scheduled.

“Authority” means the Beaumont Public Improvement Authority.

“Authority Bonds” means any bonds outstanding under the Authority Indenture, which are secured by payments made on the Bonds.

“Authority Indenture” means that certain Indenture of Trust, dated as of July 1, 2020, by and between the Authority and the Authority Trustee, pursuant to which the Authority Bonds are issued.

“Authority Trustee” means Wilmington Trust, National Association, or any successor thereto appointed pursuant to the Authority Indenture.

“Authorized 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) (A) Direct obligations (other than an obligation subject to variation in principal repayment) of the United States of America (“United States Treasury Obligations”);
- (B) obligations fully and unconditionally guaranteed as to timely payment of principal and interest by the United States of America;
- (C) obligations fully and unconditionally guaranteed as to timely payment of principal and interest by any agency or instrumentality of the United States of America when such obligations are backed by the full faith and credit of

the United States of America; or (D) evidences of ownership of proportionate interests in future interest and principal payments on obligations described above held by a bank or trust company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor and the underlying government obligations are not available to any person claiming through the custodian or to whom the custodian may be obligated.

(2) Federal Housing Administration debentures.

(3) The listed obligations of government-sponsored agencies which are not backed by the full faith and credit of the United States of America:

- Federal Home Loan Mortgage Corporation (FHLMC)

Participation certificates (excluded are stripped mortgage securities which are purchased at prices exceeding their principal amounts)

Senior Debt obligations

- Farm Credit Banks (formerly: Federal Land Banks, Federal

Intermediate Credit Banks and Banks for Cooperatives)

Consolidated system-wide bonds and notes

- Federal Home Loan Banks (FHL Banks)

Consolidated debt obligations

- Federal National Mortgage Association (FNMA)

Senior debt obligations

Mortgage-backed securities (excluded are stripped mortgage securities which are purchased at prices exceeding their principal amounts)

- Student Loan Marketing Association (SLMA)

Senior debt obligations (excluded are securities that do not have a fixed par value and/or whose terms do not promise a fixed dollar amount at maturity or call date)

- Financing Corporation (FICO)

Debt obligations

- Resolution Funding Corporation (REFCORP)

Debt obligations

(4) Unsecured certificates of deposit, time deposits, and bankers' acceptances (having maturities of not more than 30 days) of any bank (including the Trustee and any affiliate) the short-term obligations of which are rated "A-1" or better by Standard & Poor's.

(5) Deposits the aggregate amount of which are fully insured by the Federal Deposit Insurance Corporation (FDIC), in banks (including the Trustee and any affiliate) which have capital and surplus of at least \$5 million.

(6) Commercial paper rated at the time of purchase (having original maturities of not more than 270 days) "A-1+" by Standard & Poor's and "Prime-1" by Moody's.

(7) Money market funds rated "AAM" or "AAM-G" by Standard & Poor's, or better (including such funds for which the Trustee, its affiliates or subsidiaries provide investment advisory or other management services or for which the Trustee or an affiliate of the Trustee serves as investment administrator, shareholder servicing agent, and/or custodian or subcustodian, notwithstanding that (i) the Trustee or an affiliate of the Trustee receives fees from funds for services rendered, (ii) the Trustee collects fees for services rendered pursuant to this Indenture, which fees are separate from the fees received from such funds, and (iii) services performed for such funds and pursuant to this Indenture may at times duplicate those provided to such funds by the Trustee or an affiliate of the Trustee).

(8) "State Obligations," which means:

(A) Direct general obligations of any state of the United States of America or any subdivision or agency thereof to which is pledged the full faith and credit of a state the unsecured general obligation debt of which is rated "A3" by Moody's and "A" by Standard & Poor's, or better, or any obligation fully and unconditionally guaranteed by any state, subdivision or agency whose unsecured general obligation debt is so rated.

(B) Direct general short-term obligations of any state agency or subdivision or agency thereof described in (A) above and rated "A-1+" by Standard & Poor's and "Prime-1" by Moody's.

(C) Special Revenue Bonds (as defined in the United States Bankruptcy Code) of any state, state agency or subdivision described in (A) above and rated "AA" or better by Standard & Poor's and "Aa" or better by Moody's.

(9) Pre-refunded municipal obligations rated "AAA" by S & P and "Aaa" by Moody's meeting the following requirements:

(A) the municipal obligations are (1) not subject to redemption prior to maturity or (2) the trustee for the municipal obligations has been given irrevocable instructions concerning their call and redemption and the issuer of the municipal obligations has covenanted not to redeem such municipal obligations other than as set forth in such instructions;

(B) the municipal obligations are secured by cash or United States Treasury Obligations which may be applied only to payment of the principal of, interest and premium on such municipal obligations;

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

(D) the cash or United States Treasury Obligations serving as security for the municipal obligations are held by an escrow agent or trustee in trust for owners of the municipal obligations;

(E) no substitution of a United States Treasury Obligation shall be permitted except with another United States Treasury Obligation and upon delivery of a new Verification; and

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

(10) Repurchase agreements:

(A) With (1) any domestic bank, or domestic branch of a foreign bank, the long term debt of which is rated at least “A” by Standard & Poor’s and Moody’s; or (2) any broker-dealer with “retail customers” or a related affiliate thereof which broker-dealer has, or the parent company (which guarantees the provider) of which has, long-term debt rated at least “A” by Standard & Poor’s and Moody’s, which broker-dealer falls under the jurisdiction of the Securities Investors Protection Corporation; or (3) any other entity rated “A” or better by Standard & Poor’s and Moody’s, provided that:

(a) The market value of the collateral is maintained at levels equal to 104% of the amount of cash transferred by the Trustee to the provider of the repurchase agreement plus accrued interest with the collateral being valued weekly and marked-to-market at one current market price plus accrued interest;

(b) The Trustee or a third party acting solely as agent therefor or for the District (the “Holder of the Collateral”) has possession of the collateral or the collateral has been transferred to the Holder of the Collateral in accordance with applicable state and federal laws (other than by means of entries on the transferor’s books);

(c) The repurchase agreement shall state and an opinion of counsel shall be rendered 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);

(d) The repurchase agreement shall provide that if during its term the provider's rating by either Moody's or Standard & Poor's is withdrawn or suspended or falls below "A-" by Standard & Poor's or "A3" by Moody's, as appropriate, the provider must, at the direction of the District or the Trustee, within 10 days of receipt of such direction, repurchase all collateral and terminate the agreement, with no penalty or premium to the District or Trustee.

(B) Notwithstanding the above, if a repurchase agreement has a term of 270 days or less (with no evergreen provision), collateral levels need not be as specified in (a) above, so long as such collateral levels are 103% or better and the provider is rated at least "A" by Standard & Poor's and Moody's, respectively.

(11) Investment agreements with a domestic or foreign bank or corporation (other than a life or property casualty insurance company) the long-term debt of which or, in the case of a guaranteed corporation the long-term debt, or, in the case of a monoline financial guaranty insurance company, claims paying ability, of the guarantor is rated at least "AA" by Standard & Poor's and "Aa" by Moody's; provided that, by the terms of the investment agreement:

(A) interest payments are to be made to the Trustee at times and in amounts as necessary to pay debt service 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 District 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 is the unconditional and general obligation of, and is not subordinated to any other obligation of, the provider thereof, or, in the case of a bank, that the obligation of the bank to make payments under the agreement ranks pari passu with the obligations of the bank to its other depositors and its other unsecured and unsubordinated creditors;

(D) the District and the Trustee receives the opinion of domestic counsel (which opinion shall be addressed to the District and the 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 form and substance acceptable, and addressed to, the District;

(E) the investment agreement shall provide that if during its term.

(1) the provider's rating by either Standard & Poor's 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 (i) collateralize the investment agreement by delivering or transferring in accordance with applicable state and federal laws (other than by means of entries on the provider's books) to the District, 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 Standard & Poor’s and Moody’s to maintain an “A” rating in an “A” rated structured financing (with a market value approach); or (ii) repay the principal of and accrued but unpaid interest on the investment; and

(2) the provider’s rating by either Standard & Poor’s or Moody’s is withdrawn or suspended or falls below “A-” or “A3”, respectively, the provider must, at the direction of the District or the Trustee, 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 District 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); and

(G) the investment agreement must provide that if during its term

(1) the provider shall default in its payment obligations, the provider’s obligations under the investment agreement shall, at the direction of the District or the Trustee, be accelerated and amounts invested and accrued but unpaid interest thereon shall be repaid to the District or Trustee, as appropriate, and

(2) 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 amounts invested and accrued but unpaid interest thereon shall be repaid to the District or Trustee, as appropriate.

(12) The State of California Local Agency Investment Fund; provided that the Trustee may restrict investments in such Fund to the extent necessary to keep monies available for the purposes of this Indenture.

“Authorized Representative of the City” means the City Manager of the City, Assistant City Manager of the City, or his or her designee, the Finance Director of the City, or his or her designee, or any other person or persons designated by the City Council of the City and authorized to act on behalf of the City by a written certificate signed on behalf of the City by the Mayor of the City and containing the specimen signature of each such person.

“Bond Counsel” means an attorney at law or a firm of attorneys selected by the District of nationally recognized standing in matters pertaining to the tax-exempt nature of interest on bonds issued by states and their political subdivisions duly admitted to the practice of law before the highest court of any state of the United States of America or the District of Columbia.

“Bond Register” means the books which the Trustee shall keep or cause to be kept on which the registration and transfer of the Bonds and any Parity Bonds shall be recorded.

“Bondowner” or “Owner” means the person or persons in whose name or names any Bond or Parity Bond is registered.

“Bonds” means the \$_____ City of Beaumont Community Facilities District No. 93-1 (Improvement Area No. 17B) 2020 Special Tax Refunding Bonds.

“Bond Year” means the twelve month period commencing on September 1 of each year and ending on September 1 of the following year, except that the first Bond Year for the Bonds or an issue of Parity Bonds shall begin on the Delivery Date and end on the first September 1 which is not more than 12 months after the Delivery Date.

“Business Day” means a day which is not a Saturday or Sunday or a day of the year on which banks in New York, New York, Los Angeles, California, or the city where the corporate trust office of the Trustee is located, are not required or authorized to remain closed.

“Certificate of an Authorized Representative” means a written certificate or warrant request executed by an Authorized Representative of the City.

“City” means the City of Beaumont.

“City Council” means the City Council of the City acting as the legislative body of the District.

“Code” means the Internal Revenue Code of 1986, as amended, and any Regulations, rulings, judicial decisions, and notices, announcements, and other releases of the United States Treasury Department or Internal Revenue Service interpreting and construing it.

“Costs of Issuance” shall have the meaning set forth in the Authority Indenture.

“Defeasance Securities” means non-callable, non-prepayable obligations of the type set forth in clause (1) of the definition of Authorized Investments.

“Delinquency Proceeds” means the net amounts collected from the redemption of delinquent Special Taxes including the penalties and interest thereon and from the sale of property sold as a result of the foreclosure of the lien of the Special Tax resulting from the delinquency in the payment of Special Taxes due and payable on such property.

“Delivery Date” means, with respect to the Bonds and each issue of Parity Bonds, the date on which the bonds of such issue were issued and delivered to the initial purchasers thereof.

“District” means City of Beaumont Community Facilities District No. 93-1 established pursuant to the Act and the Resolution of Formation.

“Escrow Agent” means Wilmington Trust, National Association, acting as escrow agent pursuant to the Escrow Agreement.

“Escrow Agreement” means that Escrow Agreement, dated as of July 1, 2020, by and among the District, the Beaumont Financing Authority and the Escrow Agent relating to the defeasance and refunding of the Prior Bonds.

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

“Gross Special Taxes” means the amount of all Special Taxes received by the District, together with Delinquency Proceeds.

“Improvement Area” mean Improvement Area No. 17B of the District.

“Independent Financial Consultant” means a financial consultant or firm of such consultants generally recognized to be well qualified in the financial consulting field, appointed and paid by the District, who, or each of whom:

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

“Indenture” means this Bond Indenture, together with any Supplemental Indenture approved pursuant to Article 6 hereof.

“Insurance Policy” means the insurance policy issued by the Insurer guaranteeing the scheduled payment of principal of and interest on the Authority Bonds when due.

“Insurer” means _____, or any successor thereto.

“Interest Payment Date” means each March 1 and September 1, commencing March 1, 2021, and the final maturity date of the Bonds; provided, however, that, if any such day is not a Business Day, interest up to the Interest Payment Date, and in the case of the final Interest Payment Date to and including such date, will be paid on the Business Day next succeeding such date.

“Maximum Annual Debt Service” means the maximum sum obtained for any Bond Year prior to the final maturity of the Bonds and any Parity Bonds by adding the following for each Bond Year:

- (1) the principal amount of all Outstanding Bonds and Parity Bonds payable in such Bond Year either at maturity or pursuant to a sinking fund payment; and
- (2) the interest payable on the aggregate principal amount of all Bonds and Parity Bonds Outstanding in such Bond Year if the Bonds and Parity Bonds are retired as scheduled.

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

“Net Special Taxes” means Gross Special Taxes minus amounts set aside to pay Priority Administrative Expenses.

“Ordinance” means the ordinance adopted by the legislative body of the District providing for the levying of the Special Tax in the Improvement Area.

“Outstanding” or “Outstanding Bonds and Parity Bonds” means all Bonds and Parity Bonds theretofore issued by the District, except:

(1) Bonds and Parity Bonds theretofore cancelled or surrendered for cancellation in accordance with Section 10.1 hereof;

(2) Bonds and Parity Bonds for payment or redemption of which moneys shall have been theretofore deposited in trust (whether upon or prior to the maturity or the redemption date of such Bonds or Parity Bonds), provided that, if such Bonds or Parity Bonds are to be redeemed prior to the maturity thereof, notice of such redemption shall have been given as provided in this Indenture or any applicable Supplemental Indenture for Parity Bonds; and

(3) Bonds and Parity Bonds which have been surrendered to the Trustee for transfer or exchange pursuant to Section 2.9 hereof or for which a replacement has been issued pursuant to Section 2.10 hereof.

“Parity Bonds” mean bonds or other securities issued by the District and secured by a lien on the Net Special Taxes which is on parity with the lien thereon securing the Bonds.

“Person” means natural persons, firms, corporations, partnerships, associations, trusts, public bodies and other entities.

“Prepayments” means any amounts paid by the District to the Trustee and designated by the District as a prepayment of Special Taxes for one or more parcels in the Improvement Area made in accordance with the Rate and Method of Apportionment.

“Principal Office of the Trustee” means the corporate trust and agency office of the Trustee located in Costa Mesa, California, provided that for purposes of redemption, payment, exchange, transfer or surrender of Bonds shall mean the corporate trust agency or operations office of the Trustee or such other office or offices as the Trustee may designate from time to time, or the office of any successor Trustee where it principally conducts its corporate trust and agency business.

“Prior Bonds” means the District’s Special Tax Bonds, 2011 Series A and Series B (Improvement Area No. 17B) currently outstanding in the aggregate principal amount of \$11,930,000.

“Prior Trustee” means Wilmington Trust, National Association, as trustee under the Prior Indenture.

“Prior Indenture” means that Indenture of Trust dated as of January 15, 1994, as amended and supplemented to date, by and between the District and the Prior Trustee.

“Priority Administrative Expenses” means the amount of \$30,000 payable from Gross Special Taxes annually (other than Delinquency Proceeds); provided that the District may, in its sole

discretion, fund additional Administrative Expenses, without limitation, from Special Taxes not otherwise required to be transferred to the Trustee and from other moneys held in the Administrative Expense Fund.

“Project” means those public facilities described in the Resolution of Formation which were acquired or constructed within and outside of the Improvement Area with the proceeds of the Prior Bonds, including all engineering, planning and design services and other incidental expenses related to such facilities and other facilities, if any, authorized by the qualified electors within the Improvement Area from time to time.

“Proportionate Share” means, with respect to the calculation set forth in Section 3.2(b)(4), as of the date of calculation, a fraction equal to (A) the principal amount of the Bonds Outstanding divided by (B) the sum of the principal amount of all of the Local Obligations (as defined in the Authority Indenture) Outstanding.

“Rate and Method of Apportionment” means that certain Rate and Method of Apportionment of Special Tax pursuant to which the Special Taxes are levied within the Improvement Area, as amended in accordance with the Act and this Indenture.

“Record Date” means the fifteenth day of the month preceding an Interest Payment Date, regardless of whether such day is a Business Day.

“Regulations” means the regulations adopted or proposed by the Department of Treasury from time to time with respect to obligations issued pursuant to Section 103 of the Code.

“Reserve Account” means the District’s Account of the Reserve Fund established under the Authority Indenture.

“Reserve Fund” means the fund by that name established by the Authority Indenture.

“Reserve Policy” means the municipal bond debt service reserve insurance policy relating to the Authority Bonds issued by the Insurer.

“Reserve Requirement” shall have the meaning given such term in the Authority Indenture.

“Resolution of Formation” means the resolution adopted by the City Council pursuant to which the City formed the Improvement Area.

“Special Tax Fund” means the fund by that name created and established pursuant to Section 3.1 hereof.

“Special Taxes” means the taxes authorized to be levied by the District on property within the Improvement Area in accordance with the Ordinance, the Resolution of Formation, the Act and the voter approval obtained at the applicable election in the Improvement Area.

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

“Supplemental Indenture” means any supplemental indenture amending or supplementing this Indenture.

“Surplus Fund” means the fund by that name created and established pursuant to Section 3.1 hereof.

“Term Bonds” means the Bonds maturing on September 1, 20__ and September 1, 20__.

“Trustee” means Wilmington Trust, National Association, a national banking association duly organized and existing under the laws of the United States of America, at its principal corporate trust office in Costa Mesa, California, and its successors or assigns, or any other bank, association or trust company which may at any time be substituted in its place as provided in Sections 7.2 or 7.3 and any successor thereto.

ARTICLE II

GENERAL AUTHORIZATION AND BOND TERMS

Section 2.1 Amount, Issuance, Purpose and Nature of Bonds and Parity Bonds. Under and pursuant to the Act, the Bonds in the aggregate principal amount of \$_____ shall be issued for the purpose of (a) refunding and defeasing the Prior Bonds, and (b) funding the District’s share of the Costs of Issuance.

Section 2.2 Type and Nature of Bonds and Parity Bonds. Neither the faith and credit nor the taxing power of the City, the State of California or any political subdivision thereof other than the District is pledged to the payment of the Bonds or any Parity Bonds. Except for the Net Special Taxes, no other taxes are pledged to the payment of the Bonds and Parity Bonds. The Bonds and any Parity Bonds are not general or special obligations of the City nor general obligations of the District, but are limited obligations of the District payable solely from certain amounts deposited by the District in the Special Tax Fund, as more fully described herein. The District’s limited obligation to pay the principal of, premium, if any, and interest on the Bonds and any Parity Bonds from amounts in the Special Tax Fund is absolute and unconditional, free of deductions and without any abatement, offset, recoupment, diminution or set-off whatsoever. No Owner of the Bonds or any Parity Bonds may compel the exercise of the taxing power by the District (except as pertains to the Special Taxes) or the City or the forfeiture of any of their property. The principal of and interest on the Bonds and any Parity Bonds and premiums upon the redemption thereof, if any, are not a debt of the City, the State of California or any of its political subdivisions within the meaning of any constitutional or statutory limitation or restriction. The Bonds and any Parity Bonds are not a legal or equitable pledge, charge, lien, or encumbrance upon any of the District’s property, or upon any of its income, receipts or revenues, except the Net Special Taxes and other amounts in the Special Tax Fund which are, under the terms of this Indenture and the Act, set aside for the payment of the Bonds and interest thereon and neither the members of the legislative body of the District or the City Council nor any persons executing the Bonds are liable personally on the Bonds by reason of their issuance.

Notwithstanding anything to the contrary contained in this Indenture, the District shall not be required to advance any money derived from any source of income other than the Net Special Taxes for the payment of the interest on or the principal of or premium on the Bonds or any Parity Bonds, or for the performance of any covenants contained herein. The District may, however, advance funds for any such purpose, provided that such funds are derived from a source legally available for such purpose.

Section 2.3 Equality of Bonds and Parity Bonds and Pledge of Net Special Taxes.

Subject only to the provisions of this Indenture permitting the application thereof for the purposes and on the terms and conditions set forth herein, in order to secure the payment of the principal of and interest on the Bonds and any Parity Bonds in accordance with their terms, the provisions of this Indenture and the Act, the District hereby pledges to the Owners, and grants thereto a lien on and a security interest in, all of the Net Special Taxes and any other amounts held in the Special Tax Fund. Said pledge shall constitute a first lien on and security interest in such assets, which shall immediately attach to such assets and be effective, binding and enforceable against the District, its successors, purchasers of any of such assets, creditors and all others asserting rights therein, to the extent set forth in, and in accordance with, this Indenture, irrespective of whether those parties have notice of the pledge of, lien on and security interest in such assets and without the need for any physical delivery, recordation, filing or further act. Pursuant to the Act and this Indenture, the Bonds and any Parity Bonds shall be equally payable from the Net Special Taxes and other amounts in the Special Tax Fund, without priority for number, date of the Bonds or Parity Bonds, date of sale, date of execution, or date of delivery, and the payment of the interest on and principal of the Bonds and any Parity Bonds and any premiums upon the redemption thereof, shall be exclusively paid from the Net Special Taxes and other amounts in the Special Tax Fund, which are hereby set aside for the payment of the Bonds and any Parity Bonds. Amounts in the Special Tax Fund shall constitute a trust fund held for the benefit of the Owners to be applied to the payment of the interest on and principal of the Bonds and any Parity Bonds and so long as any of the Bonds and any Parity Bonds or interest thereon remain Outstanding shall not be used for any other purpose, except as permitted by this Indenture or any Supplemental Indenture. Notwithstanding any provision contained in this Indenture to the contrary, Net Special Taxes deposited in the Rebate Fund and the Surplus Fund shall no longer be considered to be pledged to the Bonds or any Parity Bonds, and none of the Rebate Fund, the Surplus Fund or the Administrative Expense Fund shall be construed as a trust fund held for the benefit of the Owners.

Nothing in this Indenture or any Supplemental Indenture shall preclude; (a) subject to the limitations herein, the redemption prior to maturity of any Bonds or Parity Bonds subject to call and redemption and payment of said Bonds or Parity Bonds from proceeds of refunding bonds issued under the Act as the same now exists or as hereafter amended, or under any other law of the State of California; or (b) the issuance, subject to the limitations contained herein, of Parity Bonds which shall be payable from Net Special Taxes.

Section 2.4 Description of Bonds; Interest Rates. The Bonds and any Parity Bonds shall be issued in fully registered form in denominations of \$5,000 or any integral multiple thereof. The Bonds and any Parity Bonds of each issue shall be numbered as desired by the underwriter.

The Bonds shall be designated “CITY OF BEAUMONT COMMUNITY FACILITIES DISTRICT NO. 93-1 (IMPROVEMENT AREA NO. 17B) 2020 SPECIAL TAX REFUNDING BONDS.” The Bonds shall be dated as of their Delivery Date and shall mature and be payable on September 1 in the years and in the aggregate principal amounts and shall be subject to and shall bear interest at the rates set forth in the table below payable on March 1, 2021 and each Interest Payment Date thereafter:

Maturity Date
(September 1)

Principal Amount

Interest Rate

Interest shall be payable on each Bond and Parity Bond from the date established in accordance with Section 2.5 below on each Interest Payment Date thereafter until the principal sum of that Bond or Parity Bond has been paid; provided, however, that if at the maturity date of any Bond funds are available for the payment or redemption thereof in full, in accordance with the terms of this Indenture, such Bonds and Parity Bonds shall then cease to bear interest. Interest due on the Bonds and Parity Bonds shall be calculated on the basis of a 360-day year comprised of twelve 30-day months.

Section 2.5 Place and Form of Payment. The Bonds and Parity Bonds shall be payable both as to principal and interest, and as to any premiums upon the redemption thereof, in lawful money of the United States of America. The principal of the Bonds and Parity Bonds and any premiums due upon the redemption thereof shall be payable upon presentation and surrender thereof at the Principal Office of the Trustee, or at the designated office of any successor Trustee. Interest on any Bond shall be payable from the Interest Payment Date next preceding the date of authentication of that Bond, unless (i) such date of authentication is an Interest Payment Date in which event interest shall be payable from such date of authentication, (ii) the date of authentication is after a Record Date but prior to the immediately succeeding Interest Payment Date, in which event interest shall be payable from the Interest Payment Date immediately succeeding the date of authentication, or (iii) the date of authentication is prior to the close of business on the first Record Date occurring after the issuance of such Bond or Parity Bond, in which event interest shall be payable from the dated date of such Bond or Parity Bond; provided, however, that if at the time of authentication of such Bond or Parity Bond, interest is in default, interest on that Bond or Parity Bond shall be payable from the last Interest Payment Date to which the interest has been paid or made available for payment or, if no interest has been paid or made available for payment on that Bond or Parity Bond, interest on that Bond or Parity Bond shall be payable from its dated date. Interest on any Bond or Parity Bond shall be paid to the person whose name shall appear in the Bond Register as the Owner of such Bond or Parity Bond as of the close of business on the Record Date. Such interest shall be paid by check of the Trustee mailed on the applicable Interest Payment Date by first class mail, postage prepaid, to such Bondowner at his or her address as it appears on the Bond Register. In addition, upon a request in writing received by the Trustee on or before the applicable Record Date from an Owner of \$1,000,000 or more in principal amount of the Bonds, payment shall be made on

the Interest Payment Date by wire transfer in immediately available funds to an account designated by such Owner.

Section 2.6 Form of Bonds and Parity Bonds. The definitive Bonds shall be typewritten. The Bonds and the certificate of authentication shall be substantially in the form attached hereto as Exhibit A, which forms are hereby approved and adopted as the forms of such Bonds and any Parity Bonds and of the certificate of authentication.

Notwithstanding any provision in this Indenture to the contrary, the District may, in its sole discretion, elect to issue the Bonds and any Parity Bonds in book entry form.

Until definitive Bonds or Parity Bonds shall be prepared, the District may cause to be executed and delivered in lieu of such definitive Bonds or Parity Bonds temporary bonds in typed, printed, lithographed or engraved form and in fully registered form, subject to the same provisions, limitations and conditions as are applicable in the case of definitive Bonds or Parity Bonds, except that they may be in any denominations authorized by the District. Until exchanged for definitive Bonds or Parity Bonds, any temporary bond shall be entitled and subject to the same benefits and provisions of this Indenture as definitive Bonds and Parity Bonds. If the District issues temporary Bonds, it shall execute and furnish definitive Bonds or Parity Bonds, as applicable, without unnecessary delay and thereupon any temporary Bond or Parity Bond may be surrendered to the Trustee at its office, without expense to the Owner, in exchange for a definitive Bond or Parity Bond of the same issue, maturity, interest rate and principal amount in any authorized denomination. All temporary Bonds and Parity Bonds so surrendered shall be cancelled by the Trustee and shall not be reissued.

Section 2.7 Execution and Authentication. The Bonds and Parity Bonds shall be signed on behalf of the District by the manual or facsimile signature of the Mayor and by the manual or facsimile signature of the City Clerk, or any duly appointed deputy clerk, in their capacity as officers of the District, and the seal of the District (or a facsimile thereof) shall be impressed, imprinted, engraved or otherwise reproduced thereon, and attested by the signature of the City Clerk. In case any one or more of the officers who shall have signed or sealed any of the Bonds or Parity Bonds shall cease to be such officer before the Bonds or Parity Bonds so signed and sealed have been authenticated and delivered by the Trustee (including new Bonds or Parity Bonds delivered pursuant to the provisions hereof with reference to the transfer and exchange of Bonds or Parity Bonds or to lost, stolen, destroyed or mutilated Bonds), such Bonds or Parity Bonds shall nevertheless be valid and may be authenticated and delivered as herein provided, and may be issued as if the person who signed or sealed such Bonds had not ceased to hold such office.

Only the Bonds or Parity Bonds as shall bear thereon such certificate of authentication in the form set forth in Exhibit A attached hereto shall be entitled to any right or benefit under this Indenture, and no Bond or Parity Bond shall be valid or obligatory for any purpose until such certificate of authentication shall have been duly executed by the Trustee.

Section 2.8 Bond Register. The Trustee will keep or cause to be kept, at its office, sufficient books for the registration and transfer of the Bonds and any Parity Bonds which shall upon reasonable prior notice be open to inspection by the District during all regular business hours, and, subject to the limitations set forth in Section 2.9 below, upon presentation for such purpose, the Trustee shall, under such reasonable regulations as it may prescribe, with reasonable notice, register

or transfer or cause to be transferred on said Bond Register, Bonds and any Parity Bonds as herein provided.

The District and the Trustee may treat the Owner of any Bond or Parity Bond whose name appears on the Bond Register as the absolute Owner of that Bond or Parity Bond for any and all purposes, and the District and the Trustee shall not be affected by any notice to the contrary. The District and the Trustee may rely on the address of the Bondowner as it appears in the Bond Register for any and all purposes. It shall be the duty of the Bondowner to give written notice to the Trustee of any change in the Bondowner's address so that the Bond Register may be revised accordingly.

Section 2.9 Registration of Exchange or Transfer. Subject to the limitations set forth in the following paragraph, the registration of any Bond or Parity Bond may, in accordance with its terms, be transferred upon the Bond Register by the person in whose name it is registered, in person or by his or her duly authorized attorney, upon surrender of such Bond or Parity Bond for cancellation at the office of the Trustee, accompanied by delivery of written instrument of transfer in a form acceptable to the Trustee and duly executed by the Bondowner or his or her duly authorized attorney.

Bonds or Parity Bonds may be exchanged at the office of the Trustee for a like aggregate principal amount of Bonds or Parity Bonds for other authorized denominations of the same maturity and issue. The Trustee shall not collect from the Owner any charge for any new Bond or Parity Bond issued upon any exchange or transfer, but shall require the Bondowner requesting such exchange or transfer to pay any tax or other governmental charge required to be paid with respect to such exchange or 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 District. Whenever any Bonds or Parity Bonds shall be surrendered for registration of transfer or exchange, the District shall execute and the Trustee shall authenticate and deliver a new Bond or Bonds or a new Parity Bond or Parity Bonds, as applicable, of the same issue and maturity, for a like aggregate principal amount; provided that the Trustee shall not be required to register transfers or make exchanges of (i) Bonds or Parity Bonds for a period of 15 days next preceding any selection of the Bonds or Parity Bonds to be redeemed, or (ii) any Bonds or Parity Bonds chosen for redemption.

Notwithstanding the foregoing, neither the Authority nor the Trustee shall sell, transfer or encumber or permit the sale, transfer or encumbrance of any of the Bonds unless the Insurer shall have provided its prior consent.

Section 2.10 Mutilated, Lost, Destroyed or Stolen Bonds or Parity Bonds. If any Bond or Parity Bond shall become mutilated, the District shall execute, and the Trustee shall authenticate and deliver, a new Bond or Parity Bond of like tenor, date, issue and maturity in exchange and substitution for the Bond or Parity Bond so mutilated, but only upon surrender to the Trustee of the Bond or Parity Bond so mutilated. Every mutilated Bond or Parity Bond so surrendered to the Trustee shall be cancelled by the Trustee pursuant to Section 10.1 hereof. If any Bond or Parity Bond shall be lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the Trustee and, if such evidence is satisfactory to the Trustee and, if any indemnity satisfactory to the Trustee shall be given, the District shall execute and the Trustee shall authenticate and deliver, a new Bond or Parity Bond, as applicable, of like tenor, maturity and issue, numbered and dated as the Trustee shall determine in lieu of and in substitution for the Bond or Parity Bond so lost, destroyed or stolen. Any Bond or Parity Bond issued in lieu of any Bond or Parity Bond alleged to be mutilated, lost, destroyed or stolen, shall be equally and proportionately entitled to the benefits hereof with all

other Bonds or Parity Bonds issued hereunder. The Trustee shall not treat both the original Bond or Parity Bond and any replacement Bond or Parity Bond as being Outstanding for the purpose of determining the principal amount of Bonds or Parity Bonds which may be executed, authenticated and delivered hereunder or for the purpose of determining any percentage of Bonds or Parity Bonds Outstanding hereunder, but both the original and replacement Bond or Parity Bond shall be treated as one and the same. Notwithstanding any other provision of this Section, in lieu of delivering a new Bond or Parity Bond which has been mutilated, lost, destroyed or stolen, and which has matured, the Trustee may make payment with respect to such Bonds or Parity Bonds.

Section 2.11 Validity of Bonds and Parity Bonds. The validity of the authorization and issuance of the Bonds and any Parity Bonds shall not be affected in any way by any defect in any proceedings taken by the District for the refunding of the Prior Bonds, and the recital contained in the Bonds or any Parity Bonds that the same are issued pursuant to the Act and other applicable laws of the State shall be conclusive evidence of their validity and of the regularity of their issuance.

ARTICLE III

CREATION OF FUNDS AND APPLICATION OF PROCEEDS

Section 3.1 Creation of Funds; Application of Proceeds.

(a) There is hereby created and established and shall be maintained by the Trustee the following funds and accounts:

(i) The Community Facilities District No. 93-1 Special Tax Fund (the “Special Tax Fund”) (in which there shall be established and created an Interest Account, a Principal Account and a Redemption Account);

(ii) The Community Facilities District No. 93-1 Administrative Expense Fund (the “Administrative Expense Fund”); and

(iii) The Community Facilities District No. 93-1 Surplus Fund (the “Surplus Fund”).

The amounts on deposit in the foregoing funds and accounts shall be held by the Trustee on behalf of the District and shall be invested and disbursed in accordance with the provisions of this Article 3. The investment earnings thereon shall be disbursed in accordance with the provisions of Section 3.7 hereof.

(b) Proceeds from the sale of the Bonds in the amount of \$_____ (constituting the par amount of the Bonds, less Underwriter’s Discount of \$_____) shall be received by the Trustee, together with moneys held by the Prior Trustee under the Prior Indenture in the amount of \$_____ and deposited or transferred in the case of moneys held by the Prior Trustee on the Delivery Date as follows:

(i) \$_____ of the proceeds of the sale of the Bonds shall be transferred to the Escrow Agent for deposit in the escrow fund created under the Escrow Agreement, and the moneys in said fund shall be used only for the payment of the principal of, and interest and premium on, the outstanding Prior Bonds in accordance with the terms of the Escrow Agreement,

(ii) \$_____ of the proceeds of the sale of the Bonds representing the District's share of the Costs of Issuance shall be immediately transferred to the Authority Trustee for deposit in the Cost of Issuance Fund (as such term is defined in the Authority Indenture).

The Trustee may, in its discretion, establish a temporary fund or account in its books and records to facilitate such transfers.

Section 3.2 Deposits to and Disbursements from Special Tax Fund.

(a) The Trustee shall deposit Gross Special Taxes representing Delinquency Proceeds as follows:

(i) the amount representing past due interest on the Bonds shall be deposited to the Interest Account of the Special Tax Fund; and

(ii) the amount representing past due principal of the Bonds shall be deposited to the Principal Account of the Special Tax Fund.

(b) Except for the portion of any Prepayment to be deposited to the Redemption Account, the District shall, as soon as practicable but in no event later than five (5) Business Days after the District has received a written request from the Trustee, transfer the Special Taxes received by the District to the Trustee for deposit in the Special Tax Fund to be held by the Trustee in trust for the Owners. The Trustee shall transfer the Special Taxes on deposit in the Special Tax Fund on the dates and in the amounts set forth in the following Sections, in the following order of priority, to:

(i) the Administrative Fund an amount up to the Priority Administrative Expenses for such Fiscal Year in accordance with Section 3.3 herein;

(ii) the Interest Account of the Special Tax Fund the amount necessary to cause the balance on deposit therein to be equal to the interest on the Bonds and any Parity Bonds payable on the next succeeding Interest Payment Date;

(iii) the Principal Account of the Special Tax Fund the amount necessary to cause the balance on deposit therein to be equal to the principal amount of the Bonds and any Parity Bonds and/or the sinking fund payment payable on the next succeeding September 1;

(iv) transfer to the Authority Trustee for deposit in the Reserve Account the amount necessary to cause the balance on deposit therein to equal the District's Proportionate Share of the Reserve Requirement or to reimburse the Insurer pursuant to the Authority Indenture for amounts owed to the Insurer for draws under the Reserve Policy related to the Bonds;

(v) the Redemption Account of the Special Tax Fund; and

(vi) the Surplus Fund.

At least ten (10) Business Days prior to each Interest Payment Date, the Trustee shall notify the District in writing the amount of Special Taxes required to pay the principal of and interest on the Bonds and any Parity Bonds on the next succeeding Interest Payment Date and the amount necessary to cause the balance on deposit in the Reserve Account to equal the District's Proportionate Share of the Reserve Requirement. The Trustee shall notify the Authority Trustee and the Insurer at least five

(5) Business Days prior to each Interest Payment Date if there is not on deposit with the Trustee, after making all of the transfers required hereunder, moneys sufficient to pay the principal of and interest on the Bonds and any Parity Bonds.

Section 3.3 Administrative Expense Fund. The Trustee shall transfer from the Special Tax Fund and deposit in the Administrative Expense Fund from time to time amounts necessary to make timely payment of Administrative Expenses as set forth in a Certificate of an Authorized Representative. Moneys in the Administrative Expense Fund may be invested in any Authorized Investments as directed in writing by an Authorized Representative of the District and shall be disbursed as directed in a Certificate of an Authorized Representative.

Section 3.4 Interest Account and Principal Account of the Special Tax Fund. The principal of and interest due on the Bonds and any Parity Bonds until maturity, other than principal due upon redemption, shall be paid by the Trustee from the Principal Account and the Interest Account of the Special Tax Fund, respectively. For the purpose of assuring that the payment of principal of and interest on the Bonds and any Parity Bonds will be made when due, after making the transfer required by Section 3.3, at least five Business Days prior to each March 1 and September 1, the Trustee shall make the following transfers from the Special Tax Fund first to the Interest Account and then to the Principal Account; provided, however, that to the extent that deposits have been made in the Interest Account or the Principal Account from the proceeds of the sale of an issue of the Bonds, any Parity Bonds, or otherwise, the transfer from the Special Tax Fund need not be made. At least three (3) Business Days prior to an Interest Payment Date, the Trustee shall notify the Authority and the Trustee if there are insufficient funds to provide for the payment of principal and interest due on the Bonds and any Parity Bonds on such Interest Payment Date.

Section 3.5 Redemption Account of the Special Tax Fund.

(a) After making the transfers and deposits required by Sections 3.3 and 3.4 above, and in accordance with the District's election to call Bonds for optional redemption as set forth in Section 4.1(a) hereof, or to call Parity Bonds for optional redemption as set forth in any Supplemental Indenture for Parity Bonds, the Trustee shall transfer from the Special Tax Fund and deposit in the Redemption Account moneys available for the purpose and sufficient to pay the principal and the premiums, if any, payable on the Bonds or Parity Bonds called for optional redemption; provided, however, that amounts in the Special Tax Fund may be applied to optionally redeem Bonds and Parity Bonds only if immediately following such redemption the amount in the Reserve Account will equal the District's Proportionate Share of the Reserve Requirement, as determined by the District.

(b) Prepayments deposited to the Redemption Account shall be applied on the redemption date established pursuant to Section 4.1(b) hereof for the use of such Prepayments to the payment of the principal of, premium, and interest on the Bonds and Parity Bonds to be redeemed with such Prepayments.

(c) Moneys set aside in the Redemption Account shall be used solely for the purpose of redeeming Bonds and Parity Bonds and shall be applied on or after the redemption date to the payment of principal of and premium, if any, on the Bonds or Parity Bonds to be redeemed upon presentation and surrender of such Bonds or Parity Bonds and in the case of an optional redemption or an extraordinary redemption from Prepayments to pay the interest thereon; provided, however, that in lieu or partially in lieu of such call and redemption, moneys deposited in the Redemption

Account, other than Prepayments, may be used to purchase Outstanding Bonds or Parity Bonds in the manner hereinafter provided. Purchases of Outstanding Bonds or Parity Bonds may be made by the District at public or private sale as and when and at such prices as the District may in its discretion determine but only at prices (including brokerage or other expenses) not more than par plus accrued interest, plus, in the case of moneys set aside for an optional redemption, the premium applicable at the next following call date according to the premium schedule established pursuant to Section 4.1(a) hereof, or in the case of Parity Bonds the premium established in any Supplemental Indenture. Any accrued interest payable upon the purchase of Bonds or Parity Bonds may be paid from the amount reserved in the Interest Account of the Special Tax Fund for the payment of interest on the next following Interest Payment Date.

Section 3.6 Surplus Fund. After making the transfers required by Sections 3.3, 3.4 and 3.5 hereof, as soon as practicable after each September 1, and in any event prior to each October 1, the Trustee shall transfer all remaining amounts in the Special Tax Fund to the Surplus Fund, unless on or prior to such date, it has received a Certificate of an Authorized Representative directing that certain amounts be retained in the Special Tax Fund because the District has included such amounts as being available in the Special Tax Fund in calculating the amount of the levy of Special Taxes for such Fiscal Year pursuant to Section 5.2(b) hereof. Moneys deposited in the Surplus Fund will be transferred by the Trustee at the direction of an Authorized Representative of the City (i) to the Interest Account, the Principal Account or the Redemption Account of the Special Tax Fund to pay the principal of, including sinking fund payments, premium, if any, and interest on the Bonds and any Parity Bonds when due in the event that moneys in the Special Tax Fund and the Reserve Account are insufficient therefor, (ii) to the Reserve Account in order to replenish the Reserve Account to the District's Proportionate Share of the Reserve Requirement, (iii) to the Administrative Expense Fund to pay Administrative Expenses to the extent that the amounts on deposit in the Administrative Expense Fund are insufficient to pay Administrative Expenses, (iv) for any other lawful purpose of the District.

The amounts in the Surplus Fund are not pledged to the repayment of the Bonds or the Parity Bonds and may be used by the District for any lawful purpose. In the event that the District reasonably expects to use any portion of the moneys in the Surplus Fund to pay debt service on any Outstanding Bonds or Parity Bonds, the District will notify the Trustee in a Certificate of an Authorized Representative and the Trustee will segregate such amount into a separate subaccount and the moneys on deposit in such subaccount of the Surplus Fund shall be invested at the written direction of the District in Authorized Investments the interest on which is excludable from gross income under Section 103 of the Code (other than bonds the interest on which is a tax preference item for purposes of computing the alternative minimum tax of individuals and corporations under the Code) or in Authorized Investments at a yield not in excess of the yield on the issue of Bonds or Parity Bonds to which such amounts are to be applied, unless, in the opinion of Bond Counsel, investment at a higher yield will not adversely affect the exclusion from gross income for federal income tax purposes of interest on the Bonds or any Parity Bonds which were issued on a tax-exempt basis for federal income tax purposes.

Section 3.7 Investments. Moneys held in any of the Accounts under this Indenture shall be invested by the Trustee or the District, as applicable, in accordance with the limitations set forth below only in Authorized Investments which shall be deemed at all times to be a part of such Accounts. Any loss resulting from such Authorized Investments shall be credited or charged to the Account from which such investment was made, and any investment earnings on amounts deposited in the Special Tax Fund, and each Account therein, and of the Surplus Fund shall be deposited in

those respective Funds and Accounts. Moneys in the Accounts held under this Indenture may be invested by the District or the Trustee as directed in writing by the District, as applicable, from time to time, in Authorized Investments subject to the following restrictions:

(a) Moneys in the Interest Account, the Principal Account, and the Redemption Account of the Special Tax Fund shall be invested only in Authorized Investments which will by their terms mature, or are available for withdrawal without penalty, on such dates so as to ensure the payment of principal of, premium, if any, and interest on the Bonds as the same become due.

(b) In the absence of written investment directions from the District, the Trustee shall hold moneys hereunder uninvested.

The District or the Trustee, as applicable, shall sell, or present for redemption, any Authorized Investment whenever it may be necessary to do so in order to provide moneys to meet any payment or transfer to such Accounts or from such Accounts to which such Authorized Investments is credited. For the purpose of determining at any given time the balance in any such Accounts, any such investments constituting a part of such Accounts shall be valued at the lower of the cost or the market value thereof, exclusive of accrued interest, semiannually. In making any valuations hereunder, the District or the Trustee, as applicable, may utilize such generally recognized pricing information services (including brokers and dealers in securities) as may be available to it, including, without limitation, those available through its regular accounting system, and conclusively rely thereon. Notwithstanding anything herein to the contrary, the District or the Trustee, as applicable, shall not be responsible for any loss from investments, sales or transfers undertaken in accordance with the provisions of this Indenture.

The Trustee or the District, as applicable, may act as principal or agent in the making or disposing of any investment. The Trustee or the District, as applicable, may sell, or present for redemption, any Authorized Investment so purchased whenever it shall be necessary to provide moneys to meet any required payment, transfer, withdrawal or disbursement from the fund or account to which such Authorized Investment is credited, and, the Trustee or the District, as applicable, shall not be liable or responsible for any loss resulting from such investment. For investment purposes, the Trustee or the District, as applicable, may commingle the funds and accounts established hereunder, but shall account for each separately.

The District acknowledges that, to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grant the District the right to receive brokerage confirmations of security transactions as they occur, at no additional cost, the District specifically waives receipt of such confirmations to the extent permitted by law. The Trustee will furnish the District periodic cash transaction statements which shall include detail for all investment transactions made by the Trustee hereunder. The Trustee and its affiliates may act as sponsor, advisor, depository, principal or agent in the holding, acquisition or disposition of any investment.

ARTICLE IV

REDEMPTION OF BONDS AND PARITY BONDS

Section 4.1 Redemption of Bonds.

(a) Optional Redemption. The Bonds maturing on or after September 1, 20__ may be redeemed, at the option of the District from any source of funds on any date on or after September 1, 20__, in whole, or in part from such maturities as are selected by the District and by lot within a maturity, at a redemption price of the principal amount to be redeemed, together with accrued interest to the date of redemption, without premium.

In the event the District elects to redeem Bonds as provided above, the District shall give written notice to the Trustee of its election to so redeem, the redemption date and the principal amount of the Bonds to be redeemed. The notice to the Trustee shall be given at least 60 but no more than 90 days prior to the redemption date, or by such later date as is acceptable to the Trustee, in its sole discretion. The Bonds may be redeemed pursuant to this Section 4.1(a) only with the prior consent of the Authority as set forth in the Authority Indenture.

Notwithstanding the foregoing, without the prior consent of the Insurer, the Bonds are not subject to optional redemption prior to maturity unless all of the then outstanding Local Obligations (as defined in the Authority Indenture) are redeemed at the same time.

(b) Extraordinary Redemption. The Bonds are subject to extraordinary redemption from Prepayments as a whole, or in part on a pro rata basis among maturities, on any Interest Payment Date, and shall be redeemed by the Trustee, from Prepayments deposited to the Redemption Account pursuant to Section 3.2 at the following redemption prices, expressed as a percentage of the principal amount to be redeemed, together with accrued interest to the redemption date:

Redemption Dates

Premium

For so long as the Bonds are held in trust by the Trustee, in connection with the calculation of such redemption price, the District shall receive a credit from the Authority from the reduction in the Reserve Requirement resulting from the redemption of the Bonds and the Authority Bonds so redeemed in connection therewith.

(a) Mandatory Sinking Fund Redemption. The Term Bonds maturing on September 1, 20__ shall be called before maturity and redeemed, from the sinking fund payments that have been deposited into the Principal Account, on September 1, 20__ and on each September 1 thereafter prior to maturity, in accordance with the schedule of sinking fund payments set forth below. The Term Bonds so called for redemption shall be selected by the Trustee by lot and shall be redeemed at a redemption price for each redeemed Term Bond equal to the principal amount thereof, plus accrued interest to the redemption date, without premium, as follows:

BONDS MATURING SEPTEMBER 1, 20__

Redemption Dates
(September 1)

Principal Amount

\$

(maturity)

(c) The redemption provisions for Parity Bonds shall be set forth in a Supplemental Indenture.

Section 4.2 Selection of Bonds and Parity Bonds for Redemption. If less than all of the Bonds or Parity Bonds Outstanding are to be redeemed, the portion of any Bond or Parity Bond of a denomination of more than \$5,000 to be redeemed shall be in the principal amount of \$5,000 or an integral multiple thereof. In selecting portions of such Bonds or Parity Bonds for redemption, the Trustee shall treat such Bonds or Parity Bonds, as applicable, as representing that number of Bonds or Parity Bonds of \$5,000 denominations which is obtained by dividing the principal amount of such Bonds or Parity Bonds to be redeemed in part by \$5,000, and such selection of Bonds for redemption shall be by lot. The procedure for the selection of Parity Bonds for redemption may be modified as set forth in the Supplemental Indenture for such Parity Bonds; otherwise, such selection shall be by lot. The Trustee shall promptly notify the District, in writing, of the Bonds or Parity Bonds, or portions thereof, selected for redemption.

Section 4.3 Reserved.

Section 4.4 Partial Redemption of Bonds or Parity Bonds. Upon surrender of any Bond or Parity Bond to be redeemed in part only, the District shall execute and the Trustee shall authenticate and deliver to the Bondowner, at the expense of the District, a new Bond or Bonds or a new Parity Bond or Parity Bonds of authorized denominations equal in aggregate principal amount to the unredeemed portion of the Bonds surrendered, with the same interest rate and the same maturity or, in the case of surrender of a Parity Bond, a new Parity Bond or Parity Bonds subject to the foregoing limitations.

Section 4.5 Availability of Redemption Money. The amount necessary for the redemption having been made available for that purpose and being available therefor on the date fixed for such redemption:

(a) The Bonds and Parity Bonds, or portions thereof, designated for redemption shall, on the date fixed for redemption, become due and payable at the redemption price thereof as provided in this Indenture or in any Supplemental Indenture with respect to any Parity Bonds, anything in this Indenture or in the Bonds or the Parity Bonds to the contrary notwithstanding;

(b) Upon presentation and surrender thereof at the Principal Office of the Trustee, the redemption price of such Bonds and Parity Bonds shall be paid to the Owners thereof;

(c) As of the redemption date the Bonds or the Parity Bonds, or portions thereof so designated for redemption shall be deemed to be no longer Outstanding and such Bonds or Parity Bonds, or portions thereof, shall cease to bear further interest; and

(d) As of the date fixed for redemption no Owner of any of the Bonds, Parity Bonds or portions thereof so designated for redemption shall be entitled to any of the benefits of this Indenture or any Supplemental Indenture, or to any other rights, except with respect to payment of the redemption price and interest accrued to the redemption date from the amounts so made available.

ARTICLE V

COVENANTS AND WARRANTY

Section 5.1 Warranty. The District shall preserve and protect the security pledged hereunder to the Bonds and any Parity Bonds against all claims and demands of all persons.

Section 5.2 Covenants. So long as any of the Bonds or Parity Bonds issued hereunder are Outstanding and unpaid, the District makes the following covenants with the Bondowners under the provisions of the Act and this Indenture (to be performed by the District or its proper officers, agents or employees), which covenants are necessary and desirable to secure the Bonds and Parity Bonds and tend to make them more marketable; provided, however, that said covenants do not require the District to expend any funds or moneys other than the Special Taxes and other amounts deposited to the Special Tax Fund:

(a) Punctual Payment; Against Encumbrances. The District covenants that it will receive all Special Taxes in trust for the Owners and will instruct the Treasurer of the District to deposit all Special Taxes with the Trustee immediately upon their apportionment to the District, and the District shall have no beneficial right or interest in the amounts so deposited except as provided by this Indenture. All such Special Taxes shall be disbursed, allocated and applied solely to the uses and purposes set forth herein, and shall be accounted for separately and apart from all other money, funds, accounts or other resources of the District.

The District covenants that it will duly and punctually pay or cause to be paid the principal of and interest on every Bond and Parity Bond issued hereunder, together with the premium, if any, thereon on the date, at the place and in the manner set forth in the Bonds and the Parity Bonds and in accordance with this Indenture to the extent that Net Special Taxes and other amounts pledged hereunder are available therefor, and that the payments into the Funds and Accounts created hereunder will be made, all in strict conformity with the terms of the Bonds, any Parity Bonds, and this Indenture, and that it will faithfully observe and perform all of the conditions, covenants and requirements of this Indenture and all Supplemental Indentures and of the Bonds and any Parity Bonds issued hereunder.

The District will not mortgage or otherwise encumber, pledge or place any charge upon any of the Net Special Taxes except as provided in this Indenture, and will not issue any obligation or security having a lien or charge upon the Net Special Taxes superior to or on a parity with the Bonds, other than Parity Bonds. Nothing herein shall prevent the District from issuing or incurring indebtedness which is payable from a pledge of Net Special Taxes which is subordinate in all respects to the pledge of Net Special Taxes to repay the Bonds and the Parity Bonds.

(b) Levy of Special Tax. So long as any Bonds or Parity Bonds issued under this Indenture are Outstanding, the legislative body of the District covenants to levy the Special Tax (taking into consideration reasonably anticipated delinquencies) in an amount sufficient, together with other amounts on deposit in the Special Tax Fund and available for such purpose, to pay (1) the principal of and interest on the Bonds and any Parity Bonds when due, (2) the Priority Administrative Expenses, and (3) any amounts required to replenish the Reserve Account resulting from the delinquency in the payment of scheduled debt service on the Bonds or any Parity Bonds (collectively, the “Special Tax Requirement”). The District further covenants that it will take no actions that would discontinue or cause the discontinuance of the Special Tax levy or the District’s authority to levy the Special Tax for so long as the Bonds and any Parity Bonds are Outstanding.

(c) Commence Foreclosure Proceedings. The District covenants for the benefit of the Owners of the Bonds and any Parity Bonds that it (i) will commence judicial foreclosure proceedings against parcels with delinquent Special Taxes in excess of \$2,500 by the October 1 following the close of each Fiscal Year in which such Special Taxes were due; and (ii) will commence judicial foreclosure proceedings against all parcels with delinquent Special Taxes by the October 1 following the close of each Fiscal Year in which it receives Special Taxes in an amount which is less than 95% of the total Special Tax levied and the amount on deposit in the Reserve Account is at less than the Reserve Requirement, and (iii) will diligently pursue such foreclosure proceedings until the delinquent Special Taxes are paid.

The District covenants that it will deposit the net proceeds of any foreclosure to the Special Tax Fund and will apply such proceeds remaining after the payment of Administrative Expenses to make current payments of principal and interest on the Bonds and any Parity Bonds, to bring the amount on deposit in the Reserve Account up to the Reserve Requirement and to pay any delinquent installments of principal or interest due on the Bonds and any Parity Bonds.

(d) Payment of Claims. The District will pay and discharge any and all lawful claims for labor, materials or supplies which, if unpaid, might become a lien or charge upon the Net Special Taxes or other funds in the Special Tax Fund, or which might impair the security of the Bonds or any Parity Bonds then Outstanding; provided that nothing herein contained shall require the District to make any such payments so long as the District in good faith shall contest the validity of any such claims.

(e) Books and Accounts. The District will keep proper books of records and accounts, separate from all other records and accounts of the District, in which complete and correct entries shall be made of all transactions relating to the Project, the levy of the Special Tax and the deposits to the Special Tax Fund. Such books of records and accounts shall at all times during business hours be subject to the inspection of the Trustee or of the Owners of not less than 10% of the principal amount of the Bonds or the Owners of not less than 10% of any issue of Parity Bonds then Outstanding or their representatives authorized in writing.

(f) Federal Tax Covenants. Notwithstanding any other provision of this Indenture, absent an opinion of Bond Counsel that the exclusion from gross income of interest on the Authority Bonds issued on a tax-exempt basis for federal income tax purposes will not be adversely affected for federal income tax purposes, the District covenants to comply with all applicable requirements of the Code necessary to preserve such exclusion from gross income and specifically covenants, without limiting the generality of the foregoing, as follows:

(i) Private Activity. The District will take no action or refrain from taking any action or make any use of the proceeds of the Bonds or any Parity Bonds or of any other moneys or property which would cause the Authority Bonds issued on a tax-exempt basis for federal income tax purposes to be “private activity bonds” within the meaning of Section 141 of the Code;

(ii) Arbitrage. The District will make no use of the proceeds of the Bonds or any Parity Bonds or of any other amounts or property, regardless of the source, or take any action or refrain from taking any action which will cause the Authority Bonds issued on a tax-exempt basis for federal income tax purposes to be “arbitrage bonds” within the meaning of Section 148 of the Code;

(iii) Federal Guaranty. The District will make no use of the proceeds of the Bonds or any Parity Bonds or take or omit to take any action that would cause the Authority Bonds issued on a tax-exempt basis for federal income tax purposes to be “federally guaranteed” within the meaning of Section 149(b) of the Code;

(iv) Hedge Bonds. The District will make no use of the proceeds of the Bonds or any Parity Bonds or any other amounts or property, regardless of the source, or take any action or refrain from taking any action that would cause the Authority Bonds issued on a tax-exempt basis for federal income tax purposes to be considered “hedge bonds” within the meaning of Section 149(g) of the Code unless the District takes all necessary action to assure compliance with the requirements of Section 149(g) of the Code to maintain the exclusion from gross income for federal income tax purposes of interest on the Authority Bonds; and

(v) Other Tax Exempt Issues. The District will not use proceeds of other tax exempt securities to redeem any Bonds or Parity Bonds without first obtaining the written opinion of Bond Counsel that doing so will not impair the exclusion from gross income for federal income tax purposes of interest on the Authority Bonds issued on a tax-exempt basis.

(g) Reduction of Maximum Special Taxes. The District hereby finds and determines that, historically, delinquencies in the payment of special taxes authorized pursuant to the Act in community facilities districts in Southern California have from time to time been at levels requiring the levy of special taxes at the maximum authorized rates in order to make timely payment of principal of and interest on the outstanding indebtedness of such community facilities districts. For this reason, the District hereby determines that a reduction in the maximum Special Tax rates authorized to be levied on parcels in the Improvement Area below the levels provided in this Section 5.2(g) would interfere with the timely retirement of the Bonds and Parity Bonds. The District determines it to be necessary in order to preserve the security for the Bonds and Parity Bonds to covenant, and, to the maximum extent that the law permits it to do so, the District hereby does covenant, that it shall not initiate proceedings to reduce the maximum Special Tax rates for the District, unless, in connection therewith, (i) the District receives a certificate from one or more Independent Financial Consultants which, when taken together, certify that, on the basis of the parcels of land and improvements existing in the Improvement Area as of the July 1 preceding the reduction, the maximum amount of the Special Tax which may be levied on then existing taxable property in each Bond Year for any Bonds and Parity Bonds Outstanding will equal at least the sum of the Priority Administrative Expenses for such Bond Year plus 110% of the gross debt service in such Bond Year on all Bonds and Parity Bonds to remain Outstanding after the reduction is approved, (ii) the District finds that any reduction made under such conditions will not adversely

affect the interests of the Owners of the Bonds and Parity Bonds, and (iii) the District is not delinquent in the payment of the principal of or interest on the Bonds or any Parity Bonds.

(h) Covenants to Defend. The District covenants that, in the event that any initiative is adopted by the qualified electors in the Improvement Area which purports to reduce the minimum or the maximum Special Tax below the levels specified in Section 5.2(g) above or to limit the power of the District to levy the Special Taxes for the purposes set forth in Section 5.2(b) above, it will commence and pursue legal action in order to preserve its ability to comply with such covenants.

(i) Limitation on Right to Tender Bonds. The District hereby covenants that it will not adopt any policy pursuant to Section 53344.1 of the Act permitting the tender of Bonds or Parity Bonds in full payment or partial payment of any Special Taxes unless the District shall have first received a certificate from an Independent Financial Consultant that the acceptance of such a tender will not result in the District having insufficient Special Tax revenues to pay the principal of and interest on the Bonds and Parity Bonds when due.

(j) Further Assurances. The District shall make, execute and deliver any and all such further agreements, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of this Indenture and for the better assuring and confirming unto the Owners of the Bonds and any Parity Bonds of the rights and benefits provided in this Indenture.

(k) Subordinate Debt. Any indebtedness of the District evidenced by any subordinated debt and any renewals or extensions thereof (herein called "Subordinated Indebtedness"), shall at all times be wholly subordinate and junior in right of payment to any and all indebtedness of the District under this Indenture (herein called "Superior Indebtedness"). Following an event of default under this Indenture, no Subordinated Indebtedness shall be paid prior to any Superior Indebtedness in any fiscal year of the District. If the holder of the Subordinated Indebtedness is a commercial bank, savings bank, savings and loan association or other financial institution which is authorized by law to accept and hold deposits of money or issue certificates of deposit, such holder must agree to waive any common law or statutory right of setoff with respect to any deposits of the District maintained with or held by such holder.

(l) Pledged Net Special Taxes. The District represents it has not heretofore made a pledge of, granted a lien on or security interest in, or made an assignment or sale of the Net Special Taxes that ranks on a parity with or prior to the pledge granted under this Indenture. The District, except as may be provided otherwise in this Indenture, shall not hereafter make any pledge or assignment of, lien on, or security interest in the Net Special Taxes payable senior to or on a parity with the pledge of Net Special Taxes established under this Indenture.

ARTICLE VI

AMENDMENTS TO INDENTURE

Section 6.1 Supplemental Indentures or Orders Not Requiring Bondowner Consent.

The District may from time to time, and at any time, without notice to or consent of any of the Bondowners (except as otherwise provided in this Section 6.1), adopt Supplemental Indentures for any of the following purposes:

(a) to cure any ambiguity, to correct or supplement any provisions herein which may be inconsistent with any other provision herein, or to make any other provision with respect to matters or questions arising under this Indenture or in any Supplemental Indenture, provided that such action is not materially adverse to the interests of the Bondowners, as evidenced by the opinion of counsel delivered pursuant to Section 6.4 hereof;

(b) to add to the covenants and agreements of and the limitations and the restrictions upon the District contained in this Indenture, other covenants, agreements, limitations and restrictions to be observed by the District which are not contrary to or inconsistent with this Indenture as theretofore in effect or which further secure Bond or Parity Bond payments;

(c) to provide for the issuance of any Parity Bonds (which may be issued for refunding purposes only), and to provide the terms and conditions under which such Parity Bonds may be issued, subject to and in accordance with the provisions of this Indenture;

(d) 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, or to comply with the Code or regulations issued thereunder, and to add such other terms, conditions and provisions as may be permitted by said act or similar federal statute, and which shall not materially adversely affect the interests of the Owners of the Bonds or any Parity Bonds then Outstanding, as evidenced by the opinion of counsel delivered pursuant to Section 6.4 hereof; or

(e) to modify, alter or amend the rate and method of apportionment of the Special Taxes in any manner so long as such changes do not reduce the maximum Special Taxes that may be levied in each year on property within the Improvement Area to an amount which is less than the sum of the Priority Administrative Expenses for such Bond Year plus 110% of the gross debt service in such Bond Year on all Bonds and Parity Bonds to remain Outstanding as of the date of such amendment, as certified to the Trustee by an Authorized Representative of the City; or

(f) to modify, alter, amend or supplement this Indenture in any other respect which is not materially adverse to the Bondowners or adverse to the rights and interest of the Insurer, as evidenced by the opinion of counsel delivered pursuant to Section 6.4 hereof.

Section 6.2 Supplemental Indentures or Orders Requiring Bondowner Consent.

Exclusive of the Supplemental Indentures described in Section 6.1, the Owners of not less than a majority in aggregate principal amount of the Bonds and Parity Bonds Outstanding shall have the right to consent to and approve the adoption by the District of such Supplemental Indentures as shall be deemed necessary or desirable by the District, for the purpose of waiving, modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in this Indenture; provided, however, that nothing herein shall permit, or be construed as permitting, (a) an extension of the maturity date of the principal, or the payment date of interest on, any Bond or Parity Bond, (b) a reduction in the principal amount of, or redemption premium on, any Bond or Parity Bond or the rate of interest thereon, (c) a preference or priority of any Bond or Parity Bond over any other Bond or Parity Bond, or (d) a reduction in the aggregate principal amount of the Bonds and Parity Bonds the Owners of which are required to consent to such Supplemental Indenture, without the consent of the Owners of all Bonds and Parity Bonds then Outstanding.

If at any time the District shall desire to adopt a Supplemental Indenture, which pursuant to the terms of this Section shall require the consent of the Bondowners, the District shall so notify the Trustee and shall deliver to the Trustee a copy of the proposed Supplemental Indenture. The Trustee shall, at the expense of the District, cause notice of the proposed Supplemental Indenture to be mailed, by first class mail, postage prepaid, to all Bondowners at their addresses as they appear in the Bond Register. Such notice shall briefly set forth the nature of the proposed Supplemental Indenture and shall state that a copy thereof is on file at the office of the Trustee for inspection by all Bondowners. The failure of any Bondowners to receive such notice shall not affect the validity of such Supplemental Indenture when consented to and approved by the Owners of not less than a majority in aggregate principal amount of the Bonds and Parity Bonds Outstanding as required by this Section. Whenever at any time within one year after the date of the first mailing of such notice, the Trustee shall receive an instrument or instruments purporting to be executed by the Owners of not less than a majority in aggregate principal amount of the Bonds and Parity Bonds Outstanding, which instrument or instruments shall refer to the proposed Supplemental Indenture described in such notice, and shall specifically consent to and approve the adoption thereof by the District substantially in the form of the copy referred to in such notice as on file with the Trustee, such proposed Supplemental Indenture, when duly adopted by the District, shall thereafter become a part of the proceedings for the issuance of the Bonds and any Parity Bonds. In determining whether the Owners of a majority of the aggregate principal amount of the Bonds and Parity Bonds have consented to the adoption of any Supplemental Indenture, Bonds or Parity Bonds which are owned by the District or by any person directly or indirectly controlling or controlled by or under the direct or indirect common control with the District, shall be disregarded and shall be treated as though they were not Outstanding for the purpose of any such determination; except that in determining whether the Trustee shall be protected in relying upon any such approval or consent of an Owner, only Bonds which the Trustee actually knows to be owned by the District, or by any person directly or indirectly controlling or controlled by or under the direct or indirect common control with the District, shall be disregarded unless all Bonds are so owned, in which case such Bonds shall be considered Outstanding for the purpose of such determination.

Upon the adoption of any Supplemental Indenture and the receipt of consent to any such Supplemental Indenture from the Owners of not less than a majority in aggregate principal amount of the Outstanding Bonds and Parity Bonds in instances where such consent is required pursuant to the provisions of this section, this Indenture shall be, and shall be deemed to be, modified and amended in accordance therewith, and the respective rights, duties and obligations under this Indenture of the District and all Owners of Outstanding Bonds and Parity Bonds shall thereafter be determined, exercised and enforced hereunder, subject in all respects to such modifications and amendments.

The Trustee may in its discretion, but shall not be obligated to, enter into any such Supplemental Indenture authorized by Sections 6.1 and 6.2 which affects the Trustee's own rights, duties or immunities under this Indenture or otherwise.

Section 6.3 Notation of Bonds or Parity Bonds; Delivery of Amended Bonds or Parity Bonds. After the effective date of any action taken as hereinabove provided, the District may determine that the Bonds or any Parity Bonds may bear a notation, by endorsement in form approved by the District, as to such action, and in that case upon demand of the Owner of any Outstanding Bond or Parity Bond at such effective date and presentation of his Bond or Parity Bond 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 as to such action shall be made on such Bonds or Parity Bonds. If the District shall so determine, new Bonds or Parity Bonds so modified as, in the opinion

of the District, shall be necessary to conform to such action shall be prepared and executed, and in that case upon demand of the Owner of any Outstanding Bond or Parity Bond at such effective date such new Bonds or Parity Bonds shall be exchanged at the office of the Trustee or at such additional offices as the Trustee may select and designate for that purpose, without cost to each Owner of Outstanding Bonds or Parity Bonds, upon surrender of such Outstanding Bonds or Parity Bonds.

Section 6.4 Execution of Supplemental Indentures. In executing, or accepting the additional trusts created by, any supplemental indenture permitted by this Article or the modification thereby of the trusts created by this Indenture, the Trustee shall be entitled to receive, and shall be fully protected in relying upon, an opinion of Bond Counsel stating that the execution of such supplemental indenture is authorized or permitted by this Indenture and complies with the terms hereof. The Trustee may, but shall not be obligated to, enter into any such supplemental indenture which affects the Trustee's own rights, duties or immunities under this Indenture or otherwise.

ARTICLE VII

TRUSTEE

Section 7.1 Trustee. Wilmington Trust, National Association shall be the Trustee for the Bonds and any Parity Bonds unless and until another Trustee is appointed by the District hereunder. The District may, at any time, appoint a successor Trustee satisfying the requirements of Section 7.2 below for the purpose of receiving all money which the District is required to deposit with the Trustee hereunder and to allocate, use and apply the same as provided in this Indenture; provided, however, that the Trustee shall be at all times the same entity as the Authority Trustee.

The Trustee is hereby authorized to and shall mail by first class mail, postage prepaid, or wire transfer in accordance with Section 2.5 above, interest payments to the Bondowners, to select Bonds and Parity Bonds for redemption, and to maintain the Bond Register. The Trustee is hereby authorized to pay the principal of and premium, if any, on the Bonds and Parity Bonds when the same are duly presented to it for payment at maturity or on call and redemption, to provide for the registration of transfer and exchange of Bonds and Parity Bonds presented to it for such purposes, to provide for the cancellation of Bonds and Parity Bonds all as provided in this Indenture, and to provide for the authentication of Bonds and Parity Bonds, and shall perform all other duties assigned to or imposed on it as provided in this Indenture. The Trustee shall keep accurate records of all funds administered by it and all Bonds and Parity Bonds paid, discharged and cancelled by it.

The Trustee is hereby authorized to redeem the Bonds and Parity Bonds when duly presented for payment at maturity, or on redemption prior to maturity. The Trustee shall cancel all Bonds and Parity Bonds upon payment thereof in accordance with the provisions of Section 10.1 hereof.

The District shall from time to time, subject to any agreement between the District and the Trustee then in force, pay to the Trustee compensation for its services, reimburse the Trustee for all its advances and expenditures, including, but not limited to, advances to and fees and expenses of independent accountants or counsel employed by it in the exercise and performance of its powers and duties hereunder, and indemnify and save the Trustee, its officers, directors, employees and agents, harmless from and against costs, claims, expenses, suits, judgments, damages and liabilities, including, without limitation, fees and expenses of its attorneys, not arising from its own negligence or willful misconduct which it may incur in the exercise and performance of its powers and duties hereunder. The foregoing obligation of the District to indemnify the Trustee shall survive the

removal or resignation of the Trustee or the discharge of the Bonds. When the Trustee incurs expenses or renders services after the occurrence of an event of default, such expenses and the compensation for such services are intended to constitute expenses of administration under any federal or state bankruptcy, insolvency, arrangement, moratorium, reorganization or other debtor relief law. Upon an event of default, and only upon an event of default, the Trustee shall have a first lien with right of payment prior to payment on account of principal of and premium, if any, and interest on any Bond, upon the trust estate for the foregoing fees, charges and expenses incurred by it.

Section 7.2 Removal of Trustee. The District may, upon thirty (30) days' prior written notice at its sole discretion remove the Trustee initially appointed, and any successor thereto, by delivering to the Trustee a written notice of its decision to remove the Trustee and may appoint a successor or successors thereto; provided that any such successor shall be a bank, association or trust company having a combined capital (exclusive of borrowed capital) and surplus of at least \$75,000,000, and subject to supervision or examination by federal or state authority. Any removal shall become effective only upon acceptance of appointment by the successor Trustee. If any bank, association or trust company appointed as a successor publishes a report of condition at least annually, pursuant to law or to the requirements of any supervising or examining authority above referred to, then for the purposes of this section the combined capital and surplus of such bank, association or trust company shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. Any removal of the Trustee and appointment of a successor Trustee shall become effective only upon acceptance of appointment by the successor Trustee and notice being sent by the successor Trustee to the Bondowners of the successor Trustee's identity and address.

Section 7.3 Resignation of Trustee. The Trustee may at any time resign by giving written notice to the District and by giving to the Owners notice of such resignation, which notice shall be mailed to the Owners at their addresses appearing in the registration books in the office of the Trustee. Upon receiving such notice of resignation, the District shall promptly appoint a successor Trustee satisfying the criteria in Section 7.2 above by an instrument in writing. Any resignation or removal of the Trustee and appointment of a successor Trustee shall become effective only upon acceptance of appointment by the successor Trustee. If no successor Trustee shall have been appointed and have accepted appointment within forty-five (45) days of giving notice of removal or notice of resignation as aforesaid, the retiring Trustee or any Owner (on behalf of itself and all other Owners) may petition any court of competent jurisdiction for the appointment of a successor Trustee, and such court may thereupon, after such notice (if any) as it may deem proper, appoint such successor Trustee.

Section 7.4 Liability of Trustee. The recitals of fact and all promises, covenants and agreements contained herein and in the Bonds and any Parity Bonds shall be taken as statements, promises, covenants and agreements of the District, and the Trustee assumes no responsibility for the correctness of the same and makes no representations as to the validity or sufficiency of this Indenture, the Bonds or any Parity Bonds, and shall incur no responsibility in respect thereof, other than in connection with its duties or obligations specifically set forth herein, in the Bonds and any Parity Bonds, or in the certificate of authentication assigned to or imposed upon the Trustee. The Trustee shall be under no responsibility or duty with respect to the issuance of the Bonds or any Parity Bonds for value. The Trustee shall not be liable in connection with the performance of its duties hereunder, except for its own negligence or willful misconduct.

The Trustee shall be protected in acting upon any notice, resolution, request, consent, order, certificate, report, Bond, Parity Bond or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties. The Trustee may consult with counsel, who may be counsel to the District, 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 hereunder in good faith and in accordance therewith.

The Trustee shall not be bound to recognize any person as the Owner of a Bond or Parity Bond unless and until such Bond or Parity Bond is submitted for inspection, if required, and his title thereto satisfactorily established, if disputed.

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

The Trustee shall have no duty or obligation whatsoever to enforce the collection of Special Taxes or other funds to be deposited with it hereunder, or as to the correctness of any amounts received, but its liability shall be limited to the proper accounting for such funds as it shall actually receive. No provision in this Bond Indenture shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of its rights or powers.

The Trustee shall not be deemed to have knowledge of any default or event of default until an officer at the Trustee's corporate trust office responsible for the administration of its duties hereunder shall have actual knowledge thereof or the Trustee shall have received written notice thereof at its corporate trust office.

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 ("unavoidable delay") in the performance of such obligations due to unforeseeable causes beyond its control and without its fault or negligence, including, but not limited to, Acts of God or of the public enemy or terrorists or acts of a government.

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

The Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Indenture at the request, order or direction of any of the Owners pursuant to the provisions of this Indenture unless such Owners shall have offered to the Trustee security or indemnity satisfactory to it against the costs, expenses and liabilities which may be incurred therein or thereby.

The Trustee, prior to the occurrence of an Event of Default and after the curing or waiver of all Events of Default which may have occurred, undertakes to perform such duties and only such

duties as are specifically set forth in the Indenture. In case an Event of Default has occurred (which has not been cured or waived) the Trustee shall exercise such of the rights and powers vested in it by the Indenture, and use the same degree of care and skill as a prudent person would use or exercise in the circumstances in the conduct of such prudent person's own affairs.

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

The Trustee may execute any of the trusts or powers hereof and perform any of its duties by or through attorneys, agents or receivers and shall not be answerable for the conduct of the same if appointed with due care hereunder. The Trustee shall not be accountable for the use or application by the District of any of the Bonds or the proceeds thereof or for the use or application of any money paid over by the Trustee in accordance with the provisions of this Indenture or for the use and application of money received by any paying agent. The permissive right of the Trustee to do things enumerated in this Indenture shall not be construed as a duty and the Trustee shall not be answerable for other than its negligence or willful default.

The Trustee may become the owner of Bonds secured hereby with the same rights it would have if not Trustee. The Trustee shall have no responsibility with respect to compliance by the District with Section 148 of the Code or any covenant in this Indenture regarding yields on investments.

Notwithstanding the effective date of this Indenture or anything to the contrary in this Indenture, the Trustee shall have no liability or responsibility for any act or event relating to this Indenture which occurs prior to the date the Trustee formally executes this Indenture and commences acting as Trustee hereunder.

Section 7.5 Merger or Consolidation. Any company into which the Trustee may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which the Trustee may sell or transfer all or substantially all of its corporate trust business, shall be the successor to the Trustee without the execution or filing of any paper or further act, anything herein to the contrary notwithstanding.

ARTICLE VIII

EVENTS OF DEFAULT; REMEDIES

Section 8.1 Events of Default. Any one or more of the following events shall constitute an “event of default”:

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

(b) Default in the due and punctual payment of the interest on any Bond or Parity Bond when and as the same shall become due and payable; or

(c) Except as described in (a) or (b), default shall be made by the District in the observance of any of the agreements, conditions or covenants on its part contained in this Indenture, the Bonds or any Parity Bonds, and such default shall have continued for a period of 30 days after the District shall have been given notice in writing of such default by the Trustee or the Owners of 25% in aggregate principal amount of the Outstanding Bonds and Parity Bonds.

The Trustee agrees to give notice to the Owners immediately upon the occurrence of an event of default under (a) or (b) above and within 30 days of the Trustee’s actual knowledge of an event of default under (c) above.

Section 8.2 Remedies of Owners. Upon the occurrence of an Event of Default, the Trustee may pursue any available remedy at law or in equity to enforce the payment of the principal of, premium, if any, and interest on the Outstanding Bonds and Parity Bonds, and to enforce any rights of the Trustee under or with respect to this Indenture, including:

(a) By mandamus or other suit or proceeding at law or in equity to enforce his rights against the District and any of the members, officers and employees of the District, and to compel the District or any such members, officers or employees to perform and carry out their duties under the Act and their agreements with the Owners as provided in this Indenture;

(b) By suit in equity to enjoin any actions or things which are unlawful or violate the rights of the Owners; or

(c) By a suit in equity to require the District and its members, officers and employees to account as the trustee of an express trust.

If an Event of Default shall have occurred and be continuing and if requested so to do by the Owners of at least twenty-five percent (25%) in aggregate principal amount Outstanding Bonds and Parity Bonds and is indemnified to its satisfaction, the Trustee shall be obligated to exercise such one or more of the rights and powers conferred by this Article VIII, as shall be deemed most expedient in the interests of the Owners of the Bonds and Parity Bonds.

No remedy herein conferred upon or reserved to the Trustee or to the Owners is intended to be exclusive of any other remedy. Every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing, at law or in equity or by statute or otherwise, and may be exercised without exhausting and without regard to any other remedy conferred by the Act or any other law.

The Bonds and any Parity Bonds are not subject to acceleration prior to maturity.

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

Section 8.3 Application of Revenues and Other Funds After Default. All amounts received by the Trustee pursuant to any right given or action taken by the Trustee under the provisions of this Indenture relating to the Bonds and Parity Bonds, or already held by the Trustee hereunder, shall be applied by the Trustee in the following order:

First, to the payment of the fees, costs and expenses of the Trustee in declaring such Event of Default and in carrying out the provisions of this Article VIII, including reasonable compensation to its agents, attorneys and counsel, and to the payment of all other outstanding fees and expenses of the Trustee; and

Second, to the payment of the whole amount of interest on and principal of the Bonds and Parity Bonds then due and unpaid, with interest on overdue installments of principal and interest to the extent permitted by law at the net effective rate of interest then borne by the Outstanding Bonds and Parity Bonds; provided, however, that in the event such amounts shall be insufficient to pay in full the full amount of such interest and principal, then such amounts shall be applied in the following order of priority:

(a) first to the payment of all installments of interest on the Bonds and Parity Bonds then due and unpaid on a pro rata basis based on the total amount then due and owing,

(b) second, to the payment of all installments of principal, including sinking fund payments, of the Bonds and Parity Bonds then due and unpaid on a pro rata basis based on the total amount then due and owing, and

(c) third, to the payment of interest on overdue installments of principal and interest on the Bonds and Parity Bonds on a pro rata basis based on the total amount then due and owing.

Section 8.4 Power of Trustee to Control Proceedings. In the event that the Trustee, upon the happening of an Event of Default, shall have taken any action, by judicial proceedings or otherwise, pursuant to its duties hereunder, whether upon its own discretion or upon the request of the Owners of twenty-five percent (25%) in aggregate principal amount of the Bonds and Parity Bonds then Outstanding, it shall have full power, in the exercise of its discretion for the best interests of the Owners of the Bonds and Parity Bonds, with respect to the continuance, discontinuance, withdrawal, compromise, settlement or other disposal of such action; provided, however, that the Trustee shall not, unless there no longer continues an Event of Default, discontinue, withdraw, compromise or settle, or otherwise dispose of any litigation pending at law or in equity, if at the time there has been filed with it a written request signed by the Owners of a majority in aggregate principal amount of the Outstanding Bonds and Parity Bonds hereunder opposing such discontinuance, withdrawal, compromise, settlement or other such litigation. Any suit, action or proceeding which any Owner of Bonds or Parity Bonds shall have the right to bring to enforce any right or remedy hereunder may be brought by the Trustee for the equal benefit and protection of all Owners of Bonds and Parity Bonds similarly situated and the Trustee is hereby appointed (and the successive respective Owners of the Bonds and Parity Bonds issued hereunder, by taking and holding the same, shall be conclusively deemed so to have appointed it) the true and lawful attorney in fact of the respective Owners of the Bonds and Parity Bonds for the purposes of bringing any such suit, action or proceeding and to do and perform any and all acts and things for and on behalf of the respective Owners of the Bonds and Parity Bonds as a class or classes, as may be necessary or advisable in the opinion of the Trustee as such attorney-in-fact.

Section 8.5 Appointment of Receivers. Upon the occurrence of an Event of Default hereunder, and upon the filing of a suit or other commencement of judicial proceedings to enforce the rights of the Trustee and of the Owners of the Bonds and Parity Bonds under this Indenture, the Trustee shall be entitled, as a matter of right, to the appointment of a receiver or receivers of the Net Special Taxes and other amounts pledged hereunder, pending such proceedings, with such powers as the court making such appointment shall confer.

Section 8.6 Non-Waiver. Nothing in this Article VIII or in any other provision of this Indenture, or in the Bonds or the Parity Bonds, shall affect or impair the obligation of the District, which is absolute and unconditional, to pay the interest on and principal of the Bonds and Parity Bonds to the respective Owners of the Bonds and Parity Bonds at the respective dates of maturity, as herein provided, out of the Net Special Taxes and other moneys herein pledged for such payment.

A waiver of any default or breach of duty or contract by the Trustee or any Owners shall not affect any subsequent default or breach of duty or contract, or impair any rights or remedies on any such subsequent default or breach. No delay or omission of the Trustee or any Owner of any of the Bonds or Parity Bonds to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or an acquiescence therein; and every power and remedy conferred upon the Trustee or the Owners by the Act or by this Article VIII may be enforced and exercised from time to time and as often as shall be deemed expedient by the Trustee or the Owners, as the case may be.

Section 8.7 Limitations on Rights and Remedies of Owners. No Owner of any Bond or Parity Bond issued hereunder shall have the right to institute any suit, action or proceeding at law or in equity, for any remedy under or upon this Indenture, unless (a) such Owner shall have previously 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 all the Bonds and Parity Bonds then Outstanding shall have made written request upon the Trustee to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in its own name; (c) said Owners shall have tendered to the Trustee indemnity reasonably acceptable to the Trustee against the costs, expenses and liabilities to be incurred in compliance with such request; and (d) the Trustee shall have refused or omitted to comply with such request for a period of sixty (60) days after such written request shall have been received by, and said tender of indemnity shall have been made to, the Trustee.

Such notification, request, tender of indemnity and refusal or omission are hereby declared, in every case, to be conditions precedent to the exercise by any Owner of Bonds and Parity Bonds of any remedy hereunder; it being understood and intended that no one or more Owners of Bonds and Parity Bonds shall have any right in any manner whatever by his or their action to enforce any right under this Indenture, except in the manner herein provided, and that all proceedings at law or in equity to enforce any provision of this Indenture shall be instituted, had and maintained in the manner herein provided and for the equal benefit of all Owners of the Outstanding Bonds and Parity Bonds.

The right of any Owner of any Bond and Parity Bond to receive payment of the principal of and interest and premium (if any) on such Bond and Parity Bond as herein provided or to institute suit for the enforcement of any such payment, shall not be impaired or affected without the written consent of such Owner, notwithstanding the foregoing provisions of this Section or any other provision of this Indenture.

Section 8.8 Termination of Proceedings. In case the Trustee shall have proceeded to enforce any right under this Indenture by the appointment of a receiver or otherwise, and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely, then and in every such case, the District, the Trustee and the Owners shall be restored to their former positions and rights hereunder, respectively, with regard to the property subject to this Indenture, and all rights, remedies and powers of the Trustee shall continue as if no such proceedings had been taken.

ARTICLE IX

DEFEASANCE AND PARITY BONDS

Section 9.1 Defeasance. If the District shall pay or cause to be paid, or there shall otherwise be paid, to the Owner of an Outstanding Bond or Parity Bond the interest due thereon and the principal thereof, at the times and in the manner stipulated in this Indenture or any Supplemental Indenture, then the Owner of such Bond or Parity Bond shall cease to be entitled to the pledge of Net Special Taxes, and, other than as set forth below, all covenants, agreements and other obligations of the District to the Owner of such Bond or Parity Bond under this Indenture and any Supplemental Indenture relating to such Parity Bond shall thereupon cease, terminate and become void and be discharged and satisfied. In the event of a defeasance of all Outstanding Bonds and Parity Bonds pursuant to this Section, the Trustee shall execute and deliver to the District all such instruments as may be prepared on behalf of the District to evidence such discharge and satisfaction, and the Trustee

shall pay over or deliver to the District's general fund all money or securities held by it pursuant to this Indenture which are not required for the payment of the principal of, premium, if any, and interest due on such Bonds and Parity Bonds.

Any Outstanding Bond or Parity Bond shall be deemed to have been paid within the meaning expressed in the first paragraph of this Section if such Bond or Parity Bond is paid in any one or more of the following ways:

(a) by paying or causing to be paid the principal of, premium, if any, and interest on such Bond or Parity Bond, as and when the same become due and payable;

(b) by depositing with the Trustee, in trust, at or before maturity, money which, together with the amounts then on deposit in the Special Tax Fund and available for such purpose, is fully sufficient to pay the principal of, premium, if any, and interest on such Bond or Parity Bond, as and when the same shall become due and payable; or

(c) by depositing with the Trustee or another escrow bank appointed by the District, in trust, Defeasance Securities, in which the District may lawfully invest its money, in such amount as will be sufficient, together with the interest to accrue thereon and moneys then on deposit in the Special Tax Fund and available for such purpose, together with the interest to accrue thereon, to pay and discharge the principal of, premium, if any, and interest on such Bond or Parity Bond, as and when the same shall become due and payable;

then, at the election of the District, and notwithstanding that any Outstanding Bonds and Parity Bonds shall not have been surrendered for payment, all obligations of the District under this Indenture and any Supplemental Indenture with respect to such Bond or Parity Bond shall cease and terminate, except for the obligation of the District under Section 7.1 hereof and the obligation of the Trustee to pay or cause to be paid to the Owners of any such Bond or Parity Bond not so surrendered and paid, all sums due thereon. Notice of such election shall be filed with the Trustee not less than ten days prior to the proposed defeasance date, or such shorter period of time as may be acceptable to the Trustee. In connection with a defeasance under (b) or (c) above, there shall be provided to the District and the Trustee a verification report from an independent nationally recognized certified public accountant, stating its opinion as to the sufficiency of the moneys or securities deposited with the Trustee or the escrow bank to pay and discharge the principal of, premium, if any, and interest on all Outstanding Bonds and Parity Bonds to be defeased in accordance with this Section, as and when the same shall become due and payable, and an opinion of Bond Counsel (which may rely upon the opinion of the certified public accountant) to the effect that the Bonds or Parity Bonds being defeased have been legally defeased in accordance with this Indenture and any applicable Supplemental Indenture.

Upon a defeasance, the Trustee, upon request of the District, shall release the rights of the Owners of such Bonds and Parity Bonds which have been defeased under this Indenture and any Supplemental Indenture and execute and deliver to the District all such instruments as may be prepared on behalf of the District to evidence such release, discharge and satisfaction. In the case of a defeasance hereunder of all Outstanding Bonds and Parity Bonds, the Trustee shall pay over or deliver to the District any funds held by the Trustee at the time of a defeasance, which are not required for the purpose of paying and discharging the principal of or interest on the Bonds and Parity Bonds when due. The Trustee shall, at the written direction of the District, mail, first class,

postage prepaid, a notice to the Bondowners whose Bonds or Parity Bonds have been defeased, in the form directed by the District, stating that the defeasance has occurred.

Section 9.2 Conditions for the Issuance of Parity Bonds and Other Additional Indebtedness. The District may at any time after the issuance and delivery of the Bonds hereunder issue Parity Bonds payable from the Net Special Taxes and other amounts deposited in the Special Tax Fund and secured by a lien and charge upon such amounts equal to the lien and charge securing the Outstanding Bonds and any other Parity Bonds theretofore issued hereunder or under any Supplemental Indenture; provided, however, that Parity Bonds may only be issued for the purpose of refunding all or a portion of the Bonds or any Parity Bonds then Outstanding. The District shall not incur any additional bonded indebtedness payable from Net Special Taxes, including any additional bonded indebtedness subordinate to the Bonds, except for Parity Bonds which satisfy the requirements of this Indenture set forth in Section 9.2 hereof. Parity Bonds which may only be issued to effect a partial refunding will be issued subject to the following additional specific conditions, which are hereby made conditions precedent to the issuance of any such Parity Bonds:

(a) As certified by the District, the District shall be in compliance with all covenants set forth in this Indenture and any Supplemental Indenture then in effect and a certificate of the District to that effect shall have been filed with the Trustee; provided, however, that Parity Bonds may be issued notwithstanding that the District is not in compliance with all such covenants so long as immediately following the issuance of such Parity Bonds the District will be in compliance with all such covenants.

(b) The issuance of such Parity Bonds shall have been duly authorized pursuant to the Act and all applicable laws, and the issuance of such Parity Bonds shall have been provided for by a Supplemental Indenture duly adopted by the District which shall specify the following:

(i) The purpose for which such Parity Bonds are to be issued and the fund or funds into which the proceeds thereof are to be deposited, including a provision requiring the proceeds of such Parity Bonds to be applied solely for the purpose of refunding any Outstanding Bonds or Parity Bonds, including payment of all costs and the funding of all reserves incidental to or connected with such refunding;

(ii) The authorized principal amount of such Parity Bonds;

(iii) The date and the maturity date or dates of such Parity Bonds; provided that (i) each maturity date shall fall on a September 1, (ii) all such Parity Bonds of like maturity shall be identical in all respects, except as to number, and (iii) fixed serial maturities or sinking fund payments, or any combination thereof, shall be established to provide for the retirement of all such Parity Bonds on or before their respective maturity dates;

(iv) The description of the Parity Bonds, the place of payment thereof and the procedure for execution and authentication;

(v) The denominations and method of numbering of such Parity Bonds;

(vi) The amount and due date of each mandatory sinking fund payment, if any, for such Parity Bonds;

(vii) The amount, if any, to be deposited from the proceeds of such Parity Bonds in the Reserve Account to increase the amount therein to the Proportionate Share;

(viii) The form of such Parity Bonds; and

(ix) Such other provisions as are necessary or appropriate and not inconsistent with this Indenture.

(c) The District shall have delivered the following documents or money or securities, all of such documents dated or certified, as the case may be, as of the date of delivery of such Parity Bonds by the Trustee (unless the Trustee shall accept any of such documents bearing a prior date):

(i) A certified copy of the Supplemental Indenture authorizing the issuance of such Parity Bonds;

(ii) A written request of the District as to the delivery of such Parity Bonds;

(iii) An opinion of Bond Counsel to the District to the effect that (i) the District has the right and power under the Act to adopt the Supplemental Indenture relating to such Parity Bonds, and the Supplemental Indenture has been duly and lawfully adopted by the District, is in full force and effect and is valid and binding upon the District and enforceable in accordance with its terms (subject to the usual and customary exceptions); (ii) the Indenture creates the valid pledge which it purports to create of the Net Special Taxes and other amounts as provided in the Indenture, subject to the application thereof to the purposes and on the conditions permitted by the Indenture; and (iii) such Parity Bonds are valid and binding limited obligations of the District, enforceable in accordance with their terms (subject to the usual and customary exceptions) and the terms of the Indenture and all Supplemental Indentures thereto and are entitled to the benefits of the Indenture and all such Supplemental Indentures, and such Parity Bonds have been duly and validly authorized and issued in accordance with the Act (or other applicable laws) and the Indenture and all such Supplemental Indentures; and a further opinion of Bond Counsel to the effect that, assuming compliance by the District with certain tax covenants, the issuance of the Parity Bonds will not adversely affect the exclusion from gross income for federal income tax purposes of interest on the Bonds and any Parity Bonds theretofore issued on a tax exempt basis, or the exemption from State of California personal income taxation of interest on any Outstanding Bonds and Parity Bonds theretofore issued.

(iv) A certificate of the District containing such statements as may be reasonably necessary to show compliance with the requirements of this Indenture, including that the District has complied with this Section 9.2;

(v) A certificate of an Independent Financial Consultant certifying that in each Bond Year the Annual Debt Service on the Bonds and Parity Bonds to remain Outstanding following the issuance of the Parity Bonds proposed to be issued is less than the Annual Debt Service on the Bonds and Parity Bonds Outstanding prior to the issuance of such Parity Bonds;

(vi) Such further documents, money and securities as are required by the provisions of this Indenture and the Supplemental Indenture providing for the issuance of such Parity Bonds; and

(d) No Event of Default shall have occurred and be continuing with respect to the Bonds or the Authority Bonds, and the Parity Bonds shall be acquired by the Authority, as certified by the District and the Authority.

ARTICLE X

MISCELLANEOUS

Section 10.1 Cancellation of Bonds and Parity Bonds. All Bonds and Parity Bonds surrendered to the Trustee for payment upon maturity or for redemption shall be upon payment therefor, and any Bond or Parity Bond purchased by the District as authorized herein and delivered to the Trustee for such purpose shall be, cancelled forthwith and shall not be reissued. The Trustee shall destroy such Bonds and Parity Bonds, as provided by law, and, upon request of the District, furnish to the District a certificate of such destruction.

Section 10.2 Execution of Documents and Proof of Ownership. Any request, direction, consent, revocation of consent, or other instrument in writing required or permitted by this Indenture to be signed or executed by Bondowners may be in any number of concurrent instruments of similar tenor may be signed or executed by such Owners in person or by their attorneys appointed by an instrument in writing for that purpose, or by the bank, trust company or other depository for such Bonds. Proof of the execution of any such instrument, or of any instrument appointing any such attorney, and of the ownership of Bonds or Parity Bonds shall be sufficient for the purposes of this Indenture (except as otherwise herein provided), if made in the following manner:

(a) The fact and date of the execution by any Owner or his or her attorney of any such instrument and of any instrument appointing any such attorney, may be proved by a signature guarantee of any bank or trust company located within the United States of America. Where any such instrument is executed by an officer of a corporation or association or a member of a partnership on behalf of such corporation, association or partnership, such signature guarantee shall also constitute sufficient proof of his authority.

(b) As to any Bond or Parity Bond, the person in whose name the same shall be registered in the Bond Register shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of or on account of the principal of any such Bond or Parity Bond, and the interest thereon, shall be made only to or upon the order of the registered Owner thereof or his or her legal representative. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond or Parity Bond and the interest thereon to the extent of the sum or sums to be paid. Neither the District nor the Trustee shall be affected by any notice to the contrary.

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

Section 10.3 Unclaimed Moneys. Anything in this Indenture to the contrary notwithstanding, any money held by the Trustee or the Trustee in trust for the payment and discharge of any of the Outstanding Bonds and Parity Bonds which remain unclaimed for two years after the date when such Outstanding Bonds or Parity Bonds have become due and payable, if such money was held by the Trustee or the Trustee at such date, or for two years after the date of deposit of such money if deposited with the Trustee or the Trustee after the date when such Outstanding Bonds or Parity Bonds become due and payable, shall be repaid (without liability for interest) by the Trustee or the Trustee to the District, as its absolute property and free from trust, and the Trustee or the Trustee shall thereupon be released and discharged with respect thereto and the Owners shall look only to the District for the payment of such Outstanding Bonds or Parity Bonds; provided, however, that, before being required to make any such payment to the District, the Trustee at the written request of the District or the Trustee shall, at the expense of the District, cause to be mailed by first-class mail, postage prepaid, to the registered Owners of such Outstanding Bonds or Parity Bonds at their addresses as they appear on the registration books of the Trustee a notice that said money remains unclaimed and that, after a date named in said notice, which date shall not be less than 30 days after the date of the mailing of such notice, the balance of such money then unclaimed will be returned to the District.

Section 10.4 Provisions Constitute Contract. The provisions of this Indenture shall constitute a contract between the District and the Bondowners and the provisions hereof shall be construed in accordance with the laws of the State of California.

In case any suit, action or proceeding to enforce any right or exercise any remedy shall be brought or taken and, should said suit, action or proceeding be abandoned, or be determined adversely to the Bondowners or the Trustee, then the District, the Trustee and the Bondowners shall be restored to their former positions, rights and remedies as if such suit, action or proceeding had not been brought or taken.

After the issuance and delivery of the Bonds this Indenture shall be irrevocable, but shall be subject to modifications to the extent and in the manner provided in this Indenture, but to no greater extent and in no other manner.

So long as the Insurance Policy shall be in effect, the Insurer shall be deemed a third party beneficiary of this Indenture.

Section 10.5 Provisions Relating to the Insurer.

(a) The District covenants and agrees to reimburse the Insurer for all Insurer Reimbursement Amounts (as defined in the Authority Indenture) in connection with or in any way relating to a District default or breach hereunder or, if such amounts are Administrative Costs (as defined in the Authority Indenture), then the District shall be obligated and agrees to pay the Insurer its pro rata share (based on the outstanding principal amount of the Local Obligations (as defined in the Authority Indenture)) of such amounts. The foregoing in no way limits the obligation or ability of the Authority to pay or reimburse the Insurer from Revenues (as defined in the Authority Indenture) as provided in the Authority Indenture.

All Insurer Reimbursement Amounts are payable from and secured by a lien on and pledge of the Net Special Taxes on parity with debt service due on the Bonds. In addition, all Policy Costs (as defined in the Authority Indenture) are payable from and secured by a lien on and pledge of the Net

Special Taxes subordinate only to the payment of debt service on the Bonds and Insurer Reimbursement Amounts.

(b) The notice address of the Insurer is: _____, Attention: Surveillance, Re: Policy No. _____. Telephone: (____) _____, Telecopier (____) _____, Email: _____. In each case in which notice or other communication refers to an event of default or a claim on the Insurance Policy, then a copy of such notice or other communication shall also be sent to the attention of the General Counsel at the same address and at _____ or at Telecopier: (____) _____ and shall be marked to indicate “URGENT MATERIAL ENCLOSED.”

(c) The Insurer shall have the right to receive such additional information as it may reasonably request.

(d) The District will permit the Insurer to discuss the affairs, finances and accounts of the District or any information the Insurer may reasonably request regarding the security for the Bonds with appropriate officers of the District and will use commercially reasonable efforts to enable the Insurer to have access to the facilities, books and records of the District on any Business Day upon reasonable prior notice.

(e) So long as any Authority Bonds insured by the Insurer remain outstanding or any amounts are owed to the Insurer by the District, the District shall not enter into any interest rate exchange agreement, cap, collar, floor ceiling or other agreement or instrument secured by or payable from Net Special Taxes involving reciprocal payment obligations between the District and a counterparty based on interest rates applied to a notional amount of principal, without the prior written consent of the Insurer.

(f) The Insurer shall be provided with the following information by the District or the Trustee under this Indenture, as the case may be:

(i) Annual audited financial statements of the District, if any, within 180 days after the end of the District’s fiscal year (together with a certification of the District that it is not aware of any default or event of default under this Indenture), and the District’s annual budget, if any, within 30 days after the approval thereof together with such other information, data or reports as the Insurer shall reasonably request from time to time;

(ii) Notice of any default actually known to the Trustee or the District within five Business Days after knowledge thereof;

(iii) Prior notice of the advance refunding or redemption of any of the Authority Bonds or the Bonds, including the principal amount, maturities and CUSIP numbers thereof;

(iv) Notice of the resignation or removal of the Trustee and the appointment of, and acceptance of duties by, any successor thereto;

(v) Notice of the commencement of any proceeding by or against the District commenced under the United States Bankruptcy Code or any other applicable bankruptcy, insolvency, receivership, rehabilitation or similar law (an “Insolvency Proceeding”);

(vi) Notice of the making of any claim in connection with any Insolvency Proceeding seeking the avoidance as a preferential transfer of any payment of principal of, or interest on, the Bonds;

(vii) A full original transcript of all proceedings relating to the execution of any amendment, supplement, or waiver to the Security Documents; and

(viii) All reports, notices and correspondence to be delivered to Owners under the terms of the Security Documents.

In addition, to the extent that the District has entered into a continuing disclosure agreement, covenant or undertaking with respect to the Authority Bonds, all information furnished pursuant to such agreements shall also be provided to the Insurer, simultaneously with the furnishing of such information.

(g) Notwithstanding anything else in this Indenture or the Authority Indenture to the contrary, the provisions herein and in the Authority Indenture requiring the consent, approval or direction of the Insurer shall be applicable only at such time as the Insurer shall be in compliance with its payment obligations under the Insurance Policy and the Reserve Policy.

Section 10.6 Further Assurances. The District will adopt, make, execute and deliver any and all such further resolutions, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of this Indenture, and for the better assuring and confirming unto the Owners of the Bonds or any Parity Bonds the rights and benefits provided in this Indenture.

Section 10.7 Severability. If any covenant, agreement or provision, or any portion thereof, contained in this Indenture, or the application thereof to any person or circumstance, is held to be unconstitutional, invalid or unenforceable, the remainder of this Indenture and the application of any such covenant, agreement or provision, or portion thereof, to other persons or circumstances, shall be deemed severable and shall not be affected thereby, and this Indenture, the Bonds and any Parity Bonds issued pursuant hereto shall remain valid and the Bondowners shall retain all valid rights and benefits accorded to them under the laws of the State of California.

Section 10.8 Notices. Any notices required to be given to the District with respect to the Bonds or this Indenture shall be mailed, first class, postage prepaid, or personally delivered to the City Manager of the City of Beaumont, 550 East 6th Street, Beaumont, California 92223, and all notices to the Trustee in its capacity as Trustee shall be mailed, first class, postage prepaid, or personally delivered to the Trustee, Wilmington Trust, National Association, 650 Town Center Drive, Suite 800, Costa Mesa, California 92626; Attention: Corporate Trust Department.

Section 10.9 Governing Laws. This Indenture shall be governed by the laws of the State of California.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK.]

IN WITNESS WHEREOF, CITY OF BEAUMONT COMMUNITY FACILITIES DISTRICT NO. 93-1 has caused this Bond Indenture to be signed by the City Manager of the City of Beaumont and attested to by the City Clerk of the City of Beaumont, and WILMINGTON TRUST, NATIONAL ASSOCIATION in token of its acceptance of the duties of the Trustee created hereunder, has caused this Bond Indenture to be signed in its corporate name by its officer identified below, all as of the day and year first above written.

CITY OF BEAUMONT COMMUNITY FACILITIES
DISTRICT NO. 93-1

By: _____
City Manager of the City of Beaumont, acting in
its capacity as the legislative body of City of
Beaumont Community Facilities District
No. 93-1

ATTEST:

City Clerk of the City of Beaumont, acting in
its capacity as the legislative body of City of
Beaumont Community Facilities District
No. 93-1

WILMINGTON TRUST, NATIONAL
ASSOCIATION, as Trustee

By: _____
Authorized Officer

EXHIBIT A

FORM OF 2020 SPECIAL TAX REFUNDING BOND

No. __

[\$[PRINCIPAL AMOUNT]

**UNITED STATES OF AMERICA
STATE OF CALIFORNIA
COUNTY OF RIVERSIDE**

**CITY OF BEAUMONT
COMMUNITY FACILITIES DISTRICT NO. 93-1
(IMPROVEMENT AREA NO. 17B)
2020 SPECIAL TAX REFUNDING BOND**

INTEREST RATE: _____% ***MATURITY DATE:*** September 1, 20__ ***DATED DATE:*** July __, 2020

REGISTERED OWNER: Wilmington Trust, National Association, as Trustee under that certain Indenture of Trust dated as of July 1, 2020 by and between the Beaumont Public Financing Authority and Wilmington Trust, National Association, as Trustee

PRINCIPAL AMOUNT: _____ AND
NO/100 DOLLARS

CITY OF BEAUMONT COMMUNITY FACILITIES DISTRICT NO. 93-1 (the “District”) situated in the County of Riverside, State of California, FOR VALUE RECEIVED, hereby promises to pay, solely from certain amounts held under the Indenture (as hereinafter defined), to the Registered Owner named above, or registered assigns, on the Maturity Date set forth above, unless redeemed prior thereto as hereinafter provided, the Principal Amount set forth above, and to pay interest on such Principal Amount from the Interest Payment Date (as hereinafter defined) next preceding the date of authentication hereof, unless (i) the date of authentication is an Interest Payment Date in which event interest shall be payable from such date of authentication, (ii) the date of authentication is after a Record Date (as hereinafter defined) but prior to the immediately succeeding Interest Payment Date, in which event interest shall be payable from the Interest Payment Date immediately succeeding the date of authentication, or (iii) the date of authentication is prior to the close of business on the first Record Date in which event interest shall be payable from the Dated Date set forth above. Notwithstanding the foregoing, if at the time of authentication of this Bond interest is in default, interest on this Bond shall be payable from the last Interest Payment Date to which the interest has been paid or made available for payment or, if no interest has been paid or made available for payment, interest on this Bond shall be payable from the Dated Date set forth above. Interest will be paid semiannually on March 1 and September 1 and the final maturity date of the Bonds (each an “Interest Payment Date”), commencing March 1, 2021 at the Interest Rate set forth above, until the Principal Amount hereof is paid or made available for payment. The principal

of and premium, if any, on this Bond are payable to the Registered Owner hereof in lawful money of the United States of America upon presentation and surrender of this Bond at the Principal Office of the Trustee (as such term is defined in the Indenture), initially Wilmington Trust, National Association (the "Trustee"). Interest on this Bond shall be paid by check of the Trustee mailed, by first class mail, postage prepaid, or in certain circumstances described in the Indenture by wire transfer to an account within the United States of America, to the Registered Owner hereof as of the close of business on the fifteenth day of the month preceding the month in which the Interest Payment Date occurs (the "Record Date") at such Registered Owner's address as it appears on the registration books maintained by the Trustee.

This Bond is one of a duly authorized issue of "City of Beaumont Community Facilities District No. 93-1 (Improvement Area No. 17B) 2020 Special Tax Refunding Bonds" (the "Bonds") issued in the aggregate principal amount of \$_____ pursuant to the Mello-Roos Community Facilities Act of 1982, as amended, being Sections 53311, *et seq.*, of the California Government Code (the "Act") for the purpose of refinancing outstanding special tax bonds of the District, funding a reserve account and paying certain costs related to the issuance of the Bonds. The issuance of the Bonds and the terms and conditions thereof are provided for by a resolution adopted by the City Council of the City of Beaumont, acting in its capacity as the legislative body of the District (the "Legislative Body"), on July 7, 2020, and a Bond Indenture, dated as of July 1, 2020, by and between the District and the Trustee, executed in connection therewith (the "Indenture"), and this reference incorporates the Indenture herein, and by acceptance hereof the Registered Owner of this Bond assents to said terms and conditions. The Indenture is adopted under and this Bond is issued under, and both are to be construed in accordance with, the laws of the State of California.

Pursuant to the Act and the Indenture, the principal of, premium, if any, and interest on this Bond are payable solely from the portion (the "Net Special Taxes") of the annual special taxes authorized under the Act to be levied and collected within Improvement Area No. 17B of the District (the "Special Taxes") and certain other amounts pledged to the repayment of the Bonds as set forth in the Indenture. Any amounts for the payment hereof shall be limited to the Net Special Taxes pledged and collected, which include foreclosure proceeds received following a default in payment of the Special Taxes and other amounts deposited to the Special Tax Fund established under the Indenture, except to the extent that other provision for payment has been made by the Legislative Body, as may be permitted by law. The District has covenanted for the benefit of the owners of the Bonds that under certain circumstances described in the Indenture it will commence and diligently pursue to completion appropriate foreclosure proceedings in the event of delinquencies of Special Tax installments levied for payment of principal and interest on the Bonds.

The Bonds maturing on or after September 1, 20__ may be redeemed, at the option of the District from any source of funds on any date on or after September 1, 20__, in whole, or in part from such maturities as are selected by the District and by lot within a maturity, at a redemption price of the principal amount to be redeemed, together with accrued interest to the date of redemption, without premium.

The Bonds are subject to extraordinary redemption as a whole, or in part on a pro rata basis among maturities, on any Interest Payment Date, and shall be redeemed by the Trustee, from Prepayments deposited to the Redemption Account at the following redemption prices, expressed as a percentage of the principal amount to be redeemed, together with accrued interest to the redemption date:

Redemption Dates

Premium

For so long as the Bonds are held in trust by the Trustee, in connection with the calculation of such redemption price, the District shall receive a credit from the Authority from the reduction in the Reserve Requirement resulting from the redemption of the Bonds and the Authority Bonds so redeemed in connection therewith.

All Bonds or portions thereof so called for redemption will cease to accrue interest on the specified redemption date; provided that funds for the redemption are on deposit with the Trustee on the redemption date. Thereafter, the registered owners of such Bonds shall have no rights except to receive payment of the redemption price upon the surrender of the Bonds.

This Bond shall be registered in the name of the Registered Owner hereof, as to both principal and interest, and the District and the Trustee may treat the Registered Owner hereof as the absolute owner for all purposes and shall not be affected by any notice to the contrary.

The Bonds are issuable only in fully registered form in the denomination of \$5,000 or any integral multiple thereof and may be exchanged for a like aggregate principal amount of Bonds of other authorized denominations of the same issue and maturity, all as more fully set forth in the Indenture. This Bond is transferable by the Registered Owner hereof, in person or by his attorney duly authorized in writing, at the Principal Office of the Trustee, but only in the manner, subject to the limitations and upon payment of the charges provided in the Indenture, upon surrender and cancellation of this Bond. Upon such transfer, a new registered Bond of authorized denomination or denominations for the same aggregate principal amount of the same issue and maturity will be issued to the transferee in exchange therefor.

The Trustee shall not be required to register transfers or make exchanges of (i) any Bonds for a period of 15 days next preceding any selection of the Bonds to be redeemed, or (ii) any Bonds chosen for redemption.

The rights and obligations of the District and of the registered owners of the Bonds may be amended at any time, and in certain cases without notice to or the consent of the registered owners, to the extent and upon the terms provided in the Indenture.

THE BONDS DO NOT CONSTITUTE OBLIGATIONS OF THE CITY OF BEAUMONT OR OF THE DISTRICT FOR WHICH THE CITY OF BEAUMONT OR THE DISTRICT IS OBLIGATED TO LEVY OR PLEDGE, OR HAS LEVIED OR PLEDGED, GENERAL OR SPECIAL TAXES, OTHER THAN THE SPECIAL TAXES REFERENCED HEREIN. THE BONDS ARE LIMITED OBLIGATIONS OF THE DISTRICT PAYABLE FROM THE PORTION OF THE SPECIAL TAXES AND OTHER AMOUNTS PLEDGED UNDER THE INDENTURE BUT ARE NOT A DEBT OF THE CITY OF BEAUMONT, THE STATE OF CALIFORNIA OR ANY OF ITS POLITICAL SUBDIVISIONS WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY LIMITATION OR RESTRICTION.

This Bond shall not become valid or obligatory for any purpose until the certificate of authentication and registration hereon endorsed shall have been dated and signed by the Trustee.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required by law to exist, happen and be performed precedent to and in the issuance of this Bond do exist, have happened and have been performed in due time, form and manner as required by law, and that the amount of this Bond, together with all other indebtedness of the District, does not exceed any debt limit prescribed by the laws or Constitution of the State of California.

IN WITNESS WHEREOF, the City of Beaumont Community Facilities District No. 93-1 has caused this Bond to be dated as of July __, 2020, signed on behalf of the District by the Mayor of the City of Beaumont by his facsimile signature and attested by the facsimile signature of the Clerk of the City Council.

Mayor of the City of Beaumont, acting in its capacity
as the legislative body of the City of Beaumont
Community Facilities District No. 93-1

ATTEST:

Clerk of the City Council of the City of
Beaumont, acting in its capacity as the
legislative body of the City of Beaumont
Community Facilities District No. 93-1

[FORM OF TRUSTEE'S CERTIFICATE
OF AUTHENTICATION AND REGISTRATION]

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

Dated: _____, 2020

WILMINGTON TRUST, NATIONAL
ASSOCIATION, as Trustee

By: _____
Authorized Officer

[FORM OF LEGAL OPINION]

The following is a true copy of the opinion rendered by Stradling Yocca Carlson & Rauth, a Professional Corporation, in connection with the issuance of, and dated as of the date of the original delivery of, the Bonds. A signed copy is on file in my office.

Clerk of the City Council of the City of Beaumont,
acting in its capacity as the legislative body of the
City of Beaumont Community Facilities District
No. 93-1

[FORM OF ASSIGNMENT]

For value received the undersigned do(es) hereby sell, assign and transfer unto

whose tax identification number is _____,
the within-mentioned registered Bond and hereby irrevocably constitute(s) and appoint(s)

attorney to transfer the same on the 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 signatures(s) on this Assignment
must correspond with the name(s) as written on
the face of the within Bond in every particular
without alteration or enlargement or any change
whatsoever.