

**INDENTURE**

**by and among**

**CITY OF CHINO PUBLIC FINANCING AUTHORITY**

**and**

**CITY OF CHINO**

**and**

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

**Dated as of July 1, 2026**

**Relating to**

**\$3,225,000**

**CITY OF CHINO PUBLIC FINANCING AUTHORITY  
2026 LEASE REVENUE BOND**

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## INDENTURE

**THIS INDENTURE** (this “Indenture”), executed and entered into as of July 1, 2026, is by and among the CITY OF CHINO PUBLIC FINANCING AUTHORITY, a joint exercise of powers entity duly organized and existing pursuant to the Joint Exercise of Powers Agreement (defined below) and the laws of the State of California (the “Authority”), the CITY OF CHINO, a general law city and municipal corporation duly organized and existing under the laws of the State of California (the “City”), and THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., a national banking association duly organized and existing under and by virtue of the laws of the United States, as Trustee (the “Trustee”).

### ***WITNESSETH:***

**WHEREAS**, the City and the Authority desire to finance all or a portion of the acquisition of certain real property located at 13272 6th Street, Chino, California and related project costs (collectively, the “Project”);

**WHEREAS**, the City and the Authority have determined that it would be in the best interests of the City and residents of the City to authorize the preparation, sale and delivery of the “City of Chino Public Financing Authority 2026 Lease Revenue Bond” (the “Bond”) for the purpose of financing the Project;

**WHEREAS**, to facilitate the issuance of the Bond, the City will lease certain real property and the improvements located thereon (the “Property”) to the Authority pursuant to a Ground Lease, dated as of the date hereof, and the City will sublease the Property back from the Authority pursuant to a Lease Agreement, dated as of the date hereof (the “Lease Agreement”);

**WHEREAS**, the City and the Authority have determined that it would be in the best interests of the City and the Authority to provide the funds necessary to finance all or a portion of the Project through the issuance by the Authority of the Bond payable from the base rental payments (the “Base Rental Payments”) to be made by the City under the Lease Agreement;

**WHEREAS**, all rights to receive the Base Rental Payments have been assigned without recourse by the Authority to the Trustee pursuant to an Assignment Agreement, dated as of the date hereof;

**WHEREAS**, the Bond will be payable equally and ratably from the Base Rental Payments;

**WHEREAS**, to provide for the authentication and delivery of the Bond, to establish and declare the terms and conditions upon which the Bond is to be issued and secured, and to secure the payment of the principal thereof, premium, if any, and interest thereon, the Authority and the City have authorized the execution and delivery of this Indenture; and

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

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

## ARTICLE I

### DEFINITIONS; EQUAL SECURITY

**Section 1.01 Definitions.** Unless the context otherwise requires, the terms defined in this Section shall for all purposes hereof and of any amendment hereof or supplement hereto and of the Bond and of any certificate, opinion, request or other document mentioned herein or therein have the meanings defined herein, the following definitions to be equally applicable to both the singular and plural forms of any of the terms defined herein. Capitalized terms not otherwise defined herein shall have the meanings assigned to such terms in the Lease Agreement.

“**Act**” means the Marks-Roos Local Bond Pooling Act of 1985, commencing with Section 6584 of the California Government Code.

“**Additional Rental Payments**” means all amounts payable by the City as Additional Rental Payments pursuant to Section 3.02 of the Lease Agreement.

“**Assignment Agreement**” means the Assignment Agreement, dated as of the date hereof, by and between the Authority and the Trustee, as amended and supplemented from time to time.

“**Authority**” means the City of Chino Public Financing Authority, a joint exercise of powers entity organized and existing under and by virtue of the laws of the State of California.

“**Authorized Authority Representative**” means the Chair, Vice Chair, Executive Director, Treasurer and Secretary of the Authority, or any other person authorized by the Board of Directors of the Authority to act on behalf of the Authority under or with respect to this Indenture.

“**Authorized City Representative**” means the Mayor of the City, the Mayor Pro Tempore of the City, the City Manager of the City, the Administrative Services Director of the City or the City Clerk, or any other person authorized by the City Council of the City to act on behalf of the City under or with respect to this Indenture.

“**Base Rate**” means a fluctuating rate per annum equal to the highest of (i) the Prime Rate, (ii) the Federal Funds Rate plus 2.00% per annum, (iii) Daily Simple SOFR Rate plus 3.00% per annum, or (iv) 7.00% per annum; *provided, however*, that in no event shall the Base Rate exceed the Maximum Rate. Interest at the Base Rate shall be computed on the basis of a 360-day year and the actual number of days elapsed.

“**Base Rental Payment Fund**” means the fund by that name established in accordance with Section 5.02 hereof.

“**Base Rental Payments**” means all amounts payable to the Authority by the City as Base Rental Payments pursuant to Section 3.01 of the Lease Agreement.

“**Bond**” means the City of Chino Public Financing Authority 2026 Lease Revenue Bond.

“**Business Day**” means a day which is not (a) a Saturday, Sunday or legal holiday, (b) a day on which banking institutions in the State of California, or in any state in which the Office of the Trustee is located, are required or authorized by law (including executive order) to close, or (c) a day on which the New York Stock Exchange is closed or the payment system of the Federal Reserve System is not operational.

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

“**Closing Date**” means July 14, 2026.

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

“**Costs of Issuance**” means all of the costs of issuing and delivering the Bond, including, but not limited to, all printing and document preparation expenses in connection with this Indenture, the Lease Agreement, the Ground Lease, the Assignment Agreement, the Bond, legal fees, municipal advisor and other consultant fees, printing fees and expenses of counsel with the issuance and delivery of the Bond, the initial fees and expenses of the Trustee and its counsel, fees of California Debt Investment Advisory Commission, fees of legal counsel to the Original Purchaser, and other fees and expenses incurred in connection with the issuance and delivery of the Bond, to the extent such fees and expenses are approved by the City.

“**Costs of Issuance Fund**” means the fund by that name established in accordance with Section 3.03 hereof.

“**Daily Simple SOFR Rate**” means a daily rate based on SOFR and determined by the Original Purchaser in accordance with the conventions for such rate selected by the Original Purchaser.

“**Date of Taxability**” means the date from and for which interest on the Bond is subject to federal income taxation as a result of a Determination of Taxability.

“**Default Rate**” means the Base Rate plus four percent (4.00%) per annum.

“**Determination of Taxability**” means any determination, decision, or decree made by the Commissioner or any District Director of the Internal Revenue Service, or by any court of competent jurisdiction, that as a result of any actions or omissions of the Authority with respect to the Bond the interest payable on the Bond is includable in the gross income for federal income tax purposes of the Owner of the Bond, provided, however, that no such Determination of Taxability shall be deemed to have occurred if the Authority is contesting such determination in good faith and is diligently proceeding to prosecute such contest until the earliest of (a) a final determination from which no appeal may be taken with respect to such determination, or (b) abandonment of such appeal by the Authority.

“**Event of Default**” means the occurrence of an event of default as described in Article VII of the Lease Agreement.

“**Federal Funds Rate**” means, for any day, the rate per annum equal to the weighted average (rounded upwards, if necessary to the next 1/100 of 1%) of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers, as published on the next succeeding Business Day by the Federal Reserve Bank of New York, or, if

such rate is not so published for any day that is a Business Day, the average (rounded upwards, if necessary, to the next 1/100 of 1%) of the quotations for such day for such transactions received by the Original Purchaser from three Federal funds brokers of recognized standing selected by it.

“**Federal Securities**” means (a) direct general obligations of the United States of America (including obligations issued or held in book entry form on the books of the Department of the Treasury of the United States of America), and (b) obligations of any agency, department or instrumentality of the United States of America the timely payment of principal of and interest on which are fully guaranteed by the United States of America.

“**Ground Lease**” means the Ground Lease, dated as of the date hereof, by and between the City and the Authority, as originally executed and as it may from time to time be amended in accordance with the provisions thereof and of the Lease Agreement.

“**Indenture**” means this Indenture, as originally executed and as it may be amended or supplemented from time to time by any Supplemental Indenture.

“**Interest Fund**” means the fund by that name established in accordance with Section 5.02 hereof.

“**Interest Payment Date**” means April 1 and October 1 of each year, commencing on October 1, 2026.

“**Joint Powers Agreement**” means the Joint Exercise of Powers Agreement, dated as of December 1, 1998, between the City and the Successor Agency to the Redevelopment Agency of the City of Chino, as successor to the form Redevelopment Agency of the City of Chino, as originally executed and as it may from time to time be amended in accordance with the provisions thereof.

“**Lease Agreement**” means the Lease Agreement, dated as of the date hereof, by and between the City and the Authority, as originally executed and as it may be from time to time amended in accordance with the provisions thereof.

“**Maximum Rate**” means the lesser of (i) twelve percent (12%) per annum and (ii) the maximum rate of interest allowed by applicable law.

“**Moody’s**” means Moody’s Investors Service, a corporation organized and existing under the laws of the State of Delaware, its successors and assigns, except that if such corporation shall no longer perform the function of a securities rating agency for any reason, the term “Moody’s” shall be deemed to refer to any other nationally recognized securities rating agency selected by the Authority.

“**Office of the Trustee**” means the principal corporate trust office of the Trustee in Los Angeles, California, or such other office as may be specified to the Authority and the City by the Trustee in writing, except that with respect to presentation of Bond for payment or for registration of transfer and exchange such term shall mean the office or the agency of the Trustee at which, at any particular time, its corporate trust agency shall be conducted as specified to the Authority and the City by the Trustee in writing.

“**Opinion of Counsel**” means a written opinion of Anzel Galvan LLP, or other counsel of recognized national standing in the field of law relating to municipal bonds, appointed and paid by the

Authority or the City and which written opinion, if to be delivered to the Trustee, is satisfactory to the Trustee.

**“Original Purchaser”** means BMO Bank N.A. and its successors and assigns.

**“Outstanding,”** when used as of any particular time with reference to the Bond, means (subject to the provisions of Section 11.09 hereof) the Bond theretofore, or thereupon being, authenticated and delivered by the Trustee under this Indenture except that the Bond shall not be deemed Outstanding if:

(a) it has been canceled by the Trustee or surrendered to the Trustee for cancellation;

(b) all liability of the Authority with respect thereto shall have been discharged in accordance with Section 10.01 hereof; or

(c) it has been replaced by another Bond authenticated and delivered by the Trustee pursuant to this Indenture upon transfer, exchange or in lieu of or in substitution for such Bond, in which case only such authenticated and delivered replacement Bond shall be deemed Outstanding.

**“Owner”** means, with respect to a Bond, the Person in whose name such Bond is registered on the Registration Books.

**“Permitted Investments”** means any of the following to the extent then permitted by the general laws of the State of California:

(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 (collectively “United States Obligations”). These include, but are not necessarily limited to:

- U.S. Treasury obligations
  - All direct or fully guaranteed obligations
- Farmers Home Administration
  - Certificates of beneficial ownership
- General Services Administration
  - Participation certificates
- U.S. Maritime Administration
  - Guaranteed Title XI financing
- Small Business Administration
  - Guaranteed participation certificates
  - Guaranteed pool certificates

- Government National Mortgage Association (GNMA)
  - GNMA-guaranteed mortgage-backed securities
  - GNMA-guaranteed participation certificates
- U.S. Department of Housing & Urban Development
  - Local authority bonds
- Washington Metropolitan Area Transit Authority
  - Guaranteed transit bonds

(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 systemwide 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 mortgages securities which are purchased at prices exceeding their principal amounts)
- Financing Corporation (FICO)
  - Debt obligations
- Resolution Funding Corporation (REFCORP)
  - Debt obligations

(4) Bank deposit products, unsecured certificates of deposit (including those placed by a third party pursuant to an agreement between the City and the Trustee), trust funds, trust accounts, overnight banking deposits, interest bearing deposits, interest bearing money market accounts, time deposits, demand deposits, other deposit products, 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 "A-2" without regard to qualifier by S&P.

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

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

(7) Money market mutual funds rated in the highest investment category granted thereby from S&P and Moody's (including those for which the Trustee or its affiliates receives and retains a fee for services provided to the fund, whether as a custodian, transfer agent, investment advisor or otherwise) but excluding such funds with a floating net asset value.

(8) Repurchase agreements:

With (1) any domestic bank, or domestic branch of a foreign bank or any non-bank financial institution or primary dealer as designated by the Federal Reserve the long term debt of which is rated at least “BBB+” by Standard & Poor’s or Moody’s (including the Trustee or any of its affiliates); 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 “BBB+” by Standard & Poor’s or Moody’s, which broker-dealer falls under the jurisdiction of the Securities Investors Protection Corporation; or (3) any other entity rated “BBB+” or better by Standard & Poor’s or Moody’s, provided that:

(a) The collateral shall be securities described in clause 1(a), (b) or (c) of this subsection, and the market value of the collateral is maintained at levels equal to 104% of the amount of cash transferred by the Trustee or the City to the provider of the repurchase agreement plus accrued interest with the collateral being valued weekly and marked-to-market at current market price plus accrued interest;

(b) The Trustee or a third party acting solely as agent therefor or for the City (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 or reverse 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 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 or reverse 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 “BBB” by Standard & Poor’s or “Baa2” by Moody’s, as appropriate, the provider must, at the direction of Trustee, within 10 days of receipt of such direction, repurchase all collateral and terminate the agreement, with no penalty or premium to the Trustee or the City.

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 or Moody’s, respectively.

(9) State Obligations

(a) Direct general obligations of any state of the United States 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 “A2” by Moody’s and “A” by S&P, 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 described in (a) above and rated “A-1+” by S&P 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 S&P and “Aa” or better by Moody’s.

(10) Local Agency Investment Fund of the State of California.

(11) Investment agreements, including guaranteed investment contracts, repurchase agreements and forward delivery agreements, that are obligations of an entity rated, or whose obligations are rated, or guaranteed by an entity which is rated or whose obligations are rated, (at the time the investment is entered into) not lower than “A-” by S&P or Fitch, or “A3” by Moody’s.

(12) 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.

The Trustee shall have no responsibility to monitor the ratings of Permitted Investments after the initial purchase of such Permitted Investments.

“**Person**” means an individual, corporation, firm, association, partnership, trust, or other legal entity or group of entities, including a governmental entity or any agency or political subdivision thereof.

“**Prime Rate**” means an index for a variable interest rate which is quoted, published or announced by the Original Purchaser as its prime rate and as to which loans may be made by the Original Purchaser at, above or below such rate.

“**Project**” means the acquisition of the real property located at 13272 6th Street, Chino, California, and related project costs.

“**Project Costs**” has the meaning given to the term Costs in the Lease Agreement.

“**Project Fund**” means the fund by that name established in accordance with Section 3.04 hereof.

“**Principal Fund**” means the account by that name established in accordance with Section 5.02 hereof.

“**Purchaser Letter**” means a letter in substantially the form attached as Exhibit C hereto.

“**Rebate Fund**” means the fund by that name established in accordance with Section 5.05 hereof.

“**Rebate Requirement**” has the meaning ascribed thereto in the Tax Certificate.

“**Record Date**” means the fifteenth day of the month next preceding an Interest Payment Date, whether or not such day is a Business Day.

“**Redemption Fund**” means the fund by that name established in accordance with Section 5.02 hereof.

“**Redemption Price**” means the aggregate amount of principal of and premium, if any, on the Bond upon the redemption thereof pursuant hereto.

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

“**Rental Payments**” means, collectively, the Base Rental Payments and the Additional Rental Payments.

“**Rental Period**” means the period from the Closing Date through September 30, 2027, and, thereafter, the twelve-month period commencing on October 1 of each year during the term of the Lease Agreement.

“**S&P**” means S&P Global Ratings, a Standard & Poor’s Financial Services LLC business, its successors and assigns, except that if such entity shall no longer perform the functions of a securities rating agency for any reason, the term “S&P” shall be deemed to refer to any other nationally recognized securities rating agency selected by the Authority.

“**SOFR**” means the secured overnight financing rate which is published by the Board of Governors of the Federal Reserve System and available at [www.newyorkfed.org](http://www.newyorkfed.org).

“**Supplemental Indenture**” means any supplemental indenture amendatory of or supplemental to this Indenture, but only if and to the extent that such Supplemental Indenture is specifically authorized hereunder.

“**Tax Certificate**” means the Tax Certificate executed by the Authority and the City at the time of issuance of the Bond relating to the requirements of Section 148 of the Code, as originally executed and as it may from time to time be amended in accordance with the provisions thereof.

“**Taxable Rate**” means a rate equal to 6.54% per annum calculated on the basis of a 360-day year of twelve 30-day months.

“**Trustee**” means The Bank of New York Mellon Trust Company, N.A., a national banking association duly organized and existing under and by virtue of the laws of the United States, or any successor thereto as Trustee hereunder, appointed as provided herein.

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

“**Written Certificate of the City**” and “**Written Request of the City**” mean, respectively, a written certificate or written request signed in the name of the City by an Authorized City Representative. Any such certificate or request may, but need not, be combined in a single instrument with any other instrument, opinion or representation, and the two or more so combined shall be read and construed as a single instrument.

**Section 1.02 Equal Security.** In consideration of the acceptance of the Bond by the Owner thereof, this Indenture shall be deemed to be and shall constitute a contract among the Authority, the City, the Trustee and the Owner from time to time of the Bond authenticated, issued and delivered hereunder and then Outstanding to secure the full and final payment of the principal of, premium, if any, and interest on the Bond, subject to the agreements, conditions, covenants and provisions contained herein.

## ARTICLE II

### THE BOND

**Section 2.01 Authorization of the Bond.** The Authority hereby authorizes the issuance of the Bond under and subject to the terms of this Indenture and applicable laws of the State of California for the purpose of financing the Project.

**Section 2.02 Terms of Bond.**

(a) The Bond shall be designated the “City of Chino Public Financing Authority 2026 Lease Revenue Bond” and shall be issued in the principal amount of \$3,225,000 as a single bond.

(b) The Bond shall be dated the Closing Date, shall be payable in installments of principal and interest, with a final maturity of October 1, 2041 and shall bear interest at the rate of 4.25% (calculated on the basis of a 360-day year of twelve 30-day months), payable on each Interest

Payment Date commencing October 1, 2026; provided, however, that so long as any Event of Default shall have occurred and is continuing, the interest rate on the Bond may, at the option of the Owner of the Bond, be increased to the Default Rate as provided in Section 7.01; provided further, however, from and after the Date of Taxability following a Determination of Taxability, the interest rate on the Bond shall be increased to the Taxable Rate. The Bond shall be delivered in fully registered form. The Bond shall be executed and delivered in the form of a single fully registered Bond.

(c) Interest on the Bond shall be payable from the Interest Payment Date next preceding the date of authentication thereof unless (i) the Bond is authenticated on or before an Interest Payment Date and after the close of business on the preceding Record Date, in which event it shall bear interest from such Interest Payment Date, (ii) the Bond is authenticated on or before the first Record Date, in which event interest thereon shall be payable from the dated date thereof, or (iii) interest on the Bond is in default as of the date of authentication thereof, in which event interest thereon shall be payable from the date to which interest has been paid in full, payable on each Interest Payment Date. Interest shall be paid in lawful money of the United States on each Interest Payment Date to the Persons in whose names the ownership of the Bond is registered on the Registration Books at the close of business on the immediately preceding Record Date, except as provided below. Interest shall be paid by check of the Trustee mailed by first class mail, postage prepaid, on each Interest Payment Date to the Owner of the Bond at its addresses shown on the Registration Books as of the close of business on the preceding Record Date.

(d) The principal and premium, if any, of the Bond shall be payable in installments in lawful money of the United States of America without presentation and surrender thereof except upon maturity or earlier redemption at the Office of the Trustee.

(e) The Bond shall be subject to redemption as provided in Article IV.

(f) Notwithstanding anything herein to the contrary, so long as the Bond is owned by the Original Purchaser: (i) the Trustee shall pay principal of and interest and premium on, if any, on the Bond when due by wire transfer in immediately available funds to the Original Purchaser in accordance with such wire transfer instructions as shall be filed by the Original Purchaser with the Trustee from time to time; (ii) payments of principal on the Bond shall be made without the requirement for presentation and surrender by the Original Purchaser, provided that principal which is payable at maturity or full redemption shall be made only upon presentation and surrender at the Office of the Trustee; and (iii) the Trustee shall not be required to give notice to the Original Purchaser of the mandatory sinking fund payments described in Section 4.01(c).

**Section 2.03 Form of Bond.** The Bond shall be in substantially the form set forth in Exhibit A hereto, with appropriate or necessary insertions, omissions and variations as permitted or required hereby. The Bond shall be initially delivered as a single registered bond in the name of the Original Purchaser and shall not be delivered as book-entry bonds. The Bond shall not be assigned CUSIPS, be issued pursuant to any type of offering document or official statement and shall not receive a rating from any rating agency.

**Section 2.04 Transfer and Exchange of Bond.** The Bond may, in accordance with its terms, be transferred upon the Registration Books by the Person in whose name it is registered, in person or by such person's duly authorized attorney, upon surrender of the Bond for cancellation, accompanied by delivery of a written instrument of transfer, duly executed in a form acceptable to the Trustee. Whenever the Bond shall be surrendered for transfer, the Authority shall execute and the

Trustee shall authenticate and shall deliver a new Bond registered in the name of the transferee and representing the then Outstanding principal amount of the Bond. The Trustee shall require the Bond Owner requesting such transfer to pay any tax or other governmental charge required to be paid with respect to such transfer. **Notwithstanding the foregoing, the Bond is transferable only to an “accredited investor” within the meaning of Regulation D promulgated under the Securities Act or a “qualified institutional buyer” as defined in Rule 144A promulgated under the Securities Act, in each case that has delivered a Purchaser Letter (in the form attached as Exhibit C hereto) to the Authority, the City, the Trustee and Bond Counsel.**

Prior to any transfer of the Bond outside the book-entry system (including, but not limited to, the initial transfer outside the book-entry system) the transferor shall provide or cause to be provided to the Trustee all information necessary to allow the Trustee to comply with any applicable tax reporting obligations, including without limitation any cost basis reporting obligations under Internal Revenue Code Section 6045. The Trustee may rely on the information provided to it and shall have no responsibility to verify or ensure the accuracy of such information.

The Bond may be exchanged at the Office of the Trustee for a new Bond registered in the same name and representing the same Outstanding principal amount as the Bond surrendered for exchange. The Trustee shall require the payment by the Bond Owner requesting such exchange of any tax or other governmental charge required to be paid with respect to such exchange.

The Trustee shall not be obligated to make any transfer or exchange of the Bond pursuant to this Section during the period established by the Trustee preceding any date fixed for redemption of the Bond, or with respect to the Bond (or any portion thereof) that has been called for redemption.

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

**Section 2.06 Execution of the Bond.** The Bond shall be executed in the name and on behalf of the Authority with the manual or facsimile signature of an Authorized Authority Representative attested by the manual or facsimile signature of the Secretary or any duly authorized deputy secretary of the Authority. The Bond shall then be delivered to the Trustee for authentication by it. In case any of such officers of the Authority who shall have signed or attested the Bond shall cease to be such officers of the Authority before the Bond so signed or attested shall have been authenticated or delivered by the Trustee, or issued by the Authority, the Bond may nevertheless be authenticated, delivered and issued and, upon such authentication, delivery and issue, shall be as binding upon the Authority as though those who signed and attested the same had continued to be such officers of the Authority, and also the Bond may be signed and attested on behalf of the Authority by such Persons as at the actual date of execution of the Bond shall be the proper officers of the Authority although at the nominal date of the Bond any such Person shall not have been such officer of the Authority.

**Section 2.07 Authentication of the Bond.** Only if the Bond bears a certificate of authentication substantially in the form as that set forth in Exhibit A hereto, manually executed by the Trustee, shall be valid or obligatory for any purpose or entitled to the benefits of this Indenture, and such certificate of or on behalf of the Trustee shall be conclusive evidence that the Bond so

authenticated have been duly executed, authenticated and delivered hereunder and is entitled to the benefits of this Indenture.

**Section 2.08 Temporary Bond.** The Bond may be issued in temporary form, exchangeable for the definitive Bond when ready for delivery. Any temporary Bond may be printed, lithographed or typewritten, shall be in the principal amount of the Bond, shall be in fully registered form without coupons and may contain such reference to any of the provisions of this Indenture as may be appropriate. Every temporary Bond shall be executed by the Authority and authenticated by the Trustee upon the same conditions and in substantially the same manner as the definitive Bond. If the Authority issues a temporary Bond, it will execute and deliver the definitive Bond as promptly thereafter as practicable, and thereupon the temporary Bond may be surrendered, for cancellation, at the Office of the Trustee and the Trustee shall authenticate and deliver in exchange for such temporary Bond the definitive Bond. Until so exchanged, the temporary Bond shall be entitled to the same benefits under this Indenture as the definitive Bond authenticated and delivered hereunder.

**Section 2.09 Mutilated, Lost, Destroyed or Stolen Bond.** If the Bond shall become mutilated, the Authority, at the expense of the Owner of the Bond, shall execute, and the Trustee shall thereupon authenticate and deliver, a new Bond of like tenor in exchange and substitution for the Bond so mutilated, but only upon surrender to the Trustee of the Bond so mutilated. Every mutilated Bond so surrendered to the Trustee shall be canceled by it and delivered to, or in accordance with the order of, the Authority. If the Bond shall be lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the Trustee and, if such evidence and indemnity (including, if requested, a surety bond) satisfactory to the Trustee shall be given, the Authority, at the expense of the Owner, shall execute, and the Trustee shall thereupon authenticate and deliver, a new Bond of like tenor in lieu of and in replacement for the Bond so lost, destroyed or stolen (or, if the Bond shall have matured or shall have been called for redemption, instead of issuing a replacement Bond the Trustee may pay the same without surrender thereof). The Authority may require payment by the Owner of a sum not exceeding the actual cost of preparing each replacement Bond issued under this Section and of the expenses which may be incurred by the Authority and the Trustee. Any Bond issued under the provisions of this Section in lieu of the Bond alleged to be mutilated, lost, destroyed or stolen shall be deemed to constitute the same obligation and not an additional obligation of the Authority, and shall be entitled to the benefits of this Indenture equally and ratably with the Bond originally issued hereunder, upon the Trustee receiving indemnity and evidence of ownership reasonably satisfactory to it.

### ARTICLE III

#### ISSUANCE OF BOND; APPLICATION OF PROCEEDS

**Section 3.01 Issuance of Bond.** The Authority may, at any time, execute the Bond for issuance hereunder and deliver the same to the Trustee. The Trustee shall authenticate the Bond and deliver the Bond to the Original Purchaser upon receipt of a Written Request of the Authority and upon receipt of the purchase price therefor.

**Section 3.02 Application of Proceeds of the Bond.** On the Closing Date, the net proceeds of the sale of the Bond received by the Trustee in the amount of \$3,225,000 (being the purchase price for the Bond), shall be deposited by the Trustee as follows:

(a) The Trustee shall deposit the amount of \$125,000.00 in the Costs of Issuance Fund.

(b) The Trustee shall deposit the amount of \$3,100,000 in the Project Fund to be applied as provided in Section 3.04 hereof.

The Trustee may establish one or more temporary accounts from time to time to facilitate the application of proceeds of the Bond.

**Section 3.03 Costs of Issuance Fund.** The Trustee shall establish and maintain a separate fund designated the “Costs of Issuance Fund.” On the Closing Date, there shall be deposited in the Costs of Issuance Fund the amount specified in Section 3.02 hereof.

The moneys in the Costs of Issuance Fund shall be used and withdrawn by the Trustee from time to time to pay the Costs of Issuance upon submission of a Written Request of the Authority stating (a) the Person to whom payment is to be made, (b) the amount to be paid, (c) the purpose for which the obligation was incurred, (d) that such payment is a proper charge against the Costs of Issuance Fund, and (e) that such amounts have not been the subject of a prior disbursement from the Costs of Issuance Fund, in each case together with a statement or invoice for each amount requested thereunder. Each such Written Request of the Authority shall be sufficient evidence to the Trustee of the facts stated therein and the Trustee shall have no duty to confirm the accuracy of such facts. One hundred eighty (180) days following the Closing Date, or earlier upon the Written Request of the Authority, all amounts, if any, remaining in the Costs of Issuance Fund shall be withdrawn therefrom by the Trustee and transferred to the Interest Fund, and the Costs of Issuance Fund shall be closed.

**Section 3.04 Project Fund.** The Trustee shall establish, maintain and hold in trust a separate fund designated as the “Project Fund.” The moneys in the Project Fund or the accounts therein shall be disbursed by the Trustee on behalf of the City as specified in a Written Request of the City in the form attached hereto as Exhibit B to pay the Project Costs, and to reimburse the City for the same. Each Written Request of the City shall be sufficient evidence to the Trustee of the facts stated therein and the Trustee shall have no duty to confirm the accuracy of such facts. The Trustee shall be under no duty or obligation to analyze or verify any documentation supporting the payments or reimbursements in such Written Request but shall hold and provide to Owner upon request such documentation supporting the payments or reimbursements requested by the City, solely as a repository for the benefit of Owner. On the date on which the City determines that amounts in the Project Fund are no longer necessary for payment of the Project Costs, the City shall submit a Written Request to the Trustee to transfer any remaining balance in the Project Fund not needed for Project Fund purposes, to the Interest Fund to pay interest on the Bond, and the Project Fund shall be closed. Investment earnings on amounts on deposit in the Project Fund shall remain on deposit in the Project Fund for application in accordance with this Section.

## ARTICLE IV

### REDEMPTION OF BOND

#### Section 4.01 Redemption of Bond.

(a) Extraordinary Redemption. The Bond shall be subject to redemption, in whole or in part, on any date as directed by the City in a Written Request of the City provided to the Trustee not less than 30 days (or such lesser number of days acceptable to the Trustee, in the sole discretion of the Trustee) prior to such date, in denominations of \$1.00 or integral multiples thereof, from and to the extent of any Net Insurance Proceeds received with respect to all or a portion of the Property, deposited

by the Trustee in the Redemption Fund pursuant to Sections 5.03 and 5.04 hereof, at a Redemption Price equal to the principal amount of the Bond to be redeemed, plus accrued interest thereon to the date of redemption, without premium. Any such extraordinary redemption of the Bond in part shall be effected by a corresponding reduction in the outstanding principal amount of the Bond as reflected on the registration books maintained by the Trustee.

(b) Optional Redemption. On any date commencing on and after October 1, 2028, the Authority may redeem, in whole or in part, the outstanding principal amount of the Bond in inverse order of principal payments, in a written Request of the Authority provided to the Trustee and the Owner of the Bond not less than 30 days (or such lesser number of days acceptable to the Trustee, in the discretion of the Trustee and the Owner) prior to such date, using any source of available funds, at the following redemption prices (expressed as a percentage of the principal amount of the Bond or portions thereof called for redemption) together with accrued interest to the date fixed for redemption, as follows.

<i>Redemption Dates</i>	<i>Redemption Price</i>
October 1, 2028 through September 30, 2029	103%
October 1, 2029 through September 30, 2030	103%
October 1, 2030 through September 30, 2031	102%
October 1, 2031 and thereafter	100%

Any prepayment of the Bond made by the Authority hereunder shall be in a minimum principal amount of at least \$500,000, or, if less than such minimum amount, the entire outstanding principal balance thereof. Any such optional redemption of the Bond in part shall be effected by a corresponding reduction in the outstanding principal amount of the Bond as reflected on the registration books maintained by the Trustee

(c) Mandatory Sinking Fund Redemption. The Bond is subject to mandatory sinking fund redemption in part on October 1, 2027, and each October 1 thereafter, in integral multiples of \$5,000, at a Redemption Price of the principal amount thereof plus accrued interest to the date fixed for redemption, without premium, in accordance with the following schedule:

<i>Redemption Date (October 1)</i>	<i>Principal Amount</i>
2027	\$155,000
2028	165,000
2029	170,000
2030	180,000
2031	185,000
2032	195,000
2033	205,000
2034	210,000
2035	220,000
2036	230,000
2037	240,000
2038	250,000
2039	260,000
2040	275,000

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\* Final Maturity.

Each such mandatory sinking fund redemption shall be effected by a corresponding reduction in the outstanding principal amount of the Bond as reflected on the registration books maintained by the Trustee.

In the event of a redemption pursuant to Section 4.01(a) or Section 4.01(b), the City shall provide to the Trustee a revised mandatory sinking fund schedule giving effect to such redemption, and the Trustee shall thereafter apply the mandatory sinking fund installments in accordance with such revised schedule, which shall supersede the schedule set forth in Section 4.01(c) (and any prior revisions thereof).

**Section 4.02 Notice of Redemption.** The Authority shall provide the Trustee with written notice of any redemption pursuant to Section 4.01(a) at least ten (10) days prior to the date set for the redemption of the Bond, or such shorter period as may be consented to by the Trustee, such notice being for the convenience of the Trustee. The Trustee, on behalf of and at the expense of the Authority, shall provide notice of any redemption by first-class mail to the Owner of the Bond at its address appearing on the Registration Books at least 20 but not more than 60 days prior to the date fixed for redemption. Such notice shall state the date of the notice, the redemption date, the place of redemption and the Redemption Price and, if the Bond is to be redeemed in part, the portion of the principal amount of the Bond to be redeemed (or, in the case of a redemption of the Bond in whole, shall so state), and shall require that the Bond to be surrendered at the Office of the Trustee for redemption at the Redemption Price, and shall state that interest on the Bond, or such portion thereof, will cease to accrue from and after the date fixed for redemption if funds sufficient to pay the Redemption Price are on deposit with the Trustee on such date. Such notice may state that any optional redemption is conditioned upon sufficient funds being on deposit on the redemption date to redeem the Bond, or portion thereof, so called for redemption. The failure of any Owner to receive any notice so given, nor any defect in such notice, shall affect the validity of the proceedings for the redemption of the Bond or the cessation of accrual of interest thereon from and after the date fixed for redemption. For the avoidance of doubt, neither the Authority nor the Trustee shall be required to provide notice to the Owner of the Bond in connection with mandatory sinking fund redemptions pursuant to Section 4.01(c).

**Section 4.03 Effect of Notice of Redemption.** Notice having been mailed as aforesaid, and moneys for the Redemption Price, and the interest to the applicable date fixed for redemption, having been set aside in the Redemption Fund, the Bond, or portion thereof, shall become due and payable on such date, and, upon presentation of the Bond (in the case of payment of the entire outstanding principal amount) at the Office of the Trustee, shall be paid at the Redemption Price thereof, together with interest accrued and unpaid to such date.

**Section 4.04 Effect of Redemption.** If, on any date fixed for redemption, moneys for the Redemption Price of the Bond, or the portion thereof to be redeemed, together with interest to such date, shall be held by the Trustee so as to be available therefor on such date, and if notice of redemption thereof shall have been mailed as aforesaid and not canceled, then from and after such date interest on the Bond, or portion thereof, shall cease to accrue and become payable. All moneys held by the Trustee for the redemption of the Bond, or portion thereof, shall be held in trust for the account of the Owner of the Bond without liability to such Owner for interest thereon. Upon payment of the Bond at maturity

or upon redemption of the entire outstanding principal amount of the Bond prior to maturity pursuant to the provisions hereof, the Bond shall be canceled upon surrender thereof and destroyed.

## ARTICLE V

### SECURITY FOR BOND; FLOW OF FUNDS; INVESTMENTS

**Section 5.01 Pledge; Special Obligations.** Subject only to the provisions of this Indenture permitting the application thereof for the purposes and on the terms and conditions set forth herein, all of the Base Rental Payments and any other amounts (including proceeds of the sale of the Bond) held in the Base Rental Payment Fund, the Interest Fund, the Principal Fund and the Redemption Fund are hereby pledged to secure the payment of the principal of, premium, if any, and interest on the Bond in accordance with its terms, the provisions of this Indenture and the Act. Said pledge shall constitute a first lien on such assets.

All obligations of the Authority under this Indenture shall be special obligations of the Authority, payable solely from Rental Payments and the other assets pledged therefor hereunder. Neither the faith and credit nor the taxing power of the Authority, the City or the State of California, or any political subdivision thereof, is pledged to the payment of the Bond.

#### **Section 5.02 Flow of Funds.**

(a) The Trustee shall establish and maintain separate funds designated the “Base Rental Payment Fund,” the “Interest Fund,” the “Principal Fund” and the “Redemption Fund.” All Base Rental Payments shall be paid directly by the City to the Trustee, and if received by the Authority at any time shall be transferred by the Authority to the Trustee within one Business Day after the receipt thereof.

(b) The Trustee shall transfer the amounts on deposit in the Base Rental Payment Fund, at the times and in the manner hereinafter provided, to the following respective funds in the following order of priority:

(1) Interest Fund. On the Business Day immediately preceding each Interest Payment Date, the Trustee shall transfer from the Base Rental Payment Fund to the Interest Fund the amount, if any, necessary to cause the amount on deposit in the Interest Fund to be equal to the interest due on the Bond on such Interest Payment Date. Moneys in the Interest Fund shall be used by the Trustee to pay interest due on the Bond on each Interest Payment Date.

(2) Principal Fund. On the Business Day immediately preceding each October 1, commencing October 1, 2027, the Trustee shall transfer from the Base Rental Payment Fund to the Principal Fund the amount, if any, necessary to cause the amount on deposit in the Principal Fund to be equal to the principal amount of the Bond due on such October 1 either as a result of the maturity thereof or mandatory sinking fund redemption payments required to be made with respect thereto. Moneys in the Principal Fund shall be used by the Trustee for the purpose of paying the principal of the Bond when due and payable at their maturity dates or upon earlier mandatory sinking fund redemption.

(3) Redemption Fund. The Trustee shall deposit in the Redemption Fund any amounts required to be deposited therein pursuant to Section 5.03 or Section 5.04 hereof. Moneys in the Redemption Fund shall be used by the Trustee for the purpose of paying the principal of and interest and premium, if any, on Bond redeemed pursuant to the provisions of subsections (a) and (b) of Section 4.01 hereof.

**Section 5.03 Application of Net Insurance Proceeds.** If the Property or any portion thereof shall be damaged or destroyed, subject to the further requirements of this Section, the City shall, as expeditiously as possible, continuously and diligently prosecute or cause to be prosecuted the repair or replacement thereof, unless the City elects not to repair or replace the Property or the affected portion thereof in accordance with the provisions hereof.

The Net Insurance Proceeds (other than Net Insurance Proceeds of rental interruption insurance), including the proceeds of any self-insurance, received on account of any damage or destruction of the Property or a portion thereof shall as soon as possible be deposited with the Trustee and be held by the Trustee in a special account and made available for and, to the extent necessary, shall be applied to the cost of repair or replacement of the Property or the affected portion thereof upon receipt of a Written Request of the City, together with invoices therefor. Pending such application, such proceeds may be invested by the Trustee as directed by the City in Permitted Investments that mature not later than such times moneys are expected to be needed to pay such costs of repair or replacement.

Notwithstanding the foregoing, the City shall, within 60 days of the occurrence of the event of damage or destruction, notify the Trustee in writing as to whether the City intends to replace or repair the Property or the portions of the Property which were damaged or destroyed. If the City does intend to replace or repair the Property or portions thereof, the City shall deposit with the Trustee the full amount of any insurance deductible to be credited to the special account.

In the event of any damage to or destruction of the Property caused by one of the perils covered by the insurance required by Section 6.01(c) of the Lease Agreement which would result in an abatement of rental payments or any portion thereof pursuant to Section 3.06 thereof, then the City shall apply the Net Insurance Proceeds (other than Net Insurance Proceeds of rental interruption insurance), together with other legally available funds that the City elects to contribute, to the repair, reconstruction or replacement of the damaged or destroyed portions of the Property; provided, however, that the City shall not be required to repair or replace any portion of the Property pursuant to this Section 5.03 if such Net Insurance Proceeds, together with any other amounts held under this Indenture and any other legally available funds made available by the City at its election, are sufficient to prepay (i) all of the Outstanding Bond, or (ii) a portion of the Outstanding Bond such that the resulting Base Rental Payments under Section 4.01(a) in any Rental Period following such partial prepayment are sufficient to pay in such Rental Period the principal of and interest on the Bond to remain Outstanding immediately after such partial redemption. If the City is not required to replace or repair the Property, or the affected portion thereof, or to use such amounts to redeem The Bond, in each case as set forth in this Section 5.03, then such proceeds (and rental interruption insurance proceeds not applied pursuant to the next paragraph) shall, if there is first delivered to the Trustee a Written Certificate of the City to the effect that the annual fair rental value of the Property after such damage or destruction, and after any repairs or replacements made as a result of such damage or destruction, is at least equal to 100% of the maximum amount of Base Rental Payments becoming due under the Lease Agreement in the then current Rental Period or any subsequent Rental Period and the

fair replacement value of the Property after such damage or destruction is at least equal to the principal amount of the Bond Outstanding, be paid to the City to be used for any lawful purpose.

Proceeds of rental interruption insurance shall be deposited to the Base Rental Payment Fund and applied to the payment of Base Rental Payments to the extent of any abatement thereof pursuant to the Lease Agreement, and otherwise as directed by the City.

The proceeds of any award in eminent domain received in respect to the Property shall be deposited by the Trustee in the Redemption Fund and applied to the redemption of The Bond pursuant to subsection (a) of Section 4.01 hereof.

**Section 5.04 Title Insurance.** Proceeds of any policy of title insurance received by the Trustee in respect of the Property shall be applied and disbursed by the Trustee as follows:

(a) if the City determines that the title defect giving rise to such proceeds has not substantially interfered with its use and occupancy of the Property and will not result in an abatement of Rental Payments payable by the City under the Lease Agreement, such proceeds shall be remitted to the City and used for any lawful purpose thereof; or

(b) if the City determines that the title defect giving rise to such proceeds has substantially interfered with its use and occupancy of the Property and will result in an abatement of Rental Payments payable by the City under the Lease Agreement, then the Trustee shall immediately deposit such proceeds in the Redemption Fund and such proceeds shall be applied to the redemption of The Bond in the manner provided in subsection (a) of Section 4.01 hereof.

**Section 5.05 Rebate Fund.**

(a) Establishment. The Trustee shall establish a fund for the Bond designated the “Rebate Fund” when required in accordance herewith. Absent an Opinion of Counsel that the exclusion from gross income for federal income tax purposes of interest on the Bond will not be adversely affected, the Authority shall cause to be deposited in the Rebate Fund such amounts as are required to be deposited therein pursuant to this Section and the Tax Certificate. All money at any time deposited in the Rebate Fund shall be held by the Trustee in trust for payment to the United States Treasury. All amounts on deposit in the Rebate Fund for the Bond shall be governed by this Section and the Tax Certificate, unless and to the extent that the Authority delivers to the Trustee an opinion of Bond Counsel that the exclusion from gross income for federal income tax purposes of interest on the Bond will not be adversely affected if such requirements are not satisfied. Notwithstanding anything to the contrary contained herein or in the Tax Certificate, the Trustee: (1) shall be deemed conclusively to have complied with the provisions thereof if it follows all Written Requests of the Authority or Written Requests of the City; (2) shall have no liability or responsibility to enforce compliance by the Authority or the City with the terms of the Tax Certificate and shall not be deemed to have knowledge of the terms thereof; (3) may rely conclusively on the Authority’s or the City’s calculations and determinations and certifications relating to rebate matters; and (4) shall have no responsibility to independently make any calculations or determinations or to review the Authority’s or the City’s calculations or determinations thereunder.

(i) Annual Computation. Within 55 days of the end of each fifth Bond Year (as such term is defined in the Tax Certificate), the Authority shall calculate or cause to be calculated the amount of rebatable arbitrage, in accordance with Section 148(f)(2) of the

Code and Section 1.148-3 of the Treasury Regulations (taking into account any applicable exceptions with respect to the computation of the rebatable arbitrage, described, if applicable, in the Tax Certificate (e.g., the temporary investments exceptions of Section 148(f)(4)(B) and the construction expenditures exception of Section 148(f)(4)(C) of the Code), and taking into account whether the election pursuant to Section 148(f)(4)(C)(vii) of the Code (the “1½% Penalty”) has been made), for this purpose treating the last day of the applicable Bond Year as a computation date, within the meaning of Section 1.148-1(b) of the Treasury Regulations (the “Rebatable Arbitrage”). The Authority shall obtain expert advice as to the amount of the Rebatable Arbitrage to comply with this Section.

(ii) Annual Transfer. Within 55 days of the end of each fifth Bond Year, upon the Written Request of the Authority or Written Request of the City, an amount shall be deposited to the Rebate Fund by the Trustee from any Rental Payments legally available for such purpose (as specified by the Authority or the City in the aforesaid Written Request), if and to the extent required, so that the balance in the Rebate Fund shall equal the amount of Rebatable Arbitrage so calculated in accordance with clause (i) of this subsection (a). In the event that immediately following the transfer required by the previous sentence, the amount then on deposit to the credit of the Rebate Fund exceeds the amount required to be on deposit therein, upon Written Request of the Authority or Written Request of the City, the Trustee shall withdraw the excess from the Rebate Fund and then credit the excess to the Base Rental Payment Fund.

(iii) Payment to the Treasury. The Trustee shall pay, as directed by Written Request of the Authority, to the United States Treasury, out of amounts in the Rebate Fund:

(A) Not later than 60 days after the end of: (X) the fifth Bond Year; and (Y) each applicable fifth Bond Year thereafter, an amount equal to at least 90% of the Rebatable Arbitrage calculated as of the end of such Bond Year; and

(B) Not later than 60 days after the payment of the Bond, an amount equal to 100% of the Rebatable Arbitrage calculated as of the end of such applicable Bond Year, and any income attributable to the Rebatable Arbitrage, computed in accordance with Section 148(f) of the Code and Section 1.148-3 of the Treasury Regulations.

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

(b) Disposition of Unexpended Funds. Any funds remaining in the Rebate Fund after redemption and payment of the Bond and the payments described in subsection (a) above being made may be withdrawn by the Authority and utilized in any manner by the Authority.

(c) Survival of Defeasance. Notwithstanding anything in this Section to the contrary, the obligation to comply with the requirements of this Section shall survive the defeasance or payment in full of the Bond.

**Section 5.06 Investment of Moneys.** Except as otherwise provided herein, all moneys in any of the funds or accounts established pursuant to this Indenture and held by the Trustee shall be invested by the Trustee solely in Permitted Investments, as directed in writing by the Authority. The Trustee may conclusively rely upon the Authority's written instructions as to both suitability and legality of Permitted Investments. Moneys in all funds and accounts held by the Trustee shall be invested in Permitted Investments maturing not later than the date on which it is estimated that such moneys will be required for the purposes specified in this Indenture. Absent timely written direction from the Authority, the Trustee shall hold any funds held by it uninvested.

Subject to the provisions of Section 5.06 hereof, all interest, profits and other income received from the investment of moneys in any fund or account established pursuant to this Indenture shall be retained in such fund or account.

Permitted Investments acquired as an investment of moneys in any fund established under this Indenture shall be credited to such fund. For the purpose of determining the amount in any fund, all Permitted Investments credited to such fund shall be valued by the Trustee at the fair market value thereof, such valuation to be performed not less frequently than semiannually on or before each April 15 and October 15. In determining fair market value, the Trustee may use and rely conclusively on any generally recognized securities pricing service available to it (including brokers and dealers in securities).

The Trustee may act as principal or agent in the making or disposing of any investment. Upon the Written Request of the Authority, the Trustee shall sell or present for redemption any Permitted Investments so purchased whenever it shall be necessary to provide moneys to meet any required payment, transfer, withdrawal or disbursement from the fund to which such Permitted Investments is credited, and the Trustee shall not be liable or responsible for any loss resulting from any investment made or sold pursuant to this Section. The Trustee shall have no liability in respect of losses incurred as a result of the liquidation of any investment prior to its stated maturity or failure of the Authority to provide timely written investment direction. Ratings of permitted investments shall be determined at the time of purchase of such permitted investments and without regard to ratings subcategories. For purposes of investment, the Trustee may commingle moneys in any of the funds and accounts established hereunder.

The Trustee may make any investments hereunder through the bond or investment department or trust investment department of the entity acting as Trustee hereunder, or those of such entity's parent or any affiliate, and such entity, or its parent or affiliate, as applicable, shall be entitled to its normal, customary and reasonable compensation for such services.

The entity acting as Trustee hereunder, or any of its affiliates, may act as sponsor, advisor or manager in connection with any investments made by the Trustee hereunder and such entity, or its affiliate, as applicable, shall be entitled to its normal, customary and reasonable compensation for such services, including account maintenance fees.

The Authority and the City acknowledge that, to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grant the Authority and the City the right to receive

brokerage confirmations of security transactions as they occur, at no additional cost, the Authority and the City specifically waive receipt of such confirmations to the extent permitted by law.

## ARTICLE VI

### COVENANTS

**Section 6.01 Compliance with Agreements.** The Trustee will not authenticate or deliver the Bond in any manner other than in accordance with the provisions hereof, and the Authority and the City will not suffer or permit any default by them to occur hereunder, but will faithfully comply with, keep, observe and perform all the agreements, conditions, covenants and terms hereof required to be complied with, kept, observed and performed by them.

**Section 6.02 Compliance with Ground Lease and Lease Agreement.** The Authority and the City will faithfully comply with, keep, observe and perform all the agreements, conditions, covenants and terms contained in the Ground Lease and the Lease Agreement required to be complied with, kept, observed and performed by them and, together with the Trustee, will enforce the Ground Lease and the Lease Agreement against the other party thereto in accordance with their respective terms.

**Section 6.03 Observance of Laws and Regulations.** The Authority, the City and the Trustee will faithfully comply with, keep, observe and perform all valid and lawful obligations or regulations now or hereafter imposed on them by contract, or prescribed by any law of the United States of America or of the State of California, or by any officer, board or commission having jurisdiction or control, as a condition of the continued enjoyment of each and every franchise, right or privilege now owned or hereafter acquired by them, including their right to exist and carry on their respective businesses, to the end that such franchises, rights and privileges shall be maintained and preserved and shall not become abandoned, forfeited or in any manner impaired.

**Section 6.04 Other Liens.** The City will keep the Property and all parts thereof free from judgments and materialmen's and mechanics' liens and free from all claims, demands, encumbrances and other liens of whatever nature or character, and free from any claim or liability which materially impairs the City in conducting its business or utilizing the Property, and the Trustee at its option (after first giving the City ten days' written notice to comply therewith and failure of the City to so comply within such ten-day period) may, but is in no event obligated to, defend against any and all actions or proceedings, or may pay or compromise any claim or demand asserted in any such actions or proceedings; provided, however, that, in defending against any such actions or proceedings or in paying or compromising any such claims or demands, the Trustee shall not in any event be deemed to have waived or released the City from liability for or on account of any of its agreements and covenants contained herein, or from its liability hereunder and to perform such agreements and covenants.

So long as the Bond is Outstanding, none of the Trustee, the Authority or the City shall create or suffer to be created any pledge of or lien on the amounts on deposit in any of the funds or accounts created hereunder, other than the pledge and lien hereof.

The Authority, the City and the Trustee shall not encumber the Property other than in accordance with the Ground Lease, the Lease Agreement, the Indenture and the Assignment Agreement.

**Section 6.05 Prosecution and Defense of Suits.** The City will promptly, upon request of the Trustee (which request the Trustee is not required to make), take such action from time to time as may be necessary or proper to remedy or cure any cloud upon or defect in the title to the Property or any part thereof, whether now existing or hereafter developing, will prosecute all actions, suits or other proceedings as may be appropriate for such purpose and will indemnify and save the Trustee harmless from all cost, damage, expense or loss, including attorneys' fees and expenses, which it or the Owner may incur by reason of any such cloud, defect, action, suit or other proceeding.

**Section 6.06 Accounting Records and Statements.** The Trustee will keep proper accounting records in which complete and correct entries shall be made of all transactions relating to the receipt, deposit and disbursement of the Base Rental Payments, and such accounting records shall be available for inspection by the Authority and the City at reasonable hours and under reasonable conditions, including, without limitation, reasonable prior written notice of inspection.

**Section 6.07 Recordation and Filing.** The City will record, or cause to be recorded, with the appropriate county recorder, the Lease Agreement, the Ground Lease and the Assignment Agreement, or memoranda thereof.

**Section 6.08 Tax Covenants.** Notwithstanding any other provision of the Indenture, absent an Opinion of Counsel that the exclusion from gross income of the interest on the Bond will not be adversely affected for federal income tax purposes, the City and the Authority covenant to comply with all applicable requirements of the Code necessary to preserve such exclusion from gross income with respect to the Bond and specifically covenant, without limiting the generality of the foregoing, as follows:

(a) No Arbitrage. The City and the Authority will not take, or permit or suffer to be taken by the Trustee or otherwise, any action with respect to the proceeds of the Bond which, if such action had been reasonably expected to have been taken, or had been deliberately and intentionally taken, on the date of issuance of the Bond would have caused the Bond to be "arbitrage bonds" within the meaning of section 148 of the Code.

(b) Rebate Requirement. The City and the Authority will take any and all actions necessary to assure compliance with section 148(f) of the Code, relating to the rebate of excess investment earnings, if any, to the federal government, to the extent that such section is applicable to the Bond.

(c) Private Activity Bond Limitation. The City and the Authority will assure that the proceeds of the Bond are not so used as to cause the Bond to satisfy the private business tests of section 141(b) of the Code or the private loan financing test of section 141(c) of the Code.

(d) Federal Guarantee Prohibition. The City and the Authority will not take any action or permit or suffer any action to be taken if the result of such action would be to cause any of the Bond to be "federally guaranteed" within the meaning of section 149(b) of the Code.

(e) Maintenance of Tax-Exemption. The City and the Authority will take all actions necessary to assure the exclusion of interest on the Bond from the gross income of the Owner of the Bond to the same extent as such interest is permitted to be excluded from gross income under the Code as in effect on the date of issuance of the Bond.

(f) Record Retention. The City and the Authority will retain its records of all accounting and monitoring they carry out with respect to the Bond for at least 3 years after the Bond mature or are redeemed (whichever is earlier); however, if the Bond are redeemed and refunded, the City and the Authority will retain their records of accounting and monitoring at least 3 years after the earlier of the maturity or redemption of the obligations that refunded the Bond.

(g) Compliance with Tax Certificate. The City and the Authority will comply with the provisions of the Tax Certificate with respect to the Bond, which are incorporated herein as if fully set forth herein.

The covenants of this Section 6.08 will survive payment in full or defeasance of the Bond. This Section and the covenants set forth herein shall not be applicable to, and nothing contained herein shall be deemed to prevent the City and the Authority from causing the Trustee to issue revenue bonds or to execute and deliver contracts payable on a parity with the Bond, the interest with respect to which has been determined by an Opinion of Counsel to be subject to federal income taxation.

**Section 6.09 Continued Existence of Authority.** The City and the Authority will take or cause to be taken all actions reasonably necessary to continue the Authority's existence until such time as the Bond is no longer Outstanding under this Indenture, including but not limited to the addition of one or more new members to the Authority and execution of an amendment to the Joint Exercise of Powers Agreement to provide for the addition of such new members.

**Section 6.10 Further Assurances.** Whenever and so often as requested to do so by the Trustee, the Authority and the City will promptly execute and deliver or cause to be executed and delivered all such other and further assurances, documents or instruments and promptly do or cause to be done all such other and further things as may be necessary or reasonably required in order to further and more fully vest in the Trustee all advantages, benefits, interests, powers, privileges and rights conferred or intended to be conferred upon it hereby or by the Assignment Agreement, the Ground Lease or the Lease Agreement.

## ARTICLE VII

### DEFAULT AND LIMITATIONS OF LIABILITY

**Section 7.01 Action on Default.** If an Event of Default shall happen, then such event of default shall constitute an event of default hereunder. The Trustee, as assignee of the Authority, shall give notice to the City of an Event of Default under the Lease Agreement. In each and every case during the continuance of an Event of Default, the Trustee may, upon notice in writing to the City and the Authority, exercise any of the remedies granted to the Authority under the Lease Agreement and, in addition, take whatever action at law or in equity may appear necessary or desirable to enforce its rights as assignee pursuant to the Assignment Agreement or to protect and enforce any of the rights vested in the Trustee or the Owner by this Indenture or by the Bond, either at law or in equity or in bankruptcy or otherwise, whether for the specific enforcement of any covenant or agreement or for the enforcement of any other legal or equitable right, including any one or more of the remedies set forth in Section 7.02 hereof.

**Section 7.02 Other Remedies of the Trustee.** Subject to the provisions of Section 7.01 hereof, the Trustee shall have the right:

(a) by mandamus or other action or proceeding or suit at law or in equity to enforce its rights against the Authority or the City or any member, director, officer or employee thereof, and to compel the Authority or the City or any such member, director, officer or employee to perform or carry out its or his or her duties under law and the agreements and covenants required to be performed by it or him or her contained herein;

(b) by suit in equity to enjoin any acts or things which are unlawful or violate the rights of the Trustee; or

(c) by suit in equity upon the happening of any Event of Default hereunder to require the Authority and the City to account as the trustee of an express trust.

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 Bond 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 Owner.

**Section 7.03 Non-Waiver.** A waiver of any default or breach of duty or contract by the Trustee 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 of duty or contract. No delay or omission by the Trustee to exercise any right or remedy accruing upon any default or breach of duty or contract shall impair any such right or remedy or shall be construed to be a waiver of any such default or breach of duty or contract or an acquiescence therein, and every right or remedy conferred upon the Trustee by law or by this Article may be enforced and exercised from time to time and as often as the Trustee shall deem expedient.

If any action, proceeding or suit to enforce any right or to exercise any remedy is abandoned or determined adversely to the Trustee or any Owner, then subject to any adverse determination, the Trustee, such Owner, the Authority and the City shall be restored to their former positions, rights and remedies as if such action, proceeding or suit had not been brought or taken.

**Section 7.04 Remedies Not Exclusive.** Subject to the provisions of Section 7.01 hereof, no remedy herein conferred upon or reserved to the Trustee is intended to be exclusive of any other remedy, and each such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing in law or in equity or by statute or otherwise and may be exercised without exhausting and without regard to any other remedy conferred by any law. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

**Section 7.05 No Liability by the Authority to the Owner.** Except as expressly provided herein, the Authority shall not have any obligation or liability to the Owner with respect to the payment when due of the Base Rental Payments by the City, or with respect to the performance by the City of the other agreements and covenants required to be performed by it contained in the Lease Agreement or herein, or with respect to the performance by the Trustee of any right or obligation required to be performed by it contained herein.

**Section 7.06 No Liability by the City to the Owner.** Except for the payment when due of the Base Rental Payments and the performance of the other agreements and covenants required to be performed by it contained in the Lease Agreement, the Ground Lease or herein, the City shall not have any obligation or liability to the Owner with respect to this Indenture or the preparation, execution, delivery or transfer of the Bond or the disbursement of the Base Rental Payments by the Trustee to the Owner, or with respect to the performance by the Trustee of any right or obligation required to be performed by it contained herein.

**Section 7.07 No Liability of the Trustee to the Owner.** Except as expressly provided herein, the Trustee shall not have any obligation or liability to the Owner with respect to the payment when due of the Base Rental Payments by the City, or with respect to the performance by the Authority or the City of the other agreements and covenants required to be performed by them contained in the Lease Agreement, the Ground Lease or herein.

**Section 7.08 Application of Amounts After Default.** All payments received by the Trustee with respect to the rental of the Property after the occurrence of an Event of Default by the City pursuant to Article VII of the Lease Agreement (including, without limitation, any proceeds received in connection with the sale, assignment or sublease of the Authority's right, title and interest in the Ground Lease), and all damages or other payments received by the Trustee for the enforcement of any rights and powers of the Trustee under Article VII of the Lease Agreement, shall be deposited into the Base Rental Payment Fund and as soon as practicable thereafter applied, together with all other funds held hereunder (except funds in the Rebate Fund):

- (a) to the payment of all amounts due to the Trustee under Article VIII hereof;
- (b) to the payment of all amounts then due for interest on the Bond, in respect of which, or for the benefit of which, money has been collected (unless the Bond has become payable prior to such Event of Default and money for the payment of which is held by the Trustee), according to the amounts of interest on the Bond due and payable; and
- (c) to the payment of all amounts then due for principal of the Bond, in respect of which, or for the benefit of which, money has been collected (unless the Bond has become payable prior to such Event of Default and money for the payment of which is held by the Trustee), according to the amounts of principal of the Bond due and payable.

**Section 7.09 Trustee May Enforce Claims Without Possession of Bond.** All rights of action and claims under this Indenture or the Bond may be prosecuted and enforced by the Trustee without the possession of the Bond or the production thereof in any proceeding relating thereto, and any such proceeding instituted by the Trustee shall be brought in its own name as trustee of an express trust, and any recovery of judgment shall, after provision for the payment of the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, be for the benefit of the Owner in respect of which such judgment has been recovered.

**Section 7.10 Limitation on Suits.** The Owner of the Bond shall not have any right to institute any proceeding, judicial or otherwise, with respect to this Indenture, or for the appointment of a receiver or Trustee, or for any other remedy hereunder, unless (a) the Owner shall have previously given written notice to the Trustee of a continuing Event of Default, (b) the Owner shall have afforded to the Trustee indemnity reasonably satisfactory to the Trustee against the costs, expenses and liabilities to be incurred in compliance with such request, (c) the Trustee for 60 days after its receipt of

such notice, request and offer of indemnity shall have failed to institute any such proceedings, and (d) no direction inconsistent with such written request shall have been given to the Trustee during such 60 day period by the Owner.

## ARTICLE VIII

### THE TRUSTEE

**Section 8.01 Employment of the Trustee.** The Authority hereby appoints and employs the Trustee to receive, deposit and disburse the Base Rental Payments, to authenticate, deliver and transfer the Bond and to perform the other functions contained herein, all in the manner provided herein and subject to the conditions and terms hereof. By executing and delivering this Indenture, the Trustee accepts the appointment and employment hereinabove referred to and accepts the rights and obligations of the Trustee provided herein, subject to the conditions and terms hereof. Other than when an Event of Default has occurred and is continuing, the Trustee undertakes to perform such duties and only such duties as are specifically set forth in this Indenture, and no implied covenants or obligations shall be read into this Indenture against the Trustee. In case an Event of Default has occurred and is continuing, the Trustee shall exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in their exercise, as a prudent person would exercise or use under the circumstances in the conduct of his own affairs. The Trustee hereby covenants and agrees that it will not encumber the Property other than in accordance with this Indenture or the Assignment Agreement.

**Section 8.02 Duties, Removal and Resignation of the Trustee.** The Authority shall remove the Trustee initially a party hereto and any successor thereto if at any time (a) requested to do so by an instrument or concurrent instruments in writing signed by the Owner of the Bond (or its attorneys duly authorized in writing), or (b) the Trustee shall cease to be eligible in accordance with the following sentence, and shall appoint a successor Trustee. The Trustee and any successor Trustee shall be: (i) a national banking association in good standing authorized to exercise trust powers or having the powers of a trust company and duly authorized to exercise trust powers within the State having a combined capital and surplus of at least \$50,000,000, and subject to supervision or examination by federal or state authority, or (ii) a state-chartered commercial bank that is a member of the Federal Reserve System having at least \$1,000,000,000 of assets. No removal, resignation or termination of the Trustee shall take effect until a successor, meeting the requirements above, shall be qualified and appointed. If such entity 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 entity shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published.

The Authority shall provide 30 days written notice to the Trustee of the removal of the Trustee and the removal of the Trustee by the Authority shall be subject to such party not being in default under the transaction documents.

The Trustee may at any time resign by giving written notice of such resignation to the Authority and the City and by giving notice, by first-class mail, postage prepaid, of such resignation to the Owner at its address appearing on the Registration Books. Upon receiving such notice of resignation, the Authority shall promptly appoint a successor Trustee by an instrument in writing; provided, however, that in the event the Authority does not appoint a successor Trustee within 30 days following receipt of such notice of resignation, the resigning Trustee may, at the expense of the Authority, petition the appropriate court having jurisdiction to appoint a successor Trustee. Any resignation or removal of a

Trustee and appointment of a successor Trustee shall become effective only upon acceptance of appointment by the successor Trustee.

Any corporation, association or agency into which the Trustee may be converted or merged, or with which it may be consolidated, or to which it may sell or transfer its corporate trust business and assets as a whole or substantially as a whole, or any corporation or association resulting from any such conversion, sale, merger, consolidation or transfer to which it is a party, provided that such entity meets the combined capital and surplus requirements of this Section, ipso facto, shall be and become successor trustee under this Indenture and vested with all the trusts, powers, discretions, immunities, privileges and all other matters as was its predecessor, without the execution or filing of any instrument or any further act, deed or conveyance on the part of any of the parties hereto, anything herein to the contrary notwithstanding.

**Section 8.03 Compensation of the Trustee.** The City shall from time to time, subject to any written agreement then in effect with the Trustee, pay the Trustee reasonable compensation for all its services rendered hereunder and reimburse the Trustee for all its reasonable advances and expenditures (which shall not include “overhead expenses” except as such expenses are included as a component of the Trustee’s stated annual fees) hereunder, including but not limited to advances to and reasonable fees and reasonable expenses of accountants, agents, appraisers, consultants or other experts, and counsel not directly employed by the Trustee but an attorney or firm of attorneys retained by the Trustee, employed by it in the exercise and performance of its rights and obligations hereunder. The Trustee may take whatever legal actions are lawfully available to it directly against the Authority or the City.

The City shall, to the extent permitted by law, indemnify and save the Trustee harmless against any loss, damage, liabilities, costs, claims or expenses, including those of its attorneys, which it may incur in the exercise and performance of its powers and duties hereunder, under the Lease Agreement, or in connection with any document or transaction contemplated hereunder or thereunder, including the enforcement of any remedies and the defense of any suit, and which are not due to its negligence or its willful misconduct as finally adjudicated by a court of competent jurisdiction. The duty of the City to indemnify the Trustee shall survive the termination and discharge of this Indenture and the earlier removal or resignation of the Trustee.

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

No provision of this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder or in the exercise of any of its rights or powers hereunder. The Trustee may refuse to perform any duty or exercise any right or power which would require it to expend its own funds or risk any liability if it shall reasonably believe that repayment of such funds or adequate indemnity against such risk is not reasonably assured to it.

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. 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.

**Section 8.04 Protection of the Trustee.** The Trustee shall be protected and shall incur no liability in acting or proceeding in good faith upon any affidavit, bond, certificate, consent, notice, request, requisition, resolution, statement, telegram, voucher, waiver or other paper or document which it shall in good faith believe to be genuine and to have been adopted, executed or delivered by the proper party or pursuant to any of the provisions hereof, and the Trustee shall be under no duty to make any investigation or inquiry as to any statements contained or matters referred to in any such instrument, but may accept and rely upon the same as conclusive evidence of the truth and accuracy of such statements. The Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Indenture at the request or direction of the Owner of the Bond pursuant to this Indenture, unless the Owner shall have offered to the Trustee security or indemnity, reasonably satisfactory to the Trustee, against the reasonable costs, expenses and liabilities which might be incurred by it in compliance with such request or direction. The Trustee may consult with counsel, who may be counsel to the Authority or the City, with regard to legal questions, and the opinion of such counsel shall be full and complete authorization and protection in respect to any action taken or suffered by it hereunder in good faith in accordance therewith.

The Trustee shall not be responsible for the sufficiency of the Bond or the Lease Agreement, or of the assignment made to it by the Assignment Agreement, or for statements made in any disclosure material prepared or distributed relating to the Bond, or of the title to the Property. The Trustee shall have no responsibility for compliance with any state or federal securities laws in connection with the Bond.

Whenever in the administration of its rights and obligations hereunder the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may be deemed to be conclusively proved and established by a Written Certificate of the City or a Written Certificate of the Authority, and such certificate shall be full warrant to the Trustee for any action taken or suffered under the provisions hereof 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 it deems reasonable.

The Trustee may buy, sell, own, hold and deal in the Bond and may join in any action which the Owner may be entitled to take with like effect as if the Trustee were not a party hereto. The Trustee, either as principal or agent, may also engage in or be interested in any financial or other transaction with the Authority or the City, and may act as agent, depository or trustee for any committee or body for the Owner of obligations of the Authority or the City as freely as if it were not the Trustee hereunder.

The Trustee may, to the extent reasonably necessary, execute any of the trusts or powers hereof and perform any rights and obligations required of it hereunder either directly or by or through agents, attorneys, custodians, nominees or receivers appointed with due care, and shall be entitled to advice of counsel concerning all matters of trust and its rights and obligations hereunder, and the Trustee shall not be answerable for the negligence or misconduct of any such agent, attorney, custodian, nominee or

receiver selected by it with reasonable care; provided, however, that in the event of any negligence or misconduct of any such attorney, agent or receiver, the Trustee shall in a commercially reasonable manner pursue all remedies of the Trustee against such agent, attorney or receiver. The Trustee shall not be liable for any error of judgment made by it in good faith unless it shall be proved that the Trustee was negligent in ascertaining the pertinent facts.

The Trustee shall not be answerable for the exercise of any trusts or powers hereunder or for anything whatsoever in connection with the funds established hereunder, except only for its own willful misconduct, negligence or breach of an obligation hereunder.

The Trustee shall not be deemed to have knowledge of an Event of Default unless it has actual knowledge thereof.

The Trustee may, on behalf of the Owner, intervene in any judicial proceeding to which the Authority or the City is a party and which, in the opinion of the Trustee and its counsel, affects the Bond or the security therefor, and shall do so if requested in writing by the Owner, provided the Trustee shall have no duty to take such action unless it has been indemnified to its reasonable satisfaction against all risk or liability arising from such action.

The Trustee's rights to immunities and protection from liability hereunder and its rights to payment of its fees and expenses shall survive its resignation or removal and final payment or defeasance of the Bond.

All indemnifications and releases from liability granted herein to the Trustee shall extend to the directors, officers, employees and agents of the Trustee.

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 shall have no responsibility or liability with respect to any information, statements or recitals in any offering memorandum or other disclosure material prepared or distributed with respect to the issuance of the Bond. The Trustee shall not be accountable for the use or application by the City of any of the Bond 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.

In no event shall the Trustee be responsible or liable for special, indirect, consequential, punitive or incidental loss or damage of any kind whatsoever (including, but not limited to, loss of profit) irrespective of whether the Trustee has been advised of the likelihood of such loss or damage and regardless of the form of action.

In no event shall the Trustee be responsible or liable for any failure or delay in the performance of its obligations hereunder arising out of or caused by, directly or indirectly, forces beyond its control, including, without limitation, strikes, work stoppages, accidents, acts of war or terrorism, civil or military disturbances, pandemics, epidemics, recognized public emergencies, quarantine restrictions, nuclear or natural catastrophes or acts of God, interruptions, loss or malfunctions of utilities, communications or computer (software and hardware) services, and hacking, cyber-attacks, or other use or infiltration of the Trustee's technological infrastructure exceeding authorized access; it being understood that the Trustee shall use reasonable efforts that are consistent with accepted practices in the banking industry to resume performance as soon as practicable under the circumstances.

The Trustee shall have the right to accept and act upon instructions, including funds transfer instructions (“Instructions”) given pursuant to this Indenture and related financing documents and delivered using Electronic Means; provided, however, that the Authority or the City, as applicable, shall provide to the Trustee an incumbency certificate listing officers with the authority to provide such Instructions (“Authorized Officers”) and containing specimen signatures of such Authorized Officers, which incumbency certificate shall be amended by the Authority or the City, as applicable, whenever a person is to be added or deleted from the listing. If the Authority or the City, as applicable, elects to give the Trustee Instructions using Electronic Means and the Trustee in its discretion elects to act upon such Instructions, the Trustee’s understanding of such Instructions shall be deemed controlling. The Authority and the City understand and agree that the Trustee cannot determine the identity of the actual sender of such Instructions and that the Trustee shall conclusively presume that directions that purport to have been sent by an Authorized Officer listed on the incumbency certificate provided to the Trustee have been sent by such Authorized Officer. The Authority and the City shall be responsible for ensuring that only Authorized Officers transmit such Instructions to the Trustee and that the Authority, the City and all Authorized Officers are solely responsible to safeguard the use and confidentiality of applicable user and authorization codes, passwords and/or authentication keys upon receipt by the Authority and/or the City, as applicable. The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee’s reliance upon and compliance with such Instructions notwithstanding such directions conflict or are inconsistent with a subsequent written instruction. The Authority and the City agree: (i) to assume all risks arising out of the use of Electronic Means to submit Instructions to the Trustee, including, without limitation, the risk of the Trustee acting on unauthorized Instructions, and the risk of interception and misuse by third parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting Instructions to the Trustee and that there may be more secure methods of transmitting Instructions than the method(s) selected by the Authority and/or the City, as applicable; (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.

In acting or omitting to act pursuant to the Lease Agreement or Ground Lease, the Trustee shall be entitled to all of the rights, immunities and indemnities accorded to it under this Indenture and the Lease Agreement, including, but not limited to, this Article VIII.

## **ARTICLE IX**

### **MODIFICATION OR AMENDMENTS**

#### **Section 9.01 Modifications and Amendments Permitted.**

(a) This Indenture and the rights and obligations of the Authority, the City, the Owner of the Bond and the Trustee may be modified or amended from time to time and at any time by a Supplemental Indenture, which the Authority, the City and the Trustee may enter into with the prior written consent of the Owner the Bond, which shall have been filed with the Trustee. No such modification or amendment shall (i) extend the fixed maturity of the Bond, or reduce the amount of principal thereof or the rate of interest thereon, or extend the time of payment, without the consent of the Owner of the Bond, or (ii) permit the creation of any lien on the Base Rental Payments and other assets pledged under this Indenture prior to or on a parity with the lien created by this Indenture or deprive the Owner of the Bond of the lien created by this Indenture on such Base Rental Payments and other assets (except as expressly provided in this Indenture), without the consent of Owner of the Bond.

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

(b) Promptly after the execution by the Authority, the City and the Trustee of any Supplemental Indenture, the Trustee shall mail a notice (the form of which shall be furnished to the Trustee by the Authority), by first class mail postage prepaid, setting forth in general terms the substance of such Supplemental Indenture, to the Owner of the Bond at its address shown on the Registration Books. Any failure to give such notice, or any defect therein, shall not, however, in any way impair or affect the validity of any such Supplemental Indenture.

(c) No Supplemental Indenture shall modify any of the rights or obligations of the Trustee without the Trustee's prior written consent.

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

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 counsel stating that the execution of such supplemental indenture is authorized or permitted by this Indenture and complies with the terms hereof.

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

## ARTICLE X

### DEFEASANCE

**Section 10.01 Discharge of Indenture.** If the Authority shall pay or cause to be paid or there shall otherwise be paid to the Owner of the Bond the principal thereof and the interest and premium, if any, thereon at the times and in the manner stipulated herein and therein, then the Owner of the Bond shall cease to be entitled to the pledge of the Base Rental Payments and the other assets as provided herein, and all agreements, covenants and other obligations of the Authority and the City to the Owner

of the Bond hereunder shall thereupon cease, terminate and become void and be discharged and satisfied. In such event, the Trustee shall execute and deliver to the Authority and the City all such instruments as may be necessary or desirable to evidence such discharge and satisfaction, and the Trustee shall pay over or deliver to the City all money or securities held by it pursuant hereto which are not required for the payment of the principal of and interest and premium, if any, on such Bond.

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

Notwithstanding the satisfaction and discharge of this Indenture or the discharge of this Indenture in respect of the Bond, those provisions of this Indenture relating to the maturity of the Bond, interest payments and dates thereof, exchange and transfer of Bond, replacement of mutilated, destroyed, lost or stolen Bond, the safekeeping and cancellation of the Bond, non-presentment of the Bond, and the duties of the Trustee in connection with all of the foregoing, shall remain in effect and shall be binding upon the Trustee and the Owner of the Bond and the Trustee shall continue to be obligated to hold in trust any moneys or investments then held by the Trustee for the payment of the principal of and interest and premium, if any, on the Bond, to pay to the Owner of Bond the funds so held by the Trustee as and when such payment becomes due. Notwithstanding the satisfaction and discharge of this Indenture or the discharge of this Indenture in respect of the Bond, those provisions of this Indenture relating to the compensation and indemnity of the Trustee shall remain in effect and shall be binding upon the Trustee, the City and the Authority.

**Section 10.02 Bond Deemed To Have Been Paid.** If moneys shall have been set aside and held by the Trustee (or an escrow agent or other fiduciary) for the payment or redemption of the Bond and the interest thereon at the maturity or redemption date thereof, the Bond shall be deemed to have been paid within the meaning and with the effect provided in Section 10.01 hereof. The Bond shall, prior to the maturity date or redemption date thereof, be deemed to have been paid within the meaning of and with the effect expressed in Section 10.01 hereof if (a) in case the Bond is to be redeemed on any date prior to their maturity date, the Authority shall have given to the Trustee in form satisfactory to it irrevocable instructions to mail, on a date in accordance with the provisions of Section 4.02 hereof, notice of redemption of the Bond on said redemption date, said notice to be given in accordance with Section 4.02 hereof, (b) there shall have been deposited with the Trustee (or an escrow agent or other fiduciary) either (i) money in an amount which shall be sufficient, or (ii) Federal Securities that are not subject to redemption other than at the option of the holder thereof, the interest on and principal of which when paid will provide money which, together with the money, if any deposited or on deposit with the Trustee at the same time, shall, as verified in writing by an independent certified public accountant, be sufficient to pay when due the interest to become due on the Bond on and prior to the maturity date or redemption date thereof, as the case may be, and the principal of and premium, if any, on the Bond, and (c) in the event the Bond is not by its terms subject to redemption within the next succeeding 60 days, the Authority shall have given the Trustee in form satisfactory to it irrevocable instructions to mail as soon as practicable, a notice to the owner of the Bond that the deposit required by clause (b) above has been made with the Trustee (or an escrow agent or other fiduciary) and that the Bond, is deemed to have been paid in accordance with this Section and stating the maturity date or

redemption date upon which money is to be available for the payment of the principal of and premium, if any, on the Bond.

**Section 10.03 Payment of Bond After Discharge of Indenture.** Notwithstanding any provisions of this Indenture, to the extent permitted by law, any moneys held by the Trustee in trust for the payment of the principal of, or premium or interest on, the Bond and remaining unclaimed for two years after the date of deposit of such moneys, shall be repaid to the Authority (without liability for interest) free from the trusts created by this Indenture, and all liability of the Trustee with respect to such moneys shall thereupon cease; provided, however, that before the repayment of such moneys to the Authority as aforesaid, the Trustee may (at the cost of the Authority) first mail, by first class mail postage prepaid, to the Owner of the Bond, at its address shown on the Registration Books, a notice, in such form as may be deemed appropriate by the Trustee with respect to the Bond so payable and not presented and with respect to the provisions relating to the repayment to the Authority of the moneys held for the payment thereof. Any money held by the Trustee pursuant to this paragraph shall be held uninvested and without any liability for interest.

## ARTICLE XI

### MISCELLANEOUS

**Section 11.01 Benefits of Indenture Limited to Parties.** Nothing contained herein, expressed or implied, is intended to give to any person other than the Authority, the City, the Trustee and the Owner any claim, remedy or right under or pursuant hereto, and any agreement, condition, covenant or term required herein to be observed or performed by or on behalf of the Authority or the City shall be for the sole and exclusive benefit of the Trustee and the Owner.

**Section 11.02 Successor Deemed Included in all References to Predecessor.** Whenever the Authority, the City or the Trustee, or any officer thereof, is named or referred to herein, such reference shall be deemed to include the successor to the powers, duties and functions that are presently vested in the Authority, the City or the Trustee, or such officer, and all agreements, conditions, covenants and terms required hereby to be observed or performed by or on behalf of the Authority, the City or the Trustee, or any officer thereof, shall bind and inure to the benefit of the respective successors thereof whether so expressed or not.

**Section 11.03 Execution of Documents by Owner.** Any declaration, request or other instrument which is permitted or required herein to be executed by Owner may be in one or more instruments of similar tenor and may be executed by Owner in person or by their attorneys appointed in writing. The fact and date of the execution by any Owner or his attorney of any declaration, request or other instrument or of any writing appointing such attorney may be proved by the certificate of any notary public or other officer authorized to take acknowledgments of deeds to be recorded in the state or territory in which he purports to act that the person signing such declaration, request or other instrument or writing acknowledged to him the execution thereof, or by an affidavit of a witness of such execution duly sworn to before such notary public or other officer, or by such other proof as the Trustee may accept which it may deem sufficient.

The ownership of the Bond and the amount, payment date, number and date of owning the same may be proved by the Registration Books.

Any declaration, request or other instrument in writing of the Owner of any Bond shall bind all future owners of the Bond with respect to anything done or suffered to be done by the Authority, the City or the Trustee in good faith and in accordance therewith.

**Section 11.04 Waiver of Personal Liability.** Notwithstanding anything contained herein to the contrary, no member, officer or employee of the Authority or the City shall be individually or personally liable for the payment of any moneys, including without limitation, the principal of or interest on the Bond, but nothing contained herein shall relieve any member, officer or employee of the City or the Authority from the performance of any official duty provided by any applicable provisions of law, by the Lease Agreement or hereby.

**Section 11.05 Destruction of Bond.** Whenever in this Indenture provision is made for the cancellation by the Trustee and the delivery to the Authority of the Bond, the Trustee may, in lieu of such cancellation and delivery, destroy the Bond.

**Section 11.06 Funds and Accounts.** Any fund or account required to be established and maintained herein by the Trustee may be established and maintained in the accounting records of the Trustee either as an account or a fund, and may, for the purposes of such accounting records, any audits thereof and any reports or statements with respect thereto, be treated either as an account or a fund, but all such records with respect to all such funds and accounts shall at all times be maintained in accordance with sound accounting practice and with due regard for the protection of the security of the Bond and the rights of the Owner.

The Trustee may commingle any of the moneys held by it hereunder for investment purposes only; provided, however, that the Trustee shall account separately for the moneys in each fund or account established pursuant to this Indenture. The Trustee may establish such funds and accounts as it deems necessary or appropriate to perform its obligations hereunder.

**Section 11.07 Article and Section Headings Gender and References.** The singular form of any word used herein, including the terms defined in Section 1.01 hereof, shall include the plural, and vice versa, unless the context otherwise requires. The use herein of a pronoun of any gender shall include correlative words of the other genders. The headings or titles of the several Articles and Sections hereof and the table of contents appended hereto shall be solely for convenience of reference and shall not affect the meaning, construction or effect hereof. All references herein to “Articles,” “Sections,” subsections or clauses are to the corresponding Articles, Sections, subsections or clauses hereof, and the words “hereby,” “herein,” “hereof,” “hereto,” “herewith,” “hereunder” and other words of similar import refer to this Indenture as a whole and not to any particular Article, Section, subsection or clause thereof.

**Section 11.08 Partial Invalidity.** If any one or more of the agreements, conditions, covenants or terms required herein to be observed or performed by or on the part of the Authority, the City or the Trustee shall be contrary to law, then such agreement or agreements, such condition or conditions, such covenant or covenants or such term or terms shall be null and void to the extent contrary to law and shall be deemed separable from the remaining agreements, conditions, covenants and terms hereof and shall in no way affect the validity hereof or of the Bond, and the Owner shall retain all the benefit, protection and security afforded to it under any applicable provisions of law. The Authority, the City and the Trustee hereby declare that they would have executed this Indenture, and each and every Article, Section, paragraph, subsection, sentence, clause and phrase hereof and would have authorized the execution and delivery of the Bond pursuant hereto irrespective of the fact that any



**Section 11.13 Additional Rights of Original Purchaser.** The following provisions shall apply so long as the Original Purchaser is the Owner of the Bond:

(a) Notwithstanding any other provision of this Indenture, the Original Purchaser shall have the right to consent to the appointment of a successor Trustee appointed by the Authority after the resignation or removal of the Trustee.

(b) Notwithstanding any other provision of this Indenture, the Original Purchaser shall have the right to consent to any amendment to this Indenture and the Lease Agreement, including, but not limited to, the substitution or release of the Property.

(c) The Original Purchaser is hereby expressly made a third-party beneficiary of this Indenture and the Lease Agreement.

(d) The Trustee or the Authority, as applicable, shall notify the Original Purchaser of any failure of the City to provide relevant notices, certificates or other similar documents as required by the Lease Agreement.

(e) Notwithstanding anything herein to the contrary, the Bond shall not be required to be surrendered for any payment other than for final payment. In the event of a lost or mutilated Bond, the Original Purchaser shall not be charged fees or expenses that are greater than \$500 or required to complete more than one affidavit. Otherwise, the Bond shall not be required for final payment thereof and a PDF copy shall be sufficient for payment.

(f) Notwithstanding anything to the contrary herein or in the Lease Agreement, the parties hereto agree and acknowledge that the City and the Original Purchaser have executed that certain Supplemental Agreement dated as of July 14, 2026 (the "Supplemental Agreement"), and the terms of such Supplemental Agreement shall be adhered to by the City so long as the Original Purchaser is the Owner of the Bond, including, but not limited to, the waiver of jury trial/judicial reference provisions set forth in the Supplemental Agreement.

**Section 11.14 Execution in Counterparts.** This Indenture may be executed in several counterparts, each of which shall be deemed an original, and all of which shall constitute but one and the same instrument.

*[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK.]*

**IN WITNESS WHEREOF**, the Authority and the City have caused this Indenture to be signed in their respective names by their representative thereunto duly authorized, and the Trustee, in token of its acceptance of the trusts created hereunder, has caused this Indenture to be signed in its corporate name by its officer thereunto duly authorized, all as of the day and year first above written.

CITY OF CHINO PUBLIC FINANCING  
AUTHORITY

By: \_\_\_\_\_  
KAREN COMSTOCK  
CHAIR

ATTEST:

By: \_\_\_\_\_  
NATALIE GONZAGA  
SECRETARY

CITY OF CHINO

By: \_\_\_\_\_  
DR. LINDA REICH  
CITY MANAGER

ATTEST:

By: \_\_\_\_\_  
NATALIE GONZAGA  
CITY CLERK

*[SIGNATURES CONTINUED ON NEXT PAGE.]*

*[SIGNATURE PAGE CONTINUED.]*

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

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

**EXHIBIT A**  
**FORM OF BOND**

\$3,225,000

**THIS BOND HAS NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), AND MAY NOT BE OFFERED, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED UNLESS SO REGISTERED OR IN RELIANCE UPON AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT, OR UNLESS SOLD TO AN “ACCREDITED INVESTOR” WITHIN THE MEANING OF REGULATION D PROMULGATED UNDER THE SECURITIES ACT OR A “QUALIFIED INSTITUTIONAL BUYER” AS DEFINED IN RULE 144A PROMULGATED UNDER THE SECURITIES ACT IN EACH CASE ACT PURCHASING FOR ITS OWN ACCOUNT AND NOT WITH A VIEW TO DISTRIBUTE THIS BOND, IN A TRANSACTION NOT INVOLVING A PUBLIC OFFERING, WHO DELIVERS TO THE TRUSTEE, THE AUTHORITY, THE CITY AND BOND COUNSEL AN EXECUTED PURCHASER LETTER SUBSTANTIALLY IN THE FORM SET FORTH IN THE INDENTURE.**

**CITY OF CHINO PUBLIC FINANCING AUTHORITY**  
**2026 LEASE REVENUE BOND**

<b>INTEREST RATE</b>	<b>MATURITY DATE</b>	<b>DATED DATE</b>
<u>  </u> 4.250%	October 1, 2041	July 14, 2026

**REGISTERED OWNER:**

**PRINCIPAL AMOUNT:**     THREE MILLION TWO HUNDRED TWENTY-FIVE THOUSAND DOLLARS

The City of Chino Public Financing Authority (the “Authority”), for value received, hereby promises to pay, solely from the Base Rental Payments (as hereinafter defined) or amounts in certain funds and accounts held under the Indenture (as hereinafter defined), to the Registered Owner identified above or registered assigns (the “Registered Owner”), on the Maturity Date identified above or on any earlier redemption date, the Principal Amount identified above in lawful money of the United States of America; and to pay interest thereon at the Interest Rate identified above in like lawful money from the date hereof payable semiannually on April 1 and October 1 in each year, commencing October 1, 2026 (the “Interest Payment Dates”) (calculated on the basis of a 360-day year of twelve 30-day months), until payment of such Principal Amount in full; provided, however, that so long as any other Event of Default shall have occurred and is continuing, the interest rate on the Bond may, at the option of the Registered Owner of the Bond, be increased to the Default Rate as provided in the Indenture; provided further, however, from and after the Date of Taxability following a Determination of Taxability, the interest rate on the Bond shall be increased to the Taxable Rate. For purposes of the Indenture, the Registered Owner shall be deemed to be the “Owner” of this Bond.

This Bond shall bear interest from the Interest Payment Date next preceding the date of authentication of this Bond (unless this Bond is authenticated on or before an Interest Payment Date and after the close of business on the fifteenth calendar day of the month next preceding such Interest Payment Date, whether or not such day is a Business Day, in which event it shall bear interest from such Interest Payment Date, or unless this Bond is authenticated on or prior to September 15, 2026, in which event it shall bear interest from the Dated Date identified above; provided, however, that if, at the time of authentication of this Bond, interest is in default on this Bond, interest on this Bond shall be payable from the date to which interest hereon has been paid in full, payable on each Interest Payment Date). The final installment of principal hereof is payable upon surrender hereof upon maturity or earlier redemption at the Office of the Trustee (as hereinafter defined). Interest hereon is payable by wire or check of The Bank of New York Mellon Trust Company, N.A., as Trustee (the "Trustee"), mailed by first class mail, postage prepaid, on each Interest Payment Date to the Registered Owner hereof at the address of the Registered Owner shown on the Registration Books at the close of business on the fifteenth calendar day of the month next preceding such Interest Payment Date. "Office of the Trustee" means the principal corporate trust office of the Trustee in Los Angeles, California, or such other office as may be specified to the Authority and the City of Chino (the "City") by the Trustee in writing, except that with respect to presentation of this Bond at maturity or for registration of transfer and exchange such term shall mean the office or the agency of the Trustee at which, at any particular time, its corporate trust agency shall be conducted as specified to the Authority and the City by the Trustee in writing.

Notwithstanding anything herein to the contrary, so long as this Bond is owned by the Original Purchaser: (i) the Trustee shall pay principal of, premium, if any, and interest on the Bond when due by wire transfer in immediately available funds to the Original Purchaser in accordance with such wire transfer instructions as shall be filed by the Original Purchaser with the Trustee from time to time; (ii) payments of principal on the Bond shall be made without the requirement for presentation and surrender by the Original Purchaser, provided that principal which is payable at maturity or full redemption shall be made only upon presentation and surrender at the Office of the Trustee; and (iii) the Trustee shall not be required to give notice to the Original Purchaser of the mandatory sinking fund payments described in Indenture.

This Bond is the sole duly authorized bond issued under the Indenture for the purpose of financing the Project (as defined in the Indenture) and is the only bond designated "City of Chino Public Financing Authority 2026 Lease Revenue Bond" (the "Bond") in the aggregate principal amount of \$3,225,000. This Bond is issued pursuant to the Indenture, dated as of July 1, 2026 (the "Indenture"), by and among the Authority, the City and the Trustee, 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 entered into, and this Bond is issued under, the Marks-Roos Local Bond Pooling Act of 1985 (the "Act") and the laws of the State of California. This Bond may be endorsed or exchanged to reflect any modification or amendment of the Indenture, as provided in Section 9.03 thereof.

Pursuant to the Indenture, the principal of and interest on the Bond is payable solely from certain base rental payments (the "Base Rental Payments") under and pursuant to that certain Lease Agreement, dated as of July 1, 2026 (the "Lease Agreement"), by and between the City, as lessee, and the Authority, as lessor, all of which rights to receive such Base Rental Payments have been assigned without recourse by the Authority to the Trustee. Subject only to the provisions of the Indenture permitting the application thereof for the purposes and on the terms and conditions set forth therein, all of the Base Rental Payments and any other amounts (including proceeds of the sale of the Bond)

held in the Base Rental Payment Fund, the Interest Fund, the Principal Fund and the Redemption Fund established under the Indenture are pledged to secure the payment of the principal of, premium, if any, and interest on the Bond in accordance with its terms, the provisions of the Indenture and the Act. Said pledge constitutes a first lien on such assets.

This Bond is issued only in fully registered form, without coupons, as a single Bond in the aggregate principal amount set forth above, with the Outstanding principal amount of this Bond being reduced from time to time by payment or redemption as provided in the Indenture.

This Bond is subject to extraordinary, optional and sinking fund redemption as provided in the Indenture.

The Trustee on behalf and at the expense of the Authority shall provide notice of any redemption as provided in the Indenture.

Subject to the limitations and upon payment of the charges, if any, provided in the Indenture, this Bond may be exchanged at the Office of the Trustee for a new Bond registered in the same name and representing the same Outstanding principal amount as this Bond.

This Bond is transferable by the Registered Owner hereof, in person or by his duly authorized attorney, but only in the manner, subject to the limitations and upon payment of the charges provided in the Indenture, and upon surrender and cancellation of this Bond. Upon such transfer a new fully registered Bond, representing the same Outstanding principal amount, will be issued to the transferee in exchange herefor. The Authority, the City and the Trustee may treat the Registered Owner hereof as the absolute owner hereof for all purposes, and the Authority, the City and the Trustee shall not be affected by any notice to the contrary. **Notwithstanding the foregoing, the Bond is transferable only to an “accredited investor” within the meaning of Regulation D promulgated under the Securities Act or a “qualified institutional buyer” as defined in Rule 144A promulgated under the Securities Act who has delivered a Purchaser Letter (in the form attached as Exhibit C hereto) to the Authority, the City, the Trustee, and Bond Counsel.**

The Indenture and the rights and obligations of the Authority, the City, the Registered Owner of the Bond and the Trustee may be modified or amended from time to time and at any time in the manner, to the extent, and upon the terms provided in the Indenture; provided that no such modification or amendment shall (a) extend the fixed maturity of this Bond, or reduce the principal thereof or the rate of interest thereon, or extend the time of payment, without the consent of the Registered Owner of the Bond, or (b) permit the creation of any lien on the Base Rental Payments and other assets pledged under the Indenture prior to or on a parity with the lien created by the Indenture or deprive the Registered Owner of the Bond of the lien created by the Indenture on such Base Rental Payments and such other assets (except as expressly provided in the Indenture), without the consent of the Registered Owner of the Bond.

The Indenture contains provisions permitting the Authority to make provision for the payment of interest on, and the principal and premium, if any, of the Bond so that the Bond shall no longer be deemed to be outstanding under the terms of the Indenture.

All obligations of the Authority under the Indenture and under this Bond shall be special obligations of the Authority, payable solely from Base Rental Payments and the other assets pledged therefor under the Indenture. Neither the faith and credit nor the taxing power of the Authority, the

City or the State of California, or any political subdivision thereof, is pledged to the payment of the Bond.

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

**IN WITNESS WHEREOF**, the Authority has caused this Bond to be signed in its name and on its behalf by the facsimile signatures of its Executive Director and Secretary, all as of the Dated Date identified above.

CITY OF CHINO PUBLIC FINANCING  
AUTHORITY

By: \_\_\_\_\_  
KAREN COMSTOCK  
CHAIR

ATTEST:

\_\_\_\_\_  
NATALIE GONZAGA  
SECRETARY

[FORM OF TRUSTEE'S CERTIFICATE OF AUTHENTICATION]

This is one of the Bond described in the within-mentioned Indenture and registered on the Registration Books.

Date: \_\_\_\_\_, 2026

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

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

[FORM OF ASSIGNMENT]

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

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

Signature Guaranteed:

\_\_\_\_\_  
Note: Signature(s) must be guaranteed by an eligible guarantor in a Recognized Signature Guaranty Medallion Program.

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

**EXHIBIT B**

**FORM OF PROJECT FUND REQUISITION**

**REQUISITION NO. \_\_\_\_ FOR  
DISBURSEMENT FROM THE PROJECT FUND**

The undersigned hereby states and certifies:

(i) that he/she is the duly appointed, qualified and acting \_\_\_\_\_ of the City of Chino, a general law city and municipal corporation duly organized and existing under the laws of the State of California (the “City”), and as such, is familiar with the facts herein certified and is authorized to certify the same;

(ii) that, pursuant to Section 3.04 of the Indenture, dated as of July 1, 2026 (the “Indenture”), by and among the City of Chino Public Financing Authority (the “Authority”), the City and The Bank of New York Mellon Trust Company, N.A., as trustee (the “Trustee”), related to the Authority’s 2026 Lease Revenue Bond, the undersigned hereby requests the Trustee to disburse this date the following amounts from the Project Fund established under the Indenture, to the payees designated on the attached Schedule I;

(iii) that each obligation mentioned herein has been incurred by the City and constitute Project Costs; and

(iv) that there has not been filed with or served upon the City notice of any lien, right to lien or attachment upon, or claim affecting the right to receive payment of, any of the moneys payable to any of the payees named on the attached Schedule I that has not been released or will not be released simultaneously with the payment of such obligation, other than materialmen’s or mechanics’ liens accruing by mere operation of law.

All capitalized terms used herein and not defined herein shall have the meanings ascribed thereto in the Indenture.

Dated: \_\_\_\_\_, 20\_\_

CITY OF CHINO

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

Its: \_\_\_\_\_

**SCHEDULE I**

**PROJECT FUND DISBURSEMENTS**

<i>Item Number</i>	<i>Payee Name and Address</i>	<i>Purpose of Obligation</i>	<i>Amount</i>
_____			_____
_____			_____
_____			_____
_____			_____
_____			_____

**EXHIBIT C**

**FORM OF PURCHASER LETTER**

\_\_\_\_\_, 20\_\_

City of Chino  
13220 Central Avenue  
Chino, California 91710  
Attention: Ms. Kim Sao, Director Finance

Raymond James & Associates, Inc.  
301 N. Lake Avenue, Suite 1150  
Pasadena, California 91101

City of Chino Public Financing Authority  
c/o City of Chino  
13220 Central Avenue  
Chino, California 91710  
Attention: Ms. Kim Sao, Treasurer

Anzel Galvan LLP  
595 Pacific Avenue, 4<sup>th</sup> Floor  
San Francisco, CA California 94133

The Bank of New York Mellon Trust Company,  
N.A.  
**[To come]**

Attention:

Ladies and Gentlemen:

We hereby acknowledge receipt of \$3,225,000 principal amount of City of Chino Public Financing Authority 2026 Lease Revenue Bond (the “Bond”). The Bond was issued by the City of Chino Public Financing Authority (the “Authority”) pursuant to the provisions of Article 4 (commencing with Section 6584) of Chapter 5 of Division 7 of Title 1 of the California Government Code (the “Bond Law”), and pursuant to an Indenture, dated as of July 1, 2026 (the “Indenture”), by and among the Authority, the City of Chino, California (the “City”) and The Bank of New York Mellon Trust Company, N.A., as Trustee. The Bonds are principally secured by lease payments to be made by the City pursuant to a Lease Agreement, dated as of July 1, 2026 (the “Lease”), by and between the Authority and the City. Capitalized terms not defined herein shall be given the meaning ascribed thereto in the Indenture.

The undersigned (the “Purchaser”) intends to purchase the Bond and acknowledges that delivery and execution of this letter is a condition precedent to the sale of the Bond to the Purchaser. If the undersigned is an agent, pursuant to an investment management agreement between the undersigned and each principal who is a Purchaser, the undersigned is authorized to make investment decisions and make the representations herein on behalf of such Purchaser.

The undersigned does hereby represent and agree as follows:

1. The Purchaser has authority to purchase the Bond and to execute this letter and any other instruments and documents required to be executed by the Purchaser in connection with the purchase of the Bonds.

2. The Purchaser is [a Qualified Institutional Buyer, as described in Rule 144A of the Securities Act of 1933][an Accredited Investor, as described in Regulation D of the Securities Act of 1933], which has sufficient knowledge and experience in financial and business matters, including purchase and ownership of lease revenue bonds of the same type as the Bond, to be able to evaluate the risks and merits of the Bond without reliance upon others, and which can bear the economic risk of the Bond. The Bond is a financially suitable investment for the Purchaser consistent with its investment policies, needs and objectives. The Purchaser understands that it may be required to bear the risks of the Bond for an indefinite time, as there may be no market for the Bond.

3. The Bond is being acquired by the Purchaser for its own account for investment purposes and not with a view to or for resale thereof in any manner that would result in the Purchaser being an agent of the Authority or an underwriter within the meaning of the Securities Act of 1933, and the Purchaser intends to hold the Bond for its own account for a period of time, possibly to maturity, and does not intend at this time to dispose of all or any part of the Bond.

4. The Purchaser understands that the Bond is not registered under the Securities Act of 1933 and that such registration is not legally required as of the date hereof; and further understands that the Bond (a) is not being registered or otherwise qualified for sale under the “Blue Sky” laws and regulations of any state, (b) will not be listed in any stock or other securities exchange, (c) is not being rated by any national securities rating agency, and (d) will be delivered in a form which may not be readily marketable.

5. The Purchaser acknowledges that it has made its own inquiry and analysis with respect to the Bond and security therefor, that it has received the documents executed or adopted by the Authority and the City in connection with the Bond and other documents it has requested, and that it has either been supplied with or been given access to information, including financial statements and other financial information, to which a reasonable investor would consider important in making a purchasing decision, and the Purchaser has had the opportunity to ask questions and receive answers from knowledgeable individuals concerning the Authority, the City and the Bond and the security therefor so that, as a reasonable purchaser, the Purchaser has been able to make its decision to purchase the Bond.

6. Although the Purchaser does not intend at this time to dispose of all or any part of the Bond, the Purchaser acknowledges that it has the right to sell and transfer the Bond, in accordance with terms and conditions of the Indenture. The Purchaser acknowledges that it is solely responsible for compliance, and covenants and agrees with the Authority that it will comply, with the Indenture and all applicable federal or state securities laws then in effect with respect to any subsequent sale, transfer or other disposition of the Bond, including disclosure of material information (without involving the Authority or the City in any manner). The Purchaser agrees to indemnify the Authority and the City for any liabilities or costs incurred by the Authority or the City (including attorney fees) in connection with any sale, transfer or other disposition of the Bond in violation of such restrictions or laws.

7. The Purchaser acknowledges that the Bond is a special obligation of the Authority, payable solely from Rental Payments and the other assets pledged therefor under the Indenture. Neither the faith and credit nor the taxing power of the Authority, the City or the State of California, or any political subdivision thereof, is pledged to the payment of the Bond.

Very truly yours,

[PURCHASER SIGNATURE BLOCK]