

Countywide Oversight Board Kings County

Kings County Department of Finance
1400 W. Lacey Blvd. - Hanford, CA 93230
Tel (559) 852-2459 FAX (559) 587-9935

In compliance with the Americans with Disabilities Act, if you require a modification or accommodation to participate in this meeting, including agenda or other materials in an alternative format, please contact Sarah Poots, Administration Department at (559) 852-2375 by 3:00p.m. on the Friday prior to this meeting. The Administrative Department will provide assistive listening devices upon request.

Agenda

Date: July 21, 2021
Time: 10:00 a.m.
Place: Teleconference

COUNTY OF KINGS PUBLIC MEETING PROTOCOL IN RESPONSE TO CORONAVIRUS COVID-19

Governor Gavin Newsom issued Executive Orders N-25-20 and N-29-20 on March 12, 2020 and March 17, 2020, respectively, relating to the convening of public agency meetings in light of the COVID-19 pandemic. On December 3, 2020, the State announced a regional Stay-At-Home order to slow the spread of COVID-19.

In response to the State's additional restrictions, and for the protection of the public's health, the Countywide Oversight Board will convene its public meeting via teleconference as detailed below. County facilities in which the Countywide Oversight Board normally convenes will be closed to the public until further notice. Pursuant to Executive Orders, and to maintain the orderly conduct of the meeting, the Countywide Oversight Board will allow its members, staff, and interested members of the public to attend and participate in the meeting telephonically to the same extent as they would if able to be physically present to attend the meeting.

Members of the public who wish to participate in the meeting can do so by telephone, or by postal or electronic mail. Members of the public may provide public comment at the meeting by submitting comments as outlined below.

- **Telephone Access:** To access the meeting via a telephone, please call **(559) 852-2020**. When prompted to enter your collaboration code press **992380#** to join.
- For members of the public who wish to participate, but are unable to do by telephone, you may submit written comments on any matter within the Board's subject matter jurisdiction, regardless of whether it is on the agenda for Board consideration or action, and those comments will be entered into the administrative record of the meeting. To submit written comments by U.S. Mail or email for inclusion in the meeting record, they must be received by the Clerk to the Countywide Oversight Board no later than 9:00 a.m. on the morning of the noticed meeting. To submit written comments by email, please forward them to Sarah.Poots@co.kings.ca.us. To submit such comments by U.S. Mail, please forward them to:

Clerk to the Countywide Oversight Board, County of Kings, 1400 W. Lacey Blvd., Hanford, CA 93230

Chairman: Joe Neves
Vice Chairman: Harold Nikoghosian

	<u>Name</u>	<u>Representing</u>
Board Members:	Joe Neves	County Board of Supervisors
	Sid Palmerin	City Selection Committee
	Bill Gundacker	Independent Special District
	Jamie Dial	Assistant Superintendent of Schools
	Richard Storti	California Community Colleges
	Harold Nikoghosian	County Board of Supervisors (public)
	Vacant	Recognized employee organization

	Kings County	
Staff:	James Erb	Director of Finance
	Sarah Poots	Clerk to the Countywide Oversight Board
	Christina Villalobos	Property Tax Manager

County Counsel: Carrie Woolley County Counsel

I 10:00 AM CALL TO ORDER

II 10:05 AM UNSCHEDULED APPEARANCES

Any person may directly address the Board at this time on any item on the agenda, or on any other items of interest to the public, that is within the subject matter jurisdiction of the Board. Five (5) minutes are allowed for each item.

III 10:10 AM APPROVAL OF MINUTES

Approve the January 20, 2021 meeting minutes of the Countywide Oversight Board.

Recommendation: Approve the January 20, 2021 minutes.

IV 10:15 AM CITY OF AVENAL – Antony Lopez

Consider a resolution approving the amendment of an enforceable obligation of the successor agency to the redevelopment agency of the City of Avenal. The amendment authorizes the refunding of the Series 2005 Revenue Bonds resulting in an estimated net savings of \$510,316.53. The refunding does not extend the life of bonds.

Recommendation: Adopt the resolution allowing the City of Avenal to move forward with the refunding of the Series 2005 Revenue Bonds.

VI 10:25 AM Future Meeting Dates

January 26, 2022

VII 10:30 AM Items for Future Meetings

General Discussion

VIII 10:35 AM ADJOURN

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Minutes

January 20, 2021

10:00 a.m.

**Place: Board of Supervisors Chambers
Kings Government Center, Hanford CA**

	Name	Representing
Present:	Joe Neves	County Board of Supervisors
	Bill Gundacker	Independent Special District
	Harold Nikoghosian	County Board of Supervisors (public)
	Jamie Dial	Assistant Superintendent of Schools
	Richard Storti	Community Colleges
Absent:	Name	Representing
	Sid Palmerin	City Selection Committee
	Vacant	Recognized employee organization
Others Present	James Erb	Director of Finance - present
	Christina Villalobos	Property Tax Manager - present
	Sarah Poots	Clerk to the Countywide Oversight Board - present
County Counsel	Carrie Woolley	Assistant County Counsel – present

- I 10:00 AM **CALL TO ORDER**
- II 10:05 AM **UNSCHEDULED APPEARANCES**
None.
- III 10:10 AM **APPROVAL OF MINUTES**
Approve the minutes of the July 22, 2020 meeting of the Countywide Oversight Board. A motion was moved by Bill Gundacker, seconded by Harold Nikoghosian. Approved by all members present.
- IV 10:15 AM **APPROVAL OF THE 2021 – 2022 Recognized Obligation Payment Schedule (ROPS)**
1. Request by the City of Lemoore (Successor Agency) to consider a resolution approving the Administrative Budget and Recognized Obligation Payment Schedule for the period July 1, 2021 through June 30, 2022.
- Recommendation:** Adopt the resolution. Moved by Bill Gundacker, seconded by Harold Nikoghosian. Approved by all members present.
2. Request by the City of Hanford (Successor Agency) to consider a resolution approving the Administrative Budget and Recognized Obligation Payment Schedule for the period July 1, 2021 through June 30, 2022.
- Recommendation:** Adopt the resolution. Moved by Bill Gundacker, seconded by Harold Nikoghosian. Approved by all members present.
3. Request by the City of Corcoran (Successor Agency) to consider a resolution approving the Administrative Budget and Recognized Obligation Payment Schedule for the period July 1, 2021 through June 30, 2022.
- Recommendation:** Adopt the resolution. Moved by Jamie Dial, seconded by Bill Gundacker. Approved by all members present.
4. Request by the City of Avenal (Successor Agency) to consider a resolution approving the Administrative Budget and Recognized Obligation Payment Schedule for the period July 1, 2021 through June 30, 2022.
- Recommendation:** Adopt the resolution. Moved by Jamie Dial, seconded by Harold Nikoghosian. Approved by all members present.
- V 10:20 AM **FUTURE MEETING DATES**
July 21, 2021
January 26, 2022
- VI 10:25 AM **ITEMS FOR FUTURE MEETINGS**
None
- VII 10:30 AM **ADJOURN**
The next regularly scheduled meeting of the County-wide Oversight Board is scheduled for Wednesday, July 21, 2021 at 10:00 a.m. in the Board of Supervisors Chambers.



City of Avenal

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TO: County of Kings Countywide Oversight Board

FROM: Antony V. López, City Manager, City of Avenal

PREPARED BY: Kenneth Dieker, Del Rio Advisors

DATE: July 13, 2021

RE: Consider a Resolution of the County Of Kings Countywide Oversight Board Approving the Amendment of an Enforceable Obligation of the Successor Agency to the Redevelopment Agency of the City of Avenal Pursuant To The Provisions Of Section 34177.5 Of The Health and Safety Code in Connection with the Issuance, Sale and Delivery by the Avenal Public Financing Authority of its Not To Exceed \$5,525,000 Aggregate Principal Amount of Avenal Public Financing Authority Refunding Revenue Bonds, Series 2021, for the Refinancing of Certain Public Improvements and Facilities, and Approving Agreements in Connection with the Issuance, Sale and Delivery of Said Bonds and Other Actions Related Thereto

BACKGROUND:

The Avenal Public Financing Authority (the “Authority”) issued \$9,660,000 2005 Refunding Revenue Bonds (the “2005 Bonds”), which are currently outstanding in the amount of \$5,195,000 (\$4,785,000 after September 1, 2021). Debt service on the 2005 bonds is secured and payable in part from payments made by the City under an Amended and Restated Installment Sale Agreement, dated as of September 1, 2005 (the “2005 Sale Agreement”), by and between the Authority and the City; and an Amended and Restated Loan Agreement, dated as of September 1, 2005 (the “2005 Loan Agreement”), by and between the Successor Agency and the Authority. A portion of the 2005 Bonds is paid from the Water System to the Authority under the 2005 Sale Agreement and the remaining portion is paid from the Successor Agency to the Authority from the approved Recognized Obligation Payment Schedule (the “ROPS”) under the 2005 Loan Agreement.

INFORMATION:

Since March of 2020 when the pandemic lockdown began, the Federal Reserve has taken significant actions to stimulate the economy by keeping short-term interest rates near 0%. The US Treasury market and the municipal market followed suit with significant reductions in long-term rates to near “all-time” lows in the summer of 2020. Since last summer, the US Treasury rates on both the 10-year and the 30-year treasuries have risen about 100 basis points. However, municipal bonds as an asset class remain very attractive with a great deal of money flowing into tax-exempt mutual funds. The municipal market has not been able to meet the increased demand from these inflows with the supply and demand imbalance keeping municipal market interest rates near “all-



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time” lows. It is possible in this market to refund (refinance) the 2005 Bonds for significant savings through the issuance of Refunding Revenue Bonds, Series 2021 (the “2021 Bonds”). The table below illustrates the estimated savings by refunding the 2005 Bonds:

Estimated Refunding Results ⁽¹⁾	Overall	Installment Sale (Water Fund)	Loan Agreement (Successor Agency)
Amount Outstanding	\$4,785,000	\$3,305,000	\$1,480,000
Estimated Refunding Amount	\$4,535,000	\$3,220,000	\$1,315,000
Total Savings	\$713,094	\$469,063	\$244,031
Average Annual Savings	\$80,077 ⁽²⁾	\$31,271	\$48,806
Net Present Value Savings	\$510,317	\$416,381	\$93,936
Net Present Value Savings Percentage	10.67%	12.60%	6.35%
Final Maturity (Refunding)	9/1/2036	9/1/2036	9/1/2026
Final Maturity (Prior Bonds)	9/1/2036	9/1/2036	9/1/2026

Notes

(1) Based on Interest Rates from June 22, 2021

(2) From 9/1/2022 to 9/1/2026 and \$31,271 Thereafter after the Loan Agreement Matures on 9/1/2026

The Resolutions follow the July 8th 2021 approval by the City’s Successor Agency to move forward with the refunding of the 2005 Bonds. If approved at the Oversight Board, the Successor Agency package will be forwarded to the California Department of Financing (“DoF”). DoF has five (5) days to reply that they will review the refunding and sixty (60) days to reply with formal approval / denial. The approved by the Oversight Board in July, we could receive DoF approval as late as October. While DoF is reviewing the transaction, the financing team will begin preparation of the Official Statement which is the primary document used by the underwriter to market the bonds to potential investors. It is expected that the City Council and the Board of the Public Financing Authority could review and approve this document at the October 14 meeting. It is expected that the 2021 Bonds could be sold on or around November 10 and close on November 24. Of course, this schedule is very dependent on how long DoF takes to review the transaction.



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Financing Team

The Authority previously approved the following team that will work as the Authority's "Financing Team":

Underwriter (280 Securities LLC / InspereX LLC): The Underwriter is an investment banking firm that assists in structuring the bonds and markets / sells the bonds to potential investors. The underwriter is also prepared to purchase or underwrite any unsold balances on the date of sale.

Bond Counsel (Procopio): Bond Counsel drafts the bond documents and ensures that all legal requirements critical to the validity of the bonds are satisfied, issues the required opinions, including as to the tax exemption of the bonds.

Disclosure Counsel (Procopio): Disclosure Counsel prepares the official statement and sets up the continuing disclosure undertaking. The official statement is the primary marketing document used by the Underwriter to market the bonds to potential investors.

Municipal Advisor (Del Rio Advisors, LLC): The Municipal Advisor assists the Authority in the solicitation of fee proposals and makes recommendations on the selection of Underwriter, Bond and Disclosure Counsel. The Municipal Advisor will make recommendations as to the structure, timing and terms of the bonds, reviews all fees and expenses, coordinates the financing team, assists in verifying coupons and yields on the date of sale and reviews and comments on all documents.

Trustee (U.S. Bank National Association): The Trustee manages all funds related to bonds and coordinates the payment of debt service bondholders. The role of the Trustee is governed by the terms and conditions of the Indenture of Trust.



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Estimated Costs of Issuance

Below is a table of the estimated costs of issuance associated with the transaction. These costs are entirely contingent meaning nothing is due unless the transaction is successfully sold and closed.

Party	Budgeted Amount
Bond Counsel	\$40,000.00
Disclosure Counsel	\$30,000.00
Municipal Advisor	\$22,500.00
Underwriter's Counsel	\$7,500.00
Trustee / Escrow Agent	\$4,000.00
Trustee Counsel	\$2,500.00
Verification Report	\$2,500.00
Printing	\$5,000.00
Miscellaneous / Contingency	\$5,095.03
Total Estimated Costs	\$119,095.03

In addition to the estimated fixed costs above, the Underwriter is compensated as a percentage of the par amount of bonds to be issued. The Underwriter has agreed to a "not-to-exceed" underwriter's discount of 0.75%. This amount is currently estimated at \$34,012.50 based on an estimated par amount of \$4,535,000.

Documents for Consideration

Indenture of Trust: A document by and between the Avenal Public Financing Authority and U.S. National Association as Trustee. The indenture governs all terms and conditions of the 2021 Bonds and the role and responsibilities of the Trustee including but not limited to managing all funds related to the 2021 Bonds, the payment of debt service to bondholders, redemption of the 2021 Bonds and events of default and related remedies.

Conveyance Agreement: A document by and between the City of Avenal and the Avenal Public Financing Authority whereby the City will convey the City's Water Enterprise to the Authority. Immediately upon the conveyance, the Authority will sell the City's Water Enterprise back to the City under the Second Amended and Restated Installment Sale Agreement described in the next paragraph.



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Second Amended and Restated Installment Sale Agreement: A document by and between the Avenal Public Financing Authority and the City of Avenal in which the City purchases the Water Enterprise back from the Authority and makes installment payments secured by pledges of certain amounts received as collections of water rates and charges net of operations maintenance expenses from the City's Water Enterprise Fund (the "Net Revenues").

Second Amended and Restated Loan Agreement: A document by and between the Avenal Public Financing Authority and the Successor Agency to the Redevelopment Agency of the City of Avenal the Authority whereby the Agency desires that the Authority fund a loan ("Series 2021 Loan") to the Agency for the purpose of refunding the outstanding obligations of the Agency under the Series 2005 Loan Agreement;

Escrow Agreement: A document between the Avenal Public Financing Authority and U.S. Bank National Association as Trustee. The document governs the terms and conditions by which the Authority provides the funds to completely refund and retire the 2005 Bonds.

RECOMMENDATION:

Accept the City's recommendation approving Resolution No. 2021-_____

FISCAL IMPACT

Based on market interest rates of June 22, 2021, the estimated annual savings to the City's Water Enterprise Fund is approximately \$31,271 per year from 2022 to 2036. The estimated annual savings to the Successor Agency is approximately \$48,806 per year from 2022 to 2026. In addition, the net present value savings percentage is estimated at 10.67% exceeding the normal guideline for savings needing to exceed 3-5% to make a refunding economical. In addition, the fees and expenses of the Financing Team are fully contingent upon the successful closing of the transaction and all fees and expenses are included in the numbers presented.



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ATTACHMENTS

- (1) Good Faith Estimates
- (2) Avenal PFA Resolution
- (3) Avenal Resolution of the Successor Agency Board
- (4) Avenal City Council Resolution
- (5) Indenture of Trust
- (6) Second Amended and Restated Loan Agreement
- (7) Second Amended and Restated Installment Sale Agreement
- (8) Escrow Agreement
- (9) Conveyance Agreement



ATTACHMENT 1

Good Faith Estimates

California Government Code Section 5852.1 requires that the Authority disclose specified information obtained as good faith estimates from an underwriter or municipal advisor prior to authorization of the issuance of the 2021 Bonds. The Authority received such information from the Underwriter which is set forth below:

Name of Underwriter: 280 Securities LLC / InspereX LLC

City Council Meeting Date: July 8, 2021

Name of Bond Issue: Avenal Public Financing Authority, Refunding Revenue Bonds, Series 2021

- (1) The Underwriter has provided to the Authority the following required good faith estimates relating to the 2021 Bonds:
 - a) The true interest cost of the 2021 Bonds, which means the rate necessary to discount the amounts payable on the respective principal and interest payment dates to the purchase price received for the new issue of bonds: 2.836494%.
 - b) The finance charge of the Series 2021 Bonds, which means the sum of all fees and charges paid to third parties: \$153,107.53 includes both the underwriter's discount in the estimated amount of \$34,012.50 and costs of issuance in the estimated amount of \$119,095.03.
 - c) The amount of proceeds received by the public body for sale of the 2021 Bonds less the finance charge of the 2021 Bonds described in subparagraph (b) and less any reserves or capitalized interest paid or funded with proceeds of the 2021 Bonds: \$4,274,806.62.
 - d) The total payment amount, which means the sum total of all payments the public body will make to pay debt service on the 2021 Bonds plus the finance charge of the 2021 Bonds described in subparagraph (b) not paid with the proceeds of the 2021 Bonds (which total payment amount is calculated to the final maturity of the 2021 Bonds): \$5,769,281.11.



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The foregoing estimates constitute good faith estimates only. The actual principal amount of the 2021 Bonds issued and sold, the true interest cost thereof, the finance charges thereof, the amount of proceeds received therefrom and total payment amount with respect thereto may differ from such good faith estimates due to a variety of factors. The actual interest rates borne by the 2021 Bonds and the actual amortization of the 2021 Bonds will depend on market interest rates at the time of sale thereof. Market interest rates are affected by economic and other factors beyond the control of the Authority.

**PROPOSED REFUNDING
AVENAL PUBLIC FINANCING AUTHORITY
2005 REFUNDING REVENUE BONDS**

**(INCLUDING REFUNDING OF FIRST AMENDED AND RESTATED LOAN AGREEMENT,
AN OBLIGATION OF THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE
CITY OF AVENAL)**

SAVINGS ANALYSIS AND KEY DOCUMENTS

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SOURCES AND USES OF FUNDS

Avenal Public Financing Authority
2021 Current Refunding

Dated Date 11/23/2021
Delivery Date 11/23/2021

Sources:	2021 Current Refunding of Successor Agency	2021 Current Refunding of Water Enterprise	Total
<hr/>			
Bond Proceeds:			
Par Amount	1,315,000.00	3,220,000.00	4,535,000.00
Premium	90,831.10	255,483.05	346,314.15
	1,405,831.10	3,475,483.05	4,881,314.15
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Other Sources of Funds:			
2005 DSRF	267,875.68	296,429.51	564,305.19
	1,673,706.78	3,771,912.56	5,445,619.34
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Uses:	2021 Current Refunding of Successor Agency	2021 Current Refunding of Water Enterprise	Total
<hr/>			
Refunding Escrow Deposits:			
Cash Deposit	1,496,548.06	3,342,463.75	4,839,011.81
Other Fund Deposits:			
Debt Service Reserve Fund	131,500.00	322,000.00	453,500.00
Delivery Date Expenses:			
Cost of Issuance	33,346.21	81,653.79	115,000.00
Underwriter's Discount	9,862.50	24,150.00	34,012.50
	43,208.71	105,803.79	149,012.50
Other Uses of Funds:			
Rounding	2,450.01	1,645.02	4,095.03
	1,673,706.78	3,771,912.56	5,445,619.34
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SUMMARY OF FINANCING RESULTS

Avenal Public Financing Authority
2021 Current Refunding

Series	Bond Par	Bond Yield	Contingency	Escrow Yield	Negative Arbitrage	Net Savings
2021 Current Refunding of Successor Agency	1,315,000.00	1.482%	2,450.01			93,935.74
2021 Current Refunding of Water Enterprise	3,220,000.00	2.758%	1,645.02			416,380.79
	4,535,000.00		4,095.03		0.00	510,316.53

Aggregate:

Arbitrage Yield 2.572455%
Escrow Yield

SUMMARY OF REFUNDING RESULTS

Avenal Public Financing Authority
2021 Current Refunding

Dated Date	11/23/2021
Delivery Date	11/23/2021
Arbitrage yield	2.572455%
Escrow yield	0.000000%
Value of Negative Arbitrage	
Bond Par Amount	4,535,000.00
True Interest Cost	2.836494%
Net Interest Cost	2.987908%
Average Coupon	4.000000%
Average Life	6.804
Par amount of refunded bonds	4,785,000.00
Average coupon of refunded bonds	4.995012%
Average life of refunded bonds	6.876
PV of prior debt to 11/23/2021 @ 2.572455%	5,539,973.86
Net PV Savings	510,316.53
Percentage savings of refunded bonds	10.664922%
Percentage savings of refunding bonds	11.252845%

SUMMARY OF BONDS REFUNDED

Avenal Public Financing Authority
2021 Current Refunding

Bond	Maturity Date	Interest Rate	Par Amount	Call Date	Call Price
Series 2005 Refunding Bonds - Successor Agency, 2005RDA:					
SERIALS	09/01/2022	4.500%	270,000.00	11/23/2021	100.000
TERM25	09/01/2025	5.000%	885,000.00	11/23/2021	100.000
TERM30	09/01/2026	5.000%	<u>325,000.00</u>	11/23/2021	100.000
			1,480,000.00		
Series 2005 Refunding Bonds - Water Enterprise, 2005WTR:					
SERIALS	09/01/2022	4.500%	155,000.00	11/23/2021	100.000
TERM25	09/01/2025	5.000%	510,000.00	11/23/2021	100.000
TERM30	09/01/2030	5.000%	1,025,000.00	11/23/2021	100.000
TERM36	09/01/2036	5.000%	<u>1,615,000.00</u>	11/23/2021	100.000
			3,305,000.00		
			<u>4,785,000.00</u>		

SAVINGS

Avenal Public Financing Authority
2021 Current Refunding

Date	Prior Debt Service	Refunding Debt Service	Savings	Present Value to 11/23/2021 @ 2.5724555%
09/01/2022	662,125.00	585,081.11	77,043.89	76,410.52
09/01/2023	658,000.00	578,600.00	79,400.00	76,217.87
09/01/2024	661,000.00	582,000.00	79,000.00	73,889.40
09/01/2025	662,750.00	579,600.00	83,150.00	75,759.06
09/01/2026	658,250.00	576,600.00	81,650.00	72,482.41
09/01/2027	317,750.00	288,000.00	29,750.00	25,834.19
09/01/2028	318,000.00	285,200.00	32,800.00	27,736.88
09/01/2029	317,750.00	287,200.00	30,550.00	25,180.42
09/01/2030	317,000.00	283,800.00	33,200.00	26,650.59
09/01/2031	315,750.00	285,200.00	30,550.00	23,900.47
09/01/2032	319,000.00	286,200.00	32,800.00	24,992.33
09/01/2033	316,500.00	286,800.00	29,700.00	22,052.39
09/01/2034	318,500.00	287,000.00	31,500.00	22,779.66
09/01/2035	319,750.00	286,800.00	32,950.00	23,208.45
09/01/2036	320,250.00	291,200.00	29,050.00	19,932.05
	6,482,375.00	5,769,281.11	713,093.89	617,026.69

Savings Summary

PV of savings from cash flow	617,026.69
Less: Prior funds on hand	-564,305.19
Plus: Refunding funds on hand	457,595.03
Net PV Savings	510,316.53

SAVINGS

Avenal Public Financing Authority
2021 Current Refunding of Successor Agency
2005 Refunding Revenue Bonds

Date	Prior Debt Service	Refunding Debt Service	Savings	Present Value to 11/23/2021 @ 2.5724555%
09/01/2022	342,650.00	295,618.89	47,031.11	46,389.41
09/01/2023	340,500.00	292,400.00	48,100.00	46,080.98
09/01/2024	341,500.00	292,400.00	49,100.00	45,825.68
09/01/2025	341,750.00	292,000.00	49,750.00	45,234.05
09/01/2026	341,250.00	291,200.00	50,050.00	44,331.29
	1,707,650.00	1,463,618.89	244,031.11	227,861.41

Savings Summary

PV of savings from cash flow	227,861.41
Less: Prior funds on hand	-267,875.68
Plus: Refunding funds on hand	133,950.01
Net PV Savings	93,935.74

SAVINGS

Avenal Public Financing Authority
2021 Current Refunding of Water Enterprise
2005 Refunding Revenue Bonds

Date	Prior Debt Service	Refunding Debt Service	Savings	Present Value to 11/23/2021 @ 2.5724555%
09/01/2022	319,475.00	289,462.22	30,012.78	30,021.11
09/01/2023	317,500.00	286,200.00	31,300.00	30,136.89
09/01/2024	319,500.00	289,600.00	29,900.00	28,063.72
09/01/2025	321,000.00	287,600.00	33,400.00	30,525.01
09/01/2026	317,000.00	285,400.00	31,600.00	28,151.12
09/01/2027	317,750.00	288,000.00	29,750.00	25,834.19
09/01/2028	318,000.00	285,200.00	32,800.00	27,736.88
09/01/2029	317,750.00	287,200.00	30,550.00	25,180.42
09/01/2030	317,000.00	283,800.00	33,200.00	26,650.59
09/01/2031	315,750.00	285,200.00	30,550.00	23,900.47
09/01/2032	319,000.00	286,200.00	32,800.00	24,992.33
09/01/2033	316,500.00	286,800.00	29,700.00	22,052.39
09/01/2034	318,500.00	287,000.00	31,500.00	22,779.66
09/01/2035	319,750.00	286,800.00	32,950.00	23,208.45
09/01/2036	320,250.00	291,200.00	29,050.00	19,932.05
	4,774,725.00	4,305,662.22	469,062.78	389,165.28

Savings Summary

PV of savings from cash flow	389,165.28
Less: Prior funds on hand	-296,429.51
Plus: Refunding funds on hand	323,645.02
Net PV Savings	416,380.79

BOND DEBT SERVICE

Avenal Public Financing Authority
2021 Current Refunding

Period Ending	Principal	Coupon	Interest	Debt Service
09/01/2022	445,000	4.000%	140,081.11	585,081.11
09/01/2023	415,000	4.000%	163,600.00	578,600.00
09/01/2024	435,000	4.000%	147,000.00	582,000.00
09/01/2025	450,000	4.000%	129,600.00	579,600.00
09/01/2026	465,000	4.000%	111,600.00	576,600.00
09/01/2027	195,000	4.000%	93,000.00	288,000.00
09/01/2028	200,000	4.000%	85,200.00	285,200.00
09/01/2029	210,000	4.000%	77,200.00	287,200.00
09/01/2030	215,000	4.000%	68,800.00	283,800.00
09/01/2031	225,000	4.000%	60,200.00	285,200.00
09/01/2032	235,000	4.000%	51,200.00	286,200.00
09/01/2033	245,000	4.000%	41,800.00	286,800.00
09/01/2034	255,000	4.000%	32,000.00	287,000.00
09/01/2035	265,000	4.000%	21,800.00	286,800.00
09/01/2036	280,000	4.000%	11,200.00	291,200.00
	4,535,000		1,234,281.11	5,769,281.11

BOND PRICING

Avenal Public Financing Authority
2021 Current Refunding

Bond Component	Maturity Date	Amount	Rate	Yield	Price
Serial Bonds through 2036:					
	09/01/2022	445,000	4.000%	0.870%	102.402
	09/01/2023	415,000	4.000%	1.160%	104.966
	09/01/2024	435,000	4.000%	1.290%	107.355
	09/01/2025	450,000	4.000%	1.520%	109.056
	09/01/2026	465,000	4.000%	1.750%	110.256
	09/01/2027	195,000	4.000%	2.100%	110.275
	09/01/2028	200,000	4.000%	2.290%	110.668
	09/01/2029	210,000	4.000%	2.500%	110.533
	09/01/2030	215,000	4.000%	2.710%	110.008
	09/01/2031	225,000	4.000%	2.860%	109.655
	09/01/2032	235,000	4.000%	3.000%	108.412 C
	09/01/2033	245,000	4.000%	3.080%	107.709 C
	09/01/2034	255,000	4.000%	3.160%	107.011 C
	09/01/2035	265,000	4.000%	3.240%	106.318 C
	09/01/2036	280,000	4.000%	3.370%	105.204 C
		4,535,000			

Dated Date	11/23/2021	
Delivery Date	11/23/2021	
First Coupon	03/01/2022	
Par Amount	4,535,000.00	
Premium	346,314.15	
Production	4,881,314.15	107.636475%
Underwriter's Discount	-34,012.50	-0.750000%
Purchase Price	4,847,301.65	106.886475%
Accrued Interest		
Net Proceeds	4,847,301.65	

ESCROW REQUIREMENTS

Avenal Public Financing Authority
2021 Current Refunding

Period Ending	Interest	Principal Redeemed	Total
11/23/2021	54,011.81	4,785,000.00	4,839,011.81
	54,011.81	4,785,000.00	4,839,011.81

ESCROW REQUIREMENTS

Avenal Public Financing Authority
2021 Current Refunding of Successor Agency
2005 Refunding Revenue Bonds

Series 2005 Refunding Bonds - Successor Agency (2005RDA)

Period Ending	Interest	Principal Redeemed	Total
11/23/2021	16,548.06	1,480,000.00	1,496,548.06
	16,548.06	1,480,000.00	1,496,548.06

ESCROW REQUIREMENTS

Avenal Public Financing Authority
2021 Current Refunding of Water Enterprise
2005 Refunding Revenue Bonds

Series 2005 Refunding Bonds - Water Enterprise (2005WTR)

Period Ending	Interest	Principal Redeemed	Total
11/23/2021	37,463.75	3,305,000.00	3,342,463.75
	37,463.75	3,305,000.00	3,342,463.75

COST OF ISSUANCE

Avenal Public Financing Authority
2021 Current Refunding

Cost of Issuance	\$/1000	Amount
Bond Counsel	8.82029	40,000.00
Disclosure Counsel	6.61521	30,000.00
Municipal Advisor	4.96141	22,500.00
Trustee / Escrow Agent	0.88203	4,000.00
Trustee Counsel	0.55127	2,500.00
Verification Report	0.55127	2,500.00
Printing	1.10254	5,000.00
Miscellaneous	1.87431	8,500.00
	25.35832	115,000.00

RESOLUTION NO. 2021- 05

**RESOLUTION OF THE AVENAL PUBLIC FINANCING AUTHORITY
AUTHORIZING THE ISSUANCE, SALE AND DELIVERY OF NOT TO
EXCEED \$5,525,000 AGGREGATE PRINCIPAL AMOUNT OF AVENAL
PUBLIC FINANCING AUTHORITY REFUNDING REVENUE BONDS,
SERIES 2021, FOR THE REFINANCING OF CERTAIN PUBLIC
IMPROVEMENTS AND FACILITIES, AND APPROVING AGREEMENTS
IN CONNECTION WITH THE ISSUANCE, SALE AND DELIVERY OF
SAID BONDS, AND DIRECTING THE EXECUTION AND DELIVERY OF
SAID AGREEMENTS AND OTHER ACTIONS RELATED THERETO**

AVENAL PUBLIC FINANCING AUTHORITY

WHEREAS, the Avenal Public Financing Authority (the “Authority”) is a joint exercise of powers agency duly organized and existing under and pursuant to the provisions of Article 1 through 4 (commencing with Section 6500) of Chapter 5, Division 7, Title 1 of the California Government Code and of that certain Joint Exercise of Powers Agreement, dated March 30, 1989, by and between City of Avenal (the “City”) and the former Redevelopment Agency of the City of Avenal (the “Former Agency”), the rights and obligations of the Former Agency thereunder having since, by virtue of the enactment of statutory provisions codified under Parts 1.8 (commencing with Section 34161) and 1.85 (commencing with Section 34170) of Division 24 of the Health and Safety Code (the “Dissolution Act”), been transferred to and assumed by the Successor Agency to the Redevelopment Agency of the City of Avenal (the “Agency”), and the Authority was created for the purpose of assisting the City and the Former Agency in financing public improvements and other capital projects; and

WHEREAS, the Authority issued \$9,660,000 aggregate principal amount of its 2005 Refunding Revenue Bonds (the “2005 Bonds”), which are currently outstanding in the aggregate principal amount of \$5,195,000, with debt service secured and payable in part from payments made by the City under an Amended and Restated Installment Sale Agreement, dated as of September 1, 2005 (the “2005 Sale Agreement”), by and between the Authority and the City, and in part from payments made by the Agency under an Amended and Restated Loan Agreement, dated as of September 1, 2005 (the “2005 Loan Agreement”), by and between the Authority and the Former Agency, the rights and obligations of the Former Agency thereunder having since, under the Dissolution Act, been vested with the Agency; and

WHEREAS, the Authority has determined to refund the 2005 Bonds and assist the Agency and the City, respectively, in refunding and refinancing the 2005 Loan Agreement and the 2005 Sale Agreement by issuing not to exceed \$5,250,000 aggregate principal amount of Avenal Public Financing Authority Refunding Revenue Bonds, Series 2021 (the “Series 2021 Bonds”) pursuant to an Indenture of Trust, dated as of November 1, 2021 (the “Indenture”), by and between the Authority and U.S. Bank National Association, as trustee (the “Trustee”); and

WHEREAS, 280 Securities LLC, or InspereX LLC as a successor resulting from a contemplated merger of 280 Securities LLC with Incapital LLC (the “Underwriter”), proposes to purchase the Series 2021 Bonds pursuant to the terms and conditions of the Bond Purchase

Contract (the "Bond Purchase Contract"), by and among the Authority, the Agency, the City and the Underwriter, and the Authority will cause to be prepared and presented to the Authority a preliminary Official Statement (the "Preliminary Official Statement") containing information pertaining to the Series 2021 Bonds, the City, the Agency and the Authority in order to assist the Underwriter in the offering and resale of the Series 2021 Bonds to investors; and

WHEREAS, a portion of the proceeds of the Series 2021 Bonds will be applied to refund and refinance the 2005 Loan Agreement pursuant to a Second Amended and Restated Loan Agreement, dated as of November 1, 2021 (the "Series 2021 Loan Agreement"), by and between the Authority and the Agency; and

WHEREAS, in order to maintain its pledge of certain special fund revenues of the City in order to facilitate the refinancing and refunding by the City of the 2005 Sale Agreement and by the Authority of the outstanding 2005 Bonds, the City has determined to sell, convey, transfer or contribute to the Authority certain rights and interests in the City's waterworks system and improvements thereto (the "Enterprise") pursuant to a Conveyance Agreement, dated as of November 1, 2021 (the "Conveyance Agreement"), by and between the City and the Authority, and then the City will purchase said rights and interests in the Enterprise back from the Authority pursuant to a Second Amended and Restated Installment Sale Agreement, dated as of November 1, 2021 (the "Series 2021 Installment Sale Agreement"), by and between the City and the Authority, pursuant to which the City will make installment payments to the Authority from amounts the City receives as collections of water rates and charges and amounts in the City's enterprise funds for the Enterprise; and

WHEREAS, the members of the Authority board, with the aid of certain officers of the City, the Agency and the Authority, will review the Preliminary Official Statement prior to authorizing its use;

NOW, THEREFORE, BE IT RESOLVED by the Avenal Public Financing Authority, as follows:

Section 1. Recitals. Each of the foregoing recitals is true and correct, and the Authority so finds and determines.

Section 2. Approval of the Execution, Sale and Delivery of the Series 2021 Bonds. The Authority hereby approves the issuance, sale and delivery of the Series 2021 Bonds in the aggregate amount of not to exceed \$5,525,000 and hereby approves the defeasance, refunding and redemption of the 2005 Bonds.

Section 3. Approval of Authority Documents. The below-enumerated agreements (the "Authority Documents"), substantially in the form on file with the Secretary of the Authority, be and hereby are approved in such form together with any additions thereto or changes therein as shall be approved by the Chairman, the Executive Director or any other officer of the Authority designated by either of them, the signature of the officer executing each document thereon being conclusive evidence of his or her approval thereof:

- (a) the Indenture;

- (b) the Series 2021 Loan Agreement;
- (c) the Series 2021 Installment Sale Agreement;
- (d) the Conveyance Agreement;
- (e) the Bond Purchase Contract; and
- (f) the Escrow Agreement, dated as of November 1, 2021, between the Authority and U.S. Bank National Association, as escrow agent (the “Escrow Agent”).

Section 4. Execution of Authority Documents. The Chairman, the Executive Director or any other officer of the Authority designated by either of them are hereby authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver each of the Authority Documents and to make or approve such changes therein or additions thereto as shall be necessary or appropriate to complete them, including, without limitation, with respect to designation of interest rates, maturities, amortization and the purchase price of the Series 2021 Bonds. The approval of any additions or changes in such forms shall be conclusively evidenced by such execution and delivery of the Authority Documents. The Chairman, the Executive Director or any other officer of the Authority are hereby further authorized and directed to execute and delivery, for and on behalf of the Authority and as the act and deed of the Authority, such other documents, certificates and instruments as may be necessary or desirable to carry out and comply with the intent of this Resolution and of the Authority Documents.

Section 5. Approval of Preliminary Official Statement; Final Official Statement. Prior to issuance of the Preliminary Official Statement, the Authority will review, and by further resolution of this Board, anticipates its approval of the Preliminary Official Statement in substantially the form then on file with the Secretary of the Authority, together with any amendments or supplements thereto necessary or convenient to cause the Preliminary Official Statement to describe accurately matters pertaining to the Series 2021 Bonds, the Authority Documents and the Authority. By further action of this Board, the Authority is expected to authorize the Chairman or the Executive Director to execute a certificate on behalf of the Authority deeming the Preliminary Official Statement, including such amendments and supplements, “final” as of its date pursuant to Rule 15c2-12 under the Securities Exchange Act of 1934, prior to its distribution by the Underwriter. By further action of this Board, the Underwriter is expected to be authorized to distribute the Preliminary Official Statement in connection with the marketing of the Series 2021 Bonds. The Chairman, the Executive Director or any other officer of the Authority designated by either of them are hereby authorized and directed to approve any changes in or additions to the final form of such Official Statement as any such official or designee shall deem advisable to cause the final Official Statement to describe accurately the Series 2021 Bonds, the Authority Documents and matters contained therein and the related proceedings and actions.

Section 6. Sale of the Series 2021 Bonds. The Authority hereby approves the sale of the Series 2021 Bonds, provided, however, that the true interest cost payable on the Series 2021 Bonds shall not exceed 3.50% per annum and the purchase price paid by the Underwriter for the purchase of the Series 2021 Bonds shall be not less than 99.25% of the net par amount thereof, excluding any original issue discount.

Section 7. Official Actions. All actions heretofore taken by the officers and agents of the Authority with respect to the delivery of the Series 2021 Bonds and the execution and delivery of the Authority Documents are hereby approved, confirmed and ratified. The Chairman, the Executive Director and any other officers of the Authority designated by either of them are hereby authorized and directed, for and in the name and on behalf of the Authority, to do any and all things and take any and all actions, including execution and delivery of any and all assignments, certificates, requisitions, agreements (including, without limitation, any agreements providing for insurance or reserve fund policies for the payment of the Series 2021 Bonds), notices, consents, instruments of conveyance, warrants and other documents which they, or any of them, may deem necessary or advisable in order to consummate the delivery and sale of the Series 2021 Bonds pursuant to the Authority Documents approved and authorized by this Resolution.

Section 8. Effective Date. This resolution shall take effect upon the date of approval and adoption thereof.

PASSED, APPROVED AND ADOPTED by the members of the Avenal Public Financing Authority, at a regular meeting thereof held this 8th day of July, 2021, by the following vote, to wit:

AYES: Authority Members: **GRAVELLE, VERDUGO, HERNANDEZ, RAMIREZ, PRECIADO.**

NOES: Authority Members: **NONE.**

ABSTAIN: Authority Members: **NONE.**

ABSENT: Authority Members: **NONE.**

APPROVED:



Alvaro Preciado, Chairman of the
Avenal Public Financing Authority

ATTEST:



Maria Ortiz, City Clerk/SA/PFA

RESOLUTION NO. 2021-04 (SA)

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF AVENAL ACTING AS THE GOVERNING BOARD OF THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF AVENAL APPROVING THE AMENDMENT OF AN ENFORCEABLE OBLIGATION OF THE AGENCY PURSUANT TO THE PROVISIONS OF SECTION 34177.5 OF THE HEALTH AND SAFETY CODE IN CONNECTION WITH THE ISSUANCE, SALE AND DELIVERY BY THE AVENAL PUBLIC FINANCING AUTHORITY OF ITS NOT TO EXCEED \$5,525,000 AGGREGATE PRINCIPAL AMOUNT OF AVENAL PUBLIC FINANCING AUTHORITY REFUNDING REVENUE BONDS, SERIES 2021, FOR THE REFINANCING OF CERTAIN PUBLIC IMPROVEMENTS AND FACILITIES, AND APPROVING AGREEMENTS IN CONNECTION WITH THE ISSUANCE, SALE AND DELIVERY OF SAID BONDS, AND DIRECTING THE EXECUTION AND DELIVERY OF SAID AGREEMENTS AND OTHER ACTIONS RELATED THERETO

**SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY OF THE CITY OF AVENAL**

WHEREAS, the Avenal Public Financing Authority (the “Authority”) is a joint exercise of powers agency duly organized and existing under and pursuant to the provisions of Article 1 through 4 (commencing with Section 6500) of Chapter 5, Division 7, Title 1 of the California Government Code and of that certain Joint Exercise of Powers Agreement, dated March 30, 1989, by and between City of Avenal (the “City”) and the former Redevelopment Agency of the City of Avenal (the “Former Agency”), the rights and obligations of the Former Agency thereunder having since, by virtue of the enactment of statutory provisions codified under Parts 1.8 (commencing with Section 34161) and 1.85 (commencing with Section 34170) of Division 24 of the Health and Safety Code (the “Dissolution Act”), been transferred to and assumed by the Successor Agency to the Redevelopment Agency of the City of Avenal (the “Agency”), and the Authority was created for the purpose of assisting the City and the Former Agency in financing public improvements and other capital projects; and

WHEREAS, the Authority issued \$9,660,000 aggregate principal amount of its 2005 Refunding Revenue Bonds (the “2005 Bonds”), which are currently outstanding in the aggregate principal amount of \$5,195,000, with debt service secured and payable in part from payments made by the Agency under an Amended and Restated Loan Agreement, dated as of September 1, 2005 (the “2005 Loan Agreement”), by and between the Authority and the Former Agency, the rights and obligations of the Former Agency thereunder having since, pursuant to the provisions of the Dissolution Act, been transferred to and assumed by the Agency, with the result that the 2005 Loan Agreement is an existing enforceable obligation of the Agency; and

WHEREAS, pursuant to the provisions of the Dissolution Act, the Former Agency was dissolved effective February 1, 2012, and pursuant to the provisions of Section 34173 of the Dissolution Act, the Agency was designated and the authority, rights, powers, duties and

obligations of the Former Agency were transferred to and assumed by, including without limitation the rights, duties and obligations of the Former Agency under the 2005 Loan Agreement; and

WHEREAS, pursuant to the provisions of Section 34177.5(a)(3) of the Dissolution Act, the Agency may enter into an amendment of the 2005 Loan Agreement for the purpose of providing savings to the Agency, provided that the 2005 Loan Agreement is amended in connection with a refunding of the 2005 Bonds and the interest cost savings requirement and borrowing limits applicable to the refinancing or refunding of the 2005 Loan Agreement are satisfied; and

WHEREAS, the Authority has determined to refund the 2005 Bonds and assist the Agency in refunding and refinancing the 2005 Loan Agreement and certain obligations of the City related to the 2005 Bonds by issuing not to exceed \$5,525,000 aggregate principal amount of the Authority's bonds, designated as Avenal Public Financing Authority Refunding Revenue Bonds (the "Series 2021 Bonds"), pursuant to an Indenture of Trust, dated as of November 1, 2021 (the "Indenture"), by and between the Authority and U.S. Bank National Association, as trustee (the "Trustee"); and

WHEREAS, a portion of the proceeds of the Series 2021 Bonds will be applied to refund and refinance the 2005 Loan Agreement pursuant to a Second Amended and Restated Loan Agreement, dated as of November 1, 2021 (the "Series 2021 Loan Agreement"), by and between the Authority and the Agency, the Series 2021 Loan Agreement being an amendment of an existing enforceable obligation of the Agency permitted under Section 34177.5(a)(3) of the Dissolution Act; and

WHEREAS, pursuant to the provisions of Section 34177.5(g) of the Dissolution Act, the Series 2021 Loan Agreement shall be considered indebtedness incurred by the Former Agency (A) with the same legal effect as if the Series 2021 Loan Agreement had been entered into by the Former Agency prior to June 29, 2011; (B) included in the Agency's Recognized Obligation Payment Schedule; and (C) as provided in Section 34183(a)(2) of the Dissolution Act, secured by a pledge of, and lien on, and repaid from moneys deposited from time to time in the Redevelopment Property Tax Trust Fund for the Agency established pursuant to Section 34172(c) of the Dissolution Act, and property tax revenues thereby pledged to the Series 2021 Loan Agreement are taxes allocated to the Agency pursuant to Section 33670 of the Health and Safety Code and Section 16 of Article XVI of the California Constitution; and

WHEREAS, in accordance with the provisions of Section 34177.5(h) of the Dissolution Act, the Agency, with the assistance of an independent financial advisor, has determined that the terms of the Series 2021 Loan Agreement provide the lowest long-term cost of financing available under prevailing market conditions and do not provide for any bullets or spikes in debt service or variable interest rates; and

WHEREAS, 280 Securities LLC, or its successor resulting from a contemplated merger with InspereX LLC (the "Underwriter"), proposes to purchase the Series 2021 Bonds pursuant to the terms and conditions of the Bond Purchase Contract (the "Bond Purchase Contract"), by and among the Authority, the Agency, the City and the Underwriter, and the Authority will cause to be prepared and presented to the Authority a preliminary Official Statement (the "Preliminary

Official Statement”) containing information pertaining to the Series 2021 Bonds, the City, the Agency and the Authority in order to assist the Underwriter in the offering and resale of the Series 2021 Bonds to investors; and

WHEREAS, the members of the Agency board, with the aid of certain officers of the City and the Authority, will review the Preliminary Official Statement prior to authorizing its use;

NOW, THEREFORE, BE IT RESOLVED by the Successor Agency to the Redevelopment Agency of the City of Avenal, as follows:

Section 1. Recitals. Each of the foregoing recitals is true and correct, and the Agency so finds and determines.

Section 2. Approval of Agency Documents. The below-enumerated agreements (the “Agency Documents”), substantially in the form on file with the Secretary of the Agency, be and hereby are approved in such form together with any additions thereto or changes therein as shall be approved by the Chairman, the Executive Director or any other officer of the Agency designated by either of them, the signature of the officer executing each document thereon being conclusive evidence of his or her approval thereof:

- (a) the Series 2021 Loan Agreement;
- (b) the Bond Purchase Contract; and
- (c) the Continuing Disclosure Agreement, dated as of November 1, 2021, by and among the City, the Agency and the Dissemination Agent named therein.

Section 4. Execution of Agency Documents. The Chairman, the Executive Director or any other officer of the Agency designated by either of them are hereby authorized and directed, for and in the name and on behalf of the Agency, to execute and deliver each of the Agency Documents and to make or approve such changes therein or additions thereto as shall be necessary or appropriate to complete them, including, without limitation, with respect to designation of interest rates, maturities, amortization and the purchase price of the Series 2021 Bonds. The approval of any additions or changes in such forms shall be conclusively evidenced by such execution and delivery of the Agency Documents. The Chairman, the Executive Director or any other officer of the Agency are hereby further authorized and directed to execute and delivery, for and on behalf of the Agency and as the act and deed of the Agency, such other documents, certificates and instruments as may be necessary or desirable to carry out and comply with the intent of this Resolution and of the Agency Documents. Further, as an alternative to executing and delivering the Series 2021 Loan Agreement, the Agency is hereby expressly authorized to issue tax allocation bonds in one or more series, from time to time, to accomplish the refunding of the Refunded Bonds, as may be determined by the Chairman, the Executive Director or any other officer of the Agency designated by either of them in consultation with Bond Counsel; provided that the primary terms of the obligations of the Agency relating to payment and security remain materially the same as set forth in the form of the Series 2021 Loan Agreement submitted herewith.

Section 5. Approval of Preliminary Official Statement; Final Official Statement. Prior to issuance of the Preliminary Official Statement, the Agency will review, and by further

resolution of this Board, anticipates its approval of the Preliminary Official Statement in substantially the form then on file with the Secretary of the Agency, together with any amendments or supplements thereto necessary or convenient to cause the Preliminary Official Statement to describe accurately matters pertaining to the Series 2021 Bonds, the Agency Documents and the Agency. The Chairman, the Executive Director or any other officer of the Agency designated by either of them are hereby authorized and directed to approve any changes in or additions to the final form of such Official Statement as any such official or designee shall deem advisable to cause the final Official Statement to describe accurately the Series 2021 Bonds, the Agency Documents and matters contained therein and the related proceedings and actions.

Section 6. Official Actions. All actions heretofore taken by the officers and agents of the Agency with respect to the delivery of the Series 2021 Bonds and the execution and delivery of the Agency Documents are hereby approved, confirmed and ratified. The Chairman, the Executive Director and any other officers of the Agency designated by either of them are hereby authorized and directed, for and in the name and on behalf of the Agency, to do any and all things and take any and all actions, including execution and delivery of any and all assignments, certificates, requisitions, agreements, notices, consents, instruments of conveyance, warrants and other documents which they, or any of them, may deem necessary or advisable in order to consummate the delivery and sale of the Series 2021 Bonds pursuant to the Agency Documents approved and authorized by this Resolution.

Section 8. Effective Date. This resolution shall take effect upon the date of approval and adoption thereof.

PASSED, APPROVED AND ADOPTED by the members of the Successor Agency to the Redevelopment Agency of the City of Avenal, at a regular meeting thereof held this 8th day of July, 2021, by the following vote, to wit:

AYES: Agency Members: **GRAVELLE, VERDUGO, HERNANDEZ, RAMIREZ, PRECIADO.**

NOES: Agency Members: **NONE.**

ABSTAIN: Agency Members: **NONE.**

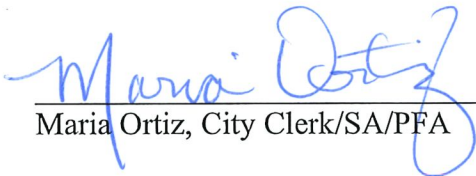
ABSENT: Agency Members: **NONE.**

APPROVED:



Alvaro Preciado, Chairman of the Successor Agency to the Redevelopment Agency of the City of Avenal

ATTEST:



Maria Ortiz, City Clerk/SA/PFA

RESOLUTION NO. 2021-36

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF AVENAL APPROVING THE REFUNDING OF AN INSTALLMENT SALE OBLIGATION OF THE CITY OF AVENAL INCURRED TO FINANCE AND REFINANCE PUBLIC IMPROVEMENTS OF THE CITY INCLUDING ITS WATERWORKS SYSTEM AND THE REFUNDING OF A LOAN OBLIGATION OF THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF AVENAL INCURRED TO FINANCE AND REFINANCE CERTAIN PUBLIC IMPROVEMENTS AND FACILITIES PREVIOUSLY DETERMINED TO BE OF BENEFIT TO THE AVENAL REDEVELOPMENT PROJECT AREA, EACH SUCH REFUNDING TO BE EFFECTED THROUGH THE REFUNDING, DEFEASANCE AND REDEMPTION OF OUTSTANDING BONDS OF THE AVENAL PUBLIC FINANCING AUTHORITY FROM AVAILABLE FUNDS INCLUDING PROCEEDS OF THE ISSUANCE AND SALE OF THE AUTHORITY'S REFUNDING REVENUE BONDS, SERIES 2021, AND APPROVING, AUTHORIZING AND DIRECTING THE EXECUTION AND DELIVERY OF AGREEMENTS AND OTHER ACTIONS RELATED THERETO

CITY OF AVENAL

WHEREAS, the Avenal Public Financing Authority (the "Authority") is a joint exercise of powers agency duly organized and existing under and pursuant to the provisions of Article 1 through 4 (commencing with Section 6500) of Chapter 5, Division 7, Title 1 of the California Government Code and of that certain Joint Exercise of Powers Agreement, dated March 30, 1989, by and between City of Avenal (the "City") and the former Redevelopment Agency of the City of Avenal (the "Former Agency"), the rights and obligations of the Former Agency thereunder having since, by virtue of the enactment of statutory provisions codified under Parts 1.8 (commencing with Section 34161) and 1.85 (commencing with Section 34170) of Division 24 of the Health and Safety Code (the "Dissolution Act"), been transferred to and assumed by the Successor Agency to the Redevelopment Agency of the City of Avenal (the "Agency"), and the Authority was created for the purpose of assisting the City and the Former Agency in financing public improvements and other capital projects; and

WHEREAS, the Authority issued \$9,660,000 aggregate principal amount of its 2005 Refunding Revenue Bonds (the "2005 Bonds"), which are currently outstanding in the aggregate principal amount of \$5,195,000, with debt service secured and payable, in part, from payments made by the City under an Amended and Restated Installment Sale Agreement, dated as of September 1, 2005 (the "2005 Sale Agreement"), by and between the Authority and the City; and

WHEREAS, the City Council of the City of Avenal (the "City") has determined to refinance certain costs of acquiring, constructing and improving certain public facilities and improvements including, but not limited to, the City's waterworks system and related facilities by refunding the 2005 Sale Agreement through the refunding, defeasance and redemption of the Authority's outstanding 2005 Refunding Revenue Bonds (the "2005 Bonds"); and

WHEREAS, the 2005 Bonds are further secured by and payable from loan payments required to be paid by the Agency, as successor to the Redevelopment Agency of the City of Avenal (the “Former Agency”), pursuant to the Amended and Restated Loan Agreement, dated as of September 1, 2005 (the “2005 Loan Agreement”), by and between the Agency, as successor to the Former Agency, and the Authority, entered into to refinance certain public improvements previously determined to be of benefit to the Avenal Redevelopment Project Area; and

WHEREAS, pursuant to the provisions of the Dissolution Act the Former Agency was dissolved effective February 1, 2012, and pursuant to the provisions of Section 34173 of the Dissolution Act, the Agency was designated as the successor agency to the Former Agency, with the authority, rights, powers, duties and obligations of the Former Agency, including without limitation the rights, duties and obligations of the Former Agency under the 2005 Loan Agreement, having been transferred to and assumed by the Agency; and

WHEREAS, by its adoption of Resolution Number 2013-11 at a meeting held January 26, 2013, the City Council elected to serve as the Agency, and pursuant to the provisions of Section 34173(g) of the Dissolution Act, the Agency is a separate public entity from the City; and

WHEREAS, the 2005 Loan Agreement is an existing enforceable obligation of the Agency currently reflected on the Agency’s Recognized Obligation Payment Schedule; and

WHEREAS, under the provisions of Section 34177.5(a)(3) of the Dissolution Act, the Agency may enter into an amendment of the 2005 Loan Agreement for the purpose of providing savings to the Agency, provided that the 2005 Loan Agreement is amended in connection with a refunding of the 2005 Bonds and the interest cost savings requirement and borrowing limits applicable to the refinancing or refunding of the 2005 Loan Agreement are satisfied; and

WHEREAS, the Agency has determined to refinance certain public improvements previously determined by the Former Agency to be of benefit to the Avenal Redevelopment Project Area by refinancing and refunding the outstanding 2005 Loan Agreement through the refunding, defeasance and redemption of the 2005 Bonds; and

WHEREAS, the Authority has determined to assist the City and the Agency in such refundings and refinancings by issuing not to exceed \$5,525,000 aggregate principal amount of Avenal Public Financing Authority Refunding Revenue Bonds, Series 2021 (the “Bonds”) pursuant to an Indenture of Trust, dated as of November 1, 2021 (the “Indenture”), by and between the Authority and U.S. Bank National Association, as trustee (the “Trustee”); and

WHEREAS, 280 Securities LLC, or InspereX LLC as a successor resulting from a contemplated merger of 280 Securities LLC with Incapital LLC (the “Underwriter”), proposes to purchase the Series 2021 Bonds pursuant to the terms and conditions of a Bond Purchase Contract (the “Bond Purchase Contract”), by and among the Authority, the Agency, the City and the Underwriter, and the Authority will cause to be prepared and presented to the Authority, the Agency and the City a preliminary Official Statement (the “Preliminary Official Statement”) containing information pertaining to the Series 2021 Bonds, the City, the Agency and the Authority in order to assist the Underwriter in the offering and resale of the Series 2021 Bonds to investors; and

WHEREAS, a portion of the proceeds of the sale of the Series 2021 Bonds is to be applied to refund the 2005 Sale Agreement through the execution and delivery of a Second Amended and Restated Installment Sale Agreement, dated as of November 1, 2021 (the “Series 2021 Installment Sale Agreement”), by and between the Authority and the City, and a portion of the proceeds of the sale of the Series 2021 Bonds is to be applied to refund the 2005 Loan Agreement through the execution and delivery of a Second Amended and Restated Loan Agreement, dated as of November 1, 2021 (the “Series 2021 Loan Agreement”), by and between the Authority and the Agency; and

WHEREAS, pursuant to the 2005 Loan Agreement, as amended and restated by the Series 2021 Loan Agreement, the Agency has pledged and will continue to pledge its property tax increment (formerly tax increment revenues) to the repayment of the Agency’s obligations thereunder; and

WHEREAS, in order to maintain its pledge of certain special fund revenues of the City in order to facilitate the refinancing and refunding by the City of the 2005 Sale Agreement and by the Authority of the outstanding 2005 Bonds, the City has further determined to sell, convey, transfer and contribute to the Authority certain rights and interests in the City’s waterworks system and improvements thereto (the “Enterprise”) pursuant to a Conveyance Agreement, dated as of November 1, 2021 (the “Conveyance Agreement”), by and between the City and the Authority, and then the City will purchase the said rights and interest in the Enterprise back from the Authority pursuant to the Series 2021 Installment Sale Agreement, pursuant to which the City will make installment payments to the Authority from amounts the City receives as collections of water rates and charges and amounts in the City’s enterprise funds for the Enterprise to the Authority; and

WHEREAS, the members of the City Council, with the aid of the City staff and certain officers of the City, the Agency and the Authority, will review the Preliminary Official Statement prior to authorizing its use;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Avenal, as follows:

Section 1. Recitals. Each of the foregoing recitals is true and correct, and the City so finds and determines.

Section 2. Ratification of Approval of Pledge of Property Tax Increment. The City’s prior approval of the pledge of tax increment revenues by the Former Agency to the payment of the Former Agency’s obligations under the 2005 Loan Agreement, as to be amended and restated under the Series 2021 Loan Agreement, is hereby ratified and confirmed.

Section 3. Approval of City Documents. The below-enumerated agreements (the “City Documents”), substantially in the form on file with the City Clerk, be and hereby are approved in such form together with any additions thereto or changes therein as shall be approved by the Mayor, the City Manager or any officer of the City designated by either of them, the signature of the officer executing each document thereon being conclusive evidence of his or her approval thereof:

- (a) the Series 2021 Installment Sale Agreement;

- (b) the Conveyance Agreement;
- (c) the Bond Purchase Contract; and
- (d) the Continuing Disclosure Agreement, dated as of November 1, 2021, by and among the City, the Agency and the Dissemination Agent named therein.

Section 4. Execution of City Documents. The Mayor, the City Manager or any other officer of the City designated by either of them are hereby authorized and directed to execute and deliver, for and on behalf of the City, each of the City Documents and such other documents, certificates and instruments as may be necessary or desirable to carry out and comply with the intent of this Resolution and of the City Documents.

Section 5. Approval of Preliminary Official Statement. Prior to issuance of the Preliminary Official Statement, the City will review and, by further action of this City Council, anticipates its approval of the Preliminary Official Statement, in substantially the form then on file with the City Clerk, together with any changes therein or additions thereto necessary or convenient to cause the Preliminary Official Statement to describe accurately matters pertaining to the Series 2021 Bonds, the City Documents and the City. The Mayor, the City Manager or any officer of the City designated by either of them are hereby authorized and directed to approve any changes in or additions to the final form of such Official Statement as any such official (or any such designee) shall deem advisable to cause the final Official Statement to describe accurately the Series 2021 Bonds and matters contained therein and related proceedings and actions.

Section 6. Official Actions. All actions heretofore taken by the officers and agents of the City with respect to the delivery of the Series 2021 Bonds and the execution and delivery of the City Documents are hereby approved, confirmed and ratified. The Mayor, the City Manager or any officer of the City designated by either of them are hereby authorized and directed, for and in the name and on behalf of the City, to do any and all things and take any and all actions, including execution and delivery of any and all assignments, certificates, requisitions, agreements, notices, consents, instruments of conveyance, warrants and other documents which they, or any of them, may deem necessary or advisable in order to consummate the execution and delivery of the City Documents and the transactions contemplated thereunder.

Section 7. Effective Date. This resolution shall take effect upon the date of approval and adoption thereof.

PASSED, APPROVED AND ADOPTED by the City Council of the City of Avenal, California, at a regular meeting thereof held this 8th day of July, 2021, by the following vote, to wit:

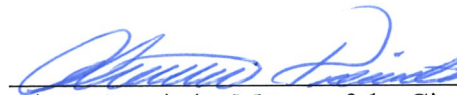
AYES: Councilmembers: **GRAVELLE, VERDUGO, HERNANDEZ, RAMIREZ, PRECIADO.**

NOES: Councilmembers: **NONE.**

ABSTAIN: Councilmembers: **NONE.**

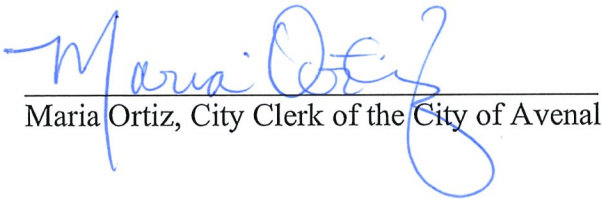
ABSENT: Councilmembers: **NONE.**

APPROVED:



Alvaro Preciado, Mayor of the City of Avenal

ATTEST:



Maria Ortiz, City Clerk of the City of Avenal

INDENTURE OF TRUST

by and between the

AVENAL PUBLIC FINANCING AUTHORITY

AND

U.S. BANK NATIONAL ASSOCIATION, AS TRUSTEE

RELATING TO

[\$[PAR]

**AVENAL PUBLIC FINANCING AUTHORITY
REFUNDING REVENUE BONDS, SERIES 2021**

Dated as of November 1, 2021

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INDENTURE OF TRUST

THIS INDENTURE OF TRUST, dated as of November 1, 2021 (this “Indenture”), is entered into by and between the **AVENAL PUBLIC FINANCING AUTHORITY** (the “Authority”), a joint exercise of powers authority organized and existing under the laws of the State of California (the “State”), specifically the provisions of Articles 1 through 4 (commencing with Section 6500) of Chapter 5, Division 7, Title 1 of the Government Code of the State (the “Act”), and of that certain Joint Exercise of Powers Agreement, dated March 30, 1989, by and between City of Avenal (the “City”) and the former Redevelopment Agency of the City of Avenal (the “Former Agency”), the rights and obligations of the Former Agency thereunder having since, by virtue of the enactment of statutory provisions codified under Parts 1.8 (commencing with Section 34161) and 1.85 (commencing with Section 34170) of Division 24 of the Health and Safety Code (the “Dissolution Act”), been transferred to and assumed by the Successor Agency to the Redevelopment Agency of the City of Avenal (the “Agency”), and **U.S. BANK NATIONAL ASSOCIATION**, a national banking association organized and existing under and by virtue of the laws of the United States of America, as trustee (the “Trustee”), and being qualified to accept and administer the trusts hereby created.

RECITALS:

WHEREAS, the Authority is authorized and empowered under the Act to issue bonds and other obligations in order to assist local agencies in financing and refinancing public improvements whenever a local agency determines that there are significant public benefits from so doing;

WHEREAS, to assist the City and the Former Agency in refinancing certain outstanding obligations and in refinancing certain improvements to the City’s waterworks system for the purpose of treatment and supply of water (the “Enterprise”), the Authority issued \$9,660,000 aggregate principal amount of its 2005 Refunding Revenue Bonds, the outstanding portion of which (the “Refunded Bonds”) is to be refunded and retired in accordance with the provisions of this Indenture and under the authority of Article 11 (commencing with Section 53580) of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code of the State (the “Refunding Law”) through the Authority’s issuance of its Avenal Public Financing Authority Refunding Revenue Bonds, Series 2021 (the “Series 2021 Bonds”);

WHEREAS, the Authority entered into an Amended and Restated Loan Agreement, dated as of September 1, 2005 (the “Series 2005 Loan Agreement”), by and between the Authority and the Former Agency, for the purpose of providing funds to make a loan to the Agency, the outstanding balance of which is to be refunded in accordance with the provisions of this Indenture and of a Second Amended and Restated Loan Agreement (as defined below);

WHEREAS, pursuant to the provisions of the Dissolution Act, the Former Agency was dissolved effective February 1, 2012, and pursuant to the provisions of Section 34173 of the Dissolution Act, the Agency was designated and the authority, rights, powers, duties and obligations of the Former Agency, including without limitation the rights, duties and obligations of the Former Agency under the Series 2005 Loan Agreement, having been transferred to and assumed by the Agency, with the result that the Series 2005 Loan Agreement is an existing enforceable obligation of the Agency;

WHEREAS, the Series 2005 Loan Agreement is to be refunded in accordance with the provisions of this Indenture and of a Second Amended and Restated Loan Agreement, dated as of November 1, 2021 (the “Series 2021 Loan Agreement”), by and between the Authority and the Agency, in accordance with the provisions of Section 34177.5(a)(3) of the Dissolution Act, which empowers the Agency to enter into an amendment of the Series 2005 Loan Agreement for the purpose of providing savings to the Agency, provided that the Series 2005 Loan Agreement is amended in connection with a refunding of the Refunded

Bonds and the interest cost savings requirement and borrowing limits applicable under the Dissolution Act to the refinancing or refunding of the Series 2005 Loan Agreement are satisfied;

WHEREAS, the City has determined to refinance the Amended and Restated Installment Sale Agreement, dated as of September 1, 2005 (the “Series 2005 Installment Sale Agreement”), by and between the Authority and the City, in accordance with the provisions of this Indenture and of a Second Amended and Restated Installment Sale Agreement, dated as of November 1, 2021 (the “Series 2021 Installment Sale Agreement”), by and between the Authority and the City, pursuant to which the City shall pledge revenues derived from its operation of the Enterprise;

WHEREAS, the Series 2021 Bonds are to be secured primarily by the Agency’s payments under the Series 2021 Loan Agreement (the “Loan Payments”) and by the City’s payments under the Series 2021 Installment Sale Agreement (the “Installment Payments”);

WHEREAS, pursuant to the provisions of this Indenture, the Authority desires to pledge and assign its right to receive certain of the Loan Payments and the Installment Payments to the Trustee on the terms and subject to the conditions described herein;

WHEREAS, the City and the Agency, as applicable, have determined that the consummation of the transactions contemplated in the Series 2021 Loan Agreement, the Series 2021 Installment Sale Agreement and this Indenture will result in significant public benefits;

WHEREAS, in order to provide for the execution, authentication and delivery of the Series 2021 Bonds, to establish and declare the terms and conditions upon which the Series 2021 Bonds are to be issued and secured and to secure the payment of the principal thereof, Redemption Price, and interest thereon, the Authority has authorized the execution and delivery of this Indenture; and

WHEREAS, all acts and proceedings required by law necessary to make the Series 2021 Bonds, when executed by the Authority, authenticated and delivered by the Trustee and duly issued, the valid, binding and legal limited 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 this Indenture have been in all respects duly authorized;

NOW, THEREFORE, THIS INDENTURE WITNESSETH, that in order to secure the payment of the principal of, Redemption Price, and interest on, all Series 2021 Bonds and any Additional Bonds at any time Outstanding under this Indenture, according to their tenor, and to secure the performance and observance of all the covenants, agreements, obligations, and conditions therein and herein set forth, and to declare the terms and conditions upon and subject to which the Series 2021 Bonds are to be issued and received, and in consideration of the premises and of the mutual covenants herein contained and of the purchase and acceptance of the Series 2021 Bonds by the Owners thereof, and for other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Authority has executed and delivered this Indenture and absolutely assigns hereby to the Trustee, and to its successors in trust, and its and their assigns, all right, title and interest of the Authority in and to: (a) the Revenues, including, without limitation, all Loan Payments and Installment Payments receivable by or on behalf of the Authority under the Series 2021 Loan Agreement and the Series 2021 Installment Sale Agreement, respectively, and all moneys and investments in the funds and accounts established pursuant to this Indenture, excepting only moneys on deposit in the Series 2021 Rebate Fund; (b) the Series 2021 Loan Agreement; and (c) the Series 2021 Installment Sale Agreement;

TO HAVE AND TO HOLD unto the Trustee and its successors in trust and its and their assigns forever;

BUT IN TRUST, NEVERTHELESS, and subject to the provisions hereof:

(a) except as provided otherwise herein, for the equal and proportionate benefit, security and protection of all present and future Owners of the Series 2021 Bonds and any Additional Bonds issued or to be issued under and secured by this Indenture;

(b) for the enforcement of the payment of the principal of and interest and any premium on the Series 2021 Bonds and any Additional Bonds, when payable, according to the true intent and meaning thereof and of this Indenture;

(c) to secure the performance and observance of and compliance with the covenants, agreements, obligations, terms and conditions of this Indenture;

(d) in each case, without preference, priority or distinction, as to lien or otherwise, of any one Series 2021 Bond or Additional Bond over any other by reason of designation, number, date of the Series 2021 Bonds or Additional Bonds or of authorization, issuance, sale, execution, authentication, delivery or maturity thereof, or otherwise, so that each Series 2021 Bond and Additional Bond and all Series 2021 Bonds and Additional Bonds shall have the same right, lien and privilege under this Indenture and shall be secured equally and ratably hereby, it being intended that the lien and security of this Indenture shall take effect from the date hereof, without regard to the date of the actual issue, sale or disposition of the Series 2021 Bonds or any Additional Bonds, as though upon that date all of the Series 2021 Bonds and Additional Bonds were actually issued, sold and delivered to purchasers for value; provided further that:

(i) if the principal of the Series 2021 Bonds or Additional Bonds and the applicable interest due or to become due thereon together with any applicable premium required by redemption of any of the Series 2021 Bonds or Additional Bonds prior to maturity shall be well and truly paid, at the times and in the manner to which reference is made in the Series 2021 Bonds or Additional Bonds, as applicable, according to the true intent and meaning thereof, or the Outstanding Series 2021 Bonds and Outstanding Additional Bonds shall have been paid and discharged in accordance with the provisions of Article VII; and

(ii) if there shall have been paid (or provided for in accordance with the provisions of Article VII) to the Authority, the Trustee and any paying agent all sums of money due or to become due to them in accordance with the terms and provisions hereof and of the Series 2021 Loan Agreement and the Series 2021 Installment Sale Agreement;

this Indenture and the rights assigned hereby shall cease, determine and be void, except as provided in Section 7.2 with respect to the survival of certain provisions hereof; otherwise, this Indenture shall be and remain in full force and effect;

IT IS FURTHER DECLARED that all Series 2021 Bonds and Additional Bonds issued hereunder and secured hereby are to be issued, authenticated and delivered, and that all Revenues assigned hereby are to be dealt with and disposed of under, upon and subject to, the terms, conditions, stipulations, covenants, agreements, obligations, trusts, uses and purposes provided in this Indenture, and the Authority has agreed and covenanted, and agrees and covenants with the Trustee and with each and all Owners of the Series 2021 Bonds and any Additional Bonds (as applicable), as follows:

ARTICLE I
DEFINITIONS; INTERPRETATION AND EQUAL SECURITY

Section 1.1 **Definitions.** Unless the context otherwise requires, the terms defined in this Section 1.1, for all purposes of this Indenture and of any Supplemental Indenture and of any certificate, opinion, request or other document herein or therein mentioned, shall have the meanings herein specified. Capitalized terms not otherwise defined herein shall have the meaning assigned to such terms in the Series 2021 Installment Sale Agreement or the Series 2021 Loan Agreement.

“*Act*” means Articles 1, 2, 3 and 4 of Chapter 5 of Division 7 of Title 1 (commencing with Section 6500) of the Government Code of the State.

“*Additional Bonds*” means all bonds of the Authority, other than the Series 2021 Bonds initially executed, authenticated, issued and delivered hereunder, authorized by and at any time Outstanding pursuant to and executed, issued and delivered in accordance with the provisions of Article II.

“*Agency*” means the Successor Agency to the Redevelopment Agency of the City of Avenal, designated under and pursuant to the provisions of the Dissolution Act, and any successor thereto.

“*Authority*” means the Avenal Public Financing Authority, a joint exercise of powers agency duly organized and validly existing under and pursuant to the provisions of the Act, and its successors and assigns.

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

“*Authorized Representative*” means: (a) with respect to the Authority, its Chairman, Treasurer, Executive Director or Secretary, or any other Person designated as an Authorized Representative of the Authority by a Certificate of the Authority signed by its Chairman or Executive Director and filed with the Agency, the City and the Trustee; (b) with respect to the Agency, its Chairman, Executive Director or Secretary, or any other Person designated as an Authorized Representative of the Agency by a Certificate of the Agency signed by its Chairman or Executive Director and filed with the Authority, the City and the Trustee; (c) with respect to the City, its Mayor, City Manager or City Clerk, or any other Person designated as an Authorized Representative of the City by a Certificate of the City signed by its Mayor or City Manager and filed with the Authority, the Agency and the Trustee; and (d) with respect to the Trustee, the Senior Vice President, any Vice President, any Assistant Vice President or any Trust Officer of the Trustee, and when used with reference to any act or document also means any other Person authorized to perform such act or sign any document by or pursuant to a resolution of the Board of Directors of the Trustee or the bylaws of the Trustee.

“*Beneficial Owner*” means any Person who has or shares the power, directly or indirectly, to make investment decisions concerning ownership of any Series 2021 Bonds or Additional Bonds, as applicable (including Persons holding such Series 2021 Bonds or Additional Bonds through nominees, depositories or other intermediaries).

“*Beneficial Ownership Interest*” means the beneficial right to receive payments and notices with respect to the Series 2021 Bonds (or any Additional Bonds, as applicable) which are held by the Depository under a Book-Entry System.

“*Bond Counsel*” means any firm of nationally recognized municipal bond attorneys, selected by the Authority, experienced in the issuance of municipal bonds and matters relating to the exclusion of the

interest thereon from gross income for federal income tax purposes which firm shall initially be Procopio, Cory, Hargreaves & Savitch LLP.

“*Bond Purchase Agreement*” means (a) as to the Series 2021 Bonds, the Bond Purchase Agreement, dated November [REDACTED], 2021, by and among the Authority, the Agency, the City and the Underwriter; and (b) as to one or more series of Additional Bonds, the similar agreement with respect to such series of Additional Bonds.

“*Bond Resolution*” means: (a) when used with reference to the Series 2021 Bonds, the resolution of the Governing Body providing for their issuance and approving the Series 2021 Loan Agreement, the Series 2021 Installment Sale Agreement, this Indenture and the Bond Purchase Agreement and related matters; and (b) when used with reference to one or more series of Additional Bonds, the resolution of the Governing Body providing for the issuance of such series of Additional Bonds and approving any amendment or supplement to the Series 2021 Loan Agreement, the Series 2021 Installment Sale Agreement, any Supplemental Indenture and related agreements and matters.

“*Bondholder*”, “*Bondowner*” and “*Owner*” each means any Person who shall be the registered owner of any Outstanding Bond.

“*Bond Year*” means: (a) as to the Series 2021 Bonds, the period of 12 consecutive months ending September 1 in any year in which the Series 2021 Bonds are Outstanding, except that the first Bond Year shall commence the date the Series 2021 Bonds are issued and end September 1, 2022; and (b) as to one or more series of Additional Bonds, the period of 12 consecutive months ending September 1 in any year in which such series of Additional Bonds are Outstanding, except that the first Bond Year shall commence the date such series of Additional Bonds are issued and end September 1 of the year specified in the Supplemental Indenture authorizing the issuance of such series of Additional Bonds.

“*Bonds*”, “*Series 2021 Bonds*”, “*Serial Bonds*” and “*Term Bonds*” have the following meanings: “*Bonds*” means the Series 2021 Bonds and all Additional Bonds. “*Series 2021 Bonds*” means the Avenal Public Financing Authority Refunding Revenue Bonds, Series 2021, issued and so designated by the Authority under and pursuant to the provisions of this Indenture. “*Serial Bonds*” means Bonds for which no Mandatory Sinking Account Payments are provided. “*Term Bonds*” means all Bonds which are not Serial Bonds.

“*Book-Entry Form*” or “*Book-Entry System*” means, with respect to the Series 2021 Bonds or one or more series of Additional Bonds, a form or system, as applicable, under which (a) the Beneficial Ownership Interests may be transferred only through a book-entry-only system; and (b) physical certificates of Series 2021 Bonds or Additional Bonds (as applicable) in fully registered form are registered only in the name of a Depository or its nominee as Bondowner, with the physical certificates of Series 2021 Bonds or Additional Bonds (as applicable) duly “immobilized” in the custody of the Trustee on behalf of the Depository.

“*Business Day*” means any day which is not any of the following: (a) a Saturday, Sunday or legal holiday as set forth by the Federal Reserve Bank of San Francisco; (b) any other day on which banks in Los Angeles, California, New York, New York or any city where the Principal Corporate Trust Office is located are authorized or required to be closed by the appropriate regulatory authorities; or (c) a day on which the New York Stock Exchange is authorized or required to be closed.

“*Cede & Co.*” means Cede & Co., the nominee of DTC, and any successor nominee of DTC as described in Section 2.16

“*Certificate*,” “*Statement*,” “*Order*,” “*Request*” or “*Requisition*” of the Authority, the Agency or the City means, respectively, a written certificate, statement, order, request or requisition signed in the name of the Authority by any Authorized Representative of the Authority, in the name of the Agency by any Authorized Representative of the Agency, or in the name of the City by any Authorized Representative of the City. Any such instrument and supporting opinions or representations, if any, may, but need not, be combined in a single instrument with any other instrument, opinion or representation, and the two or more so combined shall be read and construed as a single instrument. If and to the extent required by the provisions of Section 1.2, each such instrument shall include the statements required under Section 1.2.

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

“*Closing Date*” means, with respect to the Series 2021 Bonds, the date of delivery of and payment for the Series 2021 Bonds, being November __, 2021, and with respect to one or more series of Additional Bonds, the date of initial delivery and payment for such series of Additional Bonds.

“*Code*” means the Internal Revenue Code of 1986 as in effect on the date of issuance of the Series 2021 Bonds or (except as otherwise referenced herein) as it may be amended to apply to obligations issued on the date of issuance of the Series 2021 Bonds, together with applicable proposed, temporary and final regulations promulgated, and applicable official public guidance published, under the Code.

“*Continuing Disclosure Agreement*” means the Continuing Disclosure Agreement, dated as of November 1, 2021, by and among the Authority, the Agency, the City and the dissemination agent named therein.

“*Costs of Issuance*” means all items of expense directly or indirectly payable by or reimbursable to the City, the Agency or the Authority and related to the authorization, issuance, sale and delivery of the Series 2021 Bonds, including but not limited to advertising and printing costs, costs of preparation and reproduction of documents, filing and recording fees, initial fees and charges of the Trustee and its counsel, legal fees and charges, fees and disbursements of consultants and professionals, Rating Agency fees, defeasance verification fees, other fees and charges for preparation, execution, transportation and safekeeping of the Series 2021 Bonds, and any other cost, charge or fee in connection with the original issuance of the Series 2021 Bonds, the execution and delivery of the Series 2021 Loan Agreement, the Series 2021 Installment Sale Agreement, the Series 2021 Bonds, this Indenture and the Escrow Agreement.

“*Depository*” means: (a) with respect to the Series 2021 Bonds, The Depository Trust Company and its successors and assigns, or any other depository selected as set forth in Section 2.2(a)(iv)(J); and (b) with respect to one or more series of Additional Bonds, the provisions of the Supplemental Indenture authorizing such series of Additional Bonds, with respect to which such Depository agrees to follow the procedures required to be followed by such depository in connection with such series of Additional Bonds.

“*Disclosure Requirements*” has the meaning set forth in Section 6.10.

“*Dissolution Act*” means Parts 1.8 (commencing with Section 34161) and 1.85 (commencing with Section 34170) of Division 24 of the Health and Safety Code of the State.

“*Electronic Means*” means telecopy, facsimile transmission, e-mail transmission or other similar electronic means of communication providing evidence of transmission.

“*Enterprise*” means the water system enterprise as defined in the Series 2021 Installment Sale Agreement.

“*Escrow Agreement*” means the Escrow Agreement, dated as of November 1, 2021, by and between the Authority and the Refunded Bonds Trustee in its capacity as Escrow Agent thereunder, providing for the defeasance and redemption of the Refunded Bonds.

“*Event of Default*” means those Events of Default specified in Section 7.1.

“*Fair Market Value*” means the price at which a willing buyer would purchase the investment from a willing seller in a bona fide, arm’s length transaction (determined as of the date the contract to purchase or sell the investment becomes binding) if the investment is traded on an established securities market (within the meaning of section 1273 of the Code) and, otherwise, the term “Fair Market Value” means the acquisition price in a bona fide arm’s length transaction (as referenced above) if (i) the investment is a certificate of deposit that is acquired in accordance with applicable regulations under the Code, (ii) the investment is an agreement with specifically negotiated withdrawal or reinvestment provisions and a specifically negotiated interest rate (for example, a guaranteed investment contract, a forward supply contract or other investment agreement) that is acquired in accordance with applicable regulations under the Code, (iii) the investment is a United States Treasury Security--State and Local Government Series that is acquired in accordance with applicable regulations of the United States Bureau of Public Debt, or (iv) any commingled investment fund in which the Issuer and related parties do not own more than a 10% beneficial interest therein if the return paid by the fund is without regard to the source of the investment. To the extent required by the applicable regulations under the Code, the term “investment” will include a hedge.

“*Favorable Opinion of Bond Counsel*” means, with respect to any action the occurrence or non-occurrence of which requires such an opinion, an opinion of Bond Counsel to the effect that such action is permitted under this Indenture and will not, in and of itself, cause interest on the Series 2021 Bonds to be included in gross income for purposes of federal income taxation.

“*Fiscal Year*” means the period beginning July 1 of each year and ending the next succeeding June 30 or any other 12-month period selected and designated as the official fiscal year period of the Authority.

“*Fitch*” means Fitch, Inc., its successors and their assigns, or, if such corporation shall be dissolved or liquidated or shall no longer perform the function of a securities rating agency, any other nationally recognized securities rating agency designated by the Authority by notice to the Trustee.

“*Governing Body*” means the governing body of the Authority.

“*Government Obligations*” means bills, certificates of indebtedness, notes, bonds or similar securities which are direct obligations of, or the principal and interest of which are unconditionally guaranteed by, the United States of America.

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

“*Independent Certified Public Accountant*” means any certified public accountant or firm of such accountants duly licensed and entitled to practice and practicing as such under the laws of the State or a comparable successor, appointed and paid by or on behalf of the Authority, and who, or each of whom:

(a) is in fact independent according to the Statement of Auditing Standards No. 1 and not under the domination of the Authority, the Agency or the City;

(b) does not have a substantial financial interest, direct or indirect, in the operations of the Authority, the Agency or the City; and

(c) is not connected with the Authority, the Agency or the City as a member, officer or employee of the Authority, the Agency or the City, but who may be regularly retained to audit the accounting records of and make reports thereon to the Authority, the Agency or the City.

“*Information Services*” means the Electronic Municipal Market Access System (referred to as “EMMA”), a facility of the Municipal Securities Rulemaking Board; and, in accordance with then current guidelines of the SEC, such other addresses or services providing information with respect to called bonds as the Authority may designate in a Certificate of the Authority delivered to the Trustee.

“*Installment Payments*” means the installment payments to be made by the City under the Series 2021 Installment Sale Agreement.

“*Interest Account*” means the account by that name within the Series 2021 Revenue Fund, established pursuant to the provisions of Section 5.2(c)(i).

“*Interest Payment Date*” means each March 1 and September 1, commencing March 1, 2022, and continuing thereafter so long as any Series 2021 Bonds remain Outstanding, and any additional date on which interest shall be payable on the Series 2021 Bonds pursuant to the terms of this Indenture.

“*Investment Securities*” means the following, but only to the extent that the same are acquired at Fair Market Value:

(a) Government Obligations;

(b) direct and general obligations of any state of the United States of America or any municipality or political subdivision of such state, or obligations of any corporation, if such obligations are in one of the two highest Rating Categories by any Rating Agency;

(c) negotiable or nonnegotiable certificates of deposit, demand deposits, time deposits, deposit accounts or other similar banking arrangements, issued by any nationally or state-chartered bank (including the Trustee) or trust company or any savings and loan association, if either (i) the long-term obligations of such bank or trust company are rated in one of the two highest Rating Categories by any Rating Agency; or (ii) the deposits are continuously secured as to principal, but only to the extent not insured by the Federal Deposit Insurance Corporation, or similar corporation chartered by the United States of America: (A) by lodging with a bank or trust company, as collateral security, obligations described in paragraph (a) or (b) above or, with the approval of the Authority, other marketable securities eligible as security for the deposit of trust funds under applicable regulations of the Comptroller of the Currency of the United States of America or applicable state law or regulations, having a market value (exclusive of accrued interest) not less than the amount of such deposit; or (B) if the furnishing of security as provided in clause (A) of this paragraph (c) is not permitted by applicable law, in such manner as may then be required or permitted by applicable state or federal laws and regulations regarding the security for the deposit of trust funds;

(d) repurchase agreements with respect to obligations listed in paragraph (a) or (b) above if entered into with a nationally or state-chartered bank (including the Trustee), trust company or a broker or dealer (as defined by the 1934 Act) which is a member of the SIPC, if each of the following conditions is satisfied: (i) such obligations that are the subject of such repurchase agreement are delivered to the Trustee or are supported by a safekeeping receipt issued by a depository satisfactory to the Authority; provided that such repurchase agreement must provide that the value of the underlying obligations shall be maintained at

current market value, calculated no less frequently than monthly, of not less than the repurchase price; (ii) a first priority perfected security interest in the obligations which are the subject of such repurchase agreement has been granted to the Trustee; and (iii) such obligations are free and clear of any adverse third-party claims;

(e) commercial paper rated in the highest Rating Category by any Rating Agency;

(f) money market mutual funds invested solely in obligations listed in paragraph (a), (b), (c) or (d) above, including funds for which the Trustee or an affiliate of the Trustee acts as an investment provider or provides other services;

(g) investment agreements continuously secured by the obligations listed in paragraph (a), (b) or (c) above, or paragraph (i) below, with any nationally or state-chartered bank, trust company or broker or dealer (as defined by the 1934 Act) which is a member of the SIPC, if each of the following conditions is satisfied: (i) such obligations are delivered to the Trustee or supported by a safekeeping receipt issued by a depository satisfactory to the Authority; provided that such investment agreements must provide that the value of the underlying obligations shall be maintained at a current market value, calculated no less frequently than monthly, of not less than the amount deposited thereunder; (ii) a first priority perfected security interest in the obligations which are securing such agreement has been granted to the Trustee; (iii) such agreement has been granted to the Trustee; and (iv) such obligations are free and clear of any adverse third-party claims;

(h) investment agreements with any nationally or state-chartered bank, financial institution, insurance company, trust company, or any other publicly traded corporation which has long-term debt obligations rated in one of the two highest Rating Categories by any Rating Agency;

(i) certificates or receipts issued by any nationally or state-chartered bank, trust company or broker or dealer (as defined by the 1934 Act) which is a member of the SIPC, organized and existing under the laws of the United States of America or any state thereof, the outstanding unsecured long-term debt of which is rated in either of the two highest Rating Categories by any Rating Agency, or, upon the discontinuance of any or all of such rating services, any other nationally recognized rating service, in the capacity of custodian, which certificates or receipts evidence ownership of a portion of the principal or interest on Government Obligations held (which may be in book-entry form) by such bank, trust company or broker or dealer (as defined by the 1934 Act); and

(j) tax-exempt obligations (as defined in section 150(a)(6) of the Code and which are not “investment property” as defined in section 148(b)(2) of the Code) rated in one of the two highest Rating Categories by any Rating Agency, but excluding tax-exempt obligations of the Authority, the Agency or the City;

provided that “Investment Securities” shall not include a financial instrument, commonly known as a “derivative,” whose performance is derived, at least in part, from the performance of any underlying asset, including, without limitation, futures, options on securities, options on futures, forward contracts, swap agreements, structured notes and participations in pools of mortgages or other assets.

“*Letter of Representations*” means, collectively, the Blanket Issuer Letter of Representations filed by the Authority with the Depository and the Operational Arrangements Letter of Representations filed by the Trustee with the Depository.

“*Loan Payments*” means the loan payments to be made by the Agency under the Series 2021 Loan Agreement.

“*Mandatory Sinking Account Payment*” means the amount so designated which is established pursuant to: (a) the provisions of Section 4.4 with respect to the Series 2021 Bonds; and (b) the provisions of Section 2.2(a)(iv)(E) with respect to Term Bonds included in one or more series of Additional Bonds.

“*Maturity Date*”, with respect to the Series 2021 Bonds, means September 1, 2036, and as to any Term Bonds or Serial Bonds with a different stated maturity date, September 1 of the year so stated.

“*Moody’s*” means Moody’s Investors Service, a corporation organized and existing under the laws of the State of Delaware, its successors and their assigns, or, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, any other nationally recognized securities rating agency designated by the Authority by notice to the Trustee.

“*1934 Act*” means the Securities Exchange Act of 1934, as amended and in effect on the date hereof, together with the rules and regulations promulgated thereunder.

“*1933 Act*” means the Securities Act of 1933, as amended and in effect on the date hereof, together with the rules and regulations promulgated thereunder.

“*Opinion of Counsel*” means a written opinion of counsel (who may be counsel for the Authority) selected by the Authority. If and to the extent required by the provisions of Section 1.2, each Opinion of Counsel shall include the statements provided for in Section 1.2.

“*Outstanding*” means, when used as of any particular time with reference to the Series 2021 Bonds or one or more series of Additional Bonds (in each case subject to the provisions of Section 11.10), all Series 2021 Bonds and Additional Bonds theretofore, or thereupon being, authenticated and delivered by the Trustee under this Indenture except:

(a) Series 2021 Bonds and Additional Bonds theretofore cancelled by the Trustee or surrendered to the Trustee for cancellation;

(b) Series 2021 Bonds and Additional Bonds with respect to which all liability of the Authority shall have been discharged in accordance with the provisions of Section 7.2, including Series 2021 Bonds and Additional Bonds (or portions of Series 2021 Bonds and Additional Bonds) referred to in Section 11.11;

(c) Series 2021 Bonds and Additional Bonds for the transfer or exchange of or in lieu of or in substitution for which other Series 2021 Bonds and Additional Bonds, as applicable, shall have been authenticated and delivered by the Trustee pursuant to this Indenture or any Supplemental Indenture authorizing such Additional Bonds; and

(d) with respect to any voting, direction, waivers or consents of rights, Series 2021 Bonds and Additional Bonds held by the Authority, the Agency or the City.

“*Participant*” means a Participant as defined in the Letter of Representations.

“*Permitted Encumbrances*” shall have the meaning set forth in the Series 2021 Installment Sale Agreement.

“*Person*” includes an individual, firm, association, corporation, partnership, limited liability company, joint venture, trust or other legal entity or group of entities, or a government or an agency or a political subdivision thereof.

“*Principal Account*” means the account by the name within the Series 2021 Revenue Fund, established pursuant to the provisions of Section 5.2(c)(ii).

“*Principal Corporate Trust Office*” means the principal corporate trust office of the Trustee, which at the date of the execution of this Indenture is located at U.S. Bank National Association, Global Corporate Trust Services, Mail Station: SF-CA-SF, One California Street, Suite 2100, San Francisco, California 94111, email john.axt@usbank.com; provided that for purposes of exchange, transfer, cancellation, payment, redemption and surrender of Series 2021 Bonds or any Additional Bonds, such term shall include any additional offices designated by the Trustee.

“*Principal Payment Date*” or “*Mandatory Sinking Account Payment Date*” means each September 1 on which any of the Bonds mature or are subject to Mandatory Sinking Fund Redemption in accordance with their terms.

“*Rating Agency*” means Fitch, Moody’s or S&P to the extent they then are providing or maintaining a rating on the Series 2021 Bonds at the request of the Authority, or in the event that Fitch, Moody’s or S&P no longer maintains a rating on the Series 2021 Bonds, any other nationally recognized rating agency then providing or maintaining a rating on the Series 2021 Bonds at the request of the Authority.

“*Rating Category*” means one of the general rating categories of any Rating Agency, without regard to any refinement or gradation of such rating category by a numerical or symbolic modifier or otherwise.

“*Rebate Analyst*” means an independent certified public accountant, financial analyst or Bond Counsel, or any firm of the foregoing, or financial institution, experienced in making the arbitrage and rebate calculations required pursuant to section 148(f) of the Code, selected and compensated by the Authority to make the computations and give the directions required under Section 5.8.

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

“*Redemption Price*” means, with respect to any Series 2021 Bond (or portion thereof), the principal amount of such Series 2021 Bond (or portion thereof) plus the applicable premium, if any, payable upon redemption thereof pursuant to the provisions of such Series 2021 Bond and this Indenture.

“*Refunded Bonds*” means the Avenal Public Financing Authority 2005 Refunding Revenue Bonds.

“*Refunded Bond Trustee*” means the trustee with respect to the Refunded Bonds.

“*Refunding Bonds*” means all revenue bonds of the Authority authorized by and at any time Outstanding pursuant hereto and executed, issued and delivered in accordance with the provisions of Article II, proceeds of which are used to refund all or any portion of Outstanding Series 2021 Bonds or Outstanding Additional Bonds, as applicable.

“*Refunding Law*” means Article 11 (commencing with Section 53580) of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code, as amended, and all laws amendatory thereof or supplemental thereto.

“*Registration Books*” means the records maintained by the Trustee for the registration of the ownership and registration of the transfer of the Series 2021 Bonds pursuant to the provisions of Section 2.14.

“*Regulations*” or “*Treasury Regulations*” means the temporary or final Income Tax Regulations promulgated by the Treasury Department and applicable to the Bonds issued pursuant to sections 141 through 150 of the Code or section 103 of the Internal Revenue Code of 1954. Any reference to a section of the Regulations shall also refer to any successor provision to such section hereafter promulgated by the Internal Revenue Service pursuant to sections 141 through 150 of the Code and applicable to the Series 2021 Bonds.

“*Revenues*” means: (a) the Loan Payments, other than administrative fees and expenses and indemnity against claims payable to the Authority or the Trustee; (b) the Installment Payments, other than administrative fees and expenses and indemnity against claims payable to the Authority or the Trustee; and (c) investment income with respect to any money in any fund or account (other than the Rebate Fund) established pursuant to the provisions of this Indenture or the Series 2021 Installment Sale Agreement.

“*Rule 15c2-12*” means SEC Rule 15c2-12, promulgated by the SEC under the 1934 Act, as amended, set forth at 17 CFR Part 240 Section 240.15c2-12.

“*S&P*” means S&P Global Ratings, its successors and their assigns, or, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, any other nationally recognized securities rating agency designated by the Authority by notice to the Trustee.

“*SEC*” means the United States Securities and Exchange Commission.

“*Series 2021 Costs of Issuance Fund*” means the fund by that name established pursuant to the provisions of Section 5.2(a).

“*Series 2021 Installment Sale Agreement*” means the Second Amended and Restated Installment Sale Agreement dated as of November 1, 2021, between the Authority and the City, as it may be modified, supplemented, restated or replaced from time to time in accordance with its terms and the terms of this Indenture.

“*Series 2021 Interest Account*” means the account by that name in the Series 2021 Revenue Fund established pursuant to the provisions of Section 5.2.

“*Series 2021 Loan*” means the loan made by the Authority to the Agency pursuant to the Series 2021 Loan Agreement.

“*Series 2021 Loan Agreement*” means the Second Amended and Restated Loan Agreement dated as of November 1, 2021, between the Authority and the Agency, as it may be modified, supplemented, restated or replaced from time to time in accordance with its terms and the terms of this Indenture.

“*Series 2021 Principal Account*” means the account by that name in the Series 2021 Revenue Fund established pursuant to the provisions of Section 5.2.

“*Series 2021 Rebate Fund*” means the fund by that name created pursuant to the provisions of Section 5.2.

“*Series 2021 Rebate Requirement*” means the Series 2021 Rebate Requirement as defined in the Tax Certificate.

“*Series 2021 Rebate Year*” means the period beginning on the date of issuance of the Series 2021 Bonds and ending on the next succeeding June 30, and for all other Rebate Years, the one-year period

beginning on the day after the end of the preceding Rebate Year and ending on the following June 30, unless the Authority, the Agency, the City and the Trustee are advised by the Rebate Analyst that another period is required by law; provided, however, that the last Rebate Year for the Series 2021 Bonds shall end on the date the Series 2021 Bonds are no longer Outstanding.

“*Series 2021 Reserve Fund*” means the account by that name in the Series 2021 Revenue Fund established pursuant to the provisions of Section 5.2.

“*Series 2021 Reserve Fund Requirement*” means \$ [REDACTED] for the Series 2021 Bonds and, for Additional Bonds, an amount that shall be equal to the least of: (a) maximum annual debt service with respect to such Additional Bonds Outstanding, (b) 125% of average annual debt service with respect to such Additional Bonds Outstanding, or (c) 10% of the original principal amount of such Additional Bonds.

“*Series 2021 Revenue Fund*” means the fund by that name established pursuant to the provisions of Section 5.1.

“*SIPC*” means the Securities Investor Protection Corporation or any successor entity.

“*Special Record Date*” means a special record date, which shall be a Business Day, fixed by the Trustee to determine the names and addresses of Owners for purposes of paying interest on a special Interest Payment Date for the payment of defaulted interest, all as further provided in Section 2.5.

“*State*” means the State of California.

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

“*Tax Certificate*” means, with respect to the Series 2021 Bonds, the certificate entitled “Tax Certificate as to Arbitrage and the Provisions of Sections 103 and 141-150 of the Internal Revenue Code of 1986,” dated the Closing Date, and executed by the Authority, the Agency and the City.

“*Tax-Exempt Bonds*” means the Series 2021 Bonds and those Additional Bonds the interest on which, in the opinion of Bond Counsel delivered at the time of issuance thereof, is excludable from gross income of the Beneficial Owner thereof for federal income tax purposes.

“*Trustee*” means U.S. Bank National Association, a national banking association organized and existing under the laws of the United States of America, or its successor, as Trustee hereunder as provided in Section 9.1.

“*Trustee’s Expenses*” means the reasonable expenses incurred by the Trustee under this Indenture, including reasonable counsel fees and expenses (including fees and expenses at trial or appellate proceedings).

“*Trustee’s Fees*” means the annual fee of the Trustee payable to the Trustee under this Indenture, plus amounts due, if any, for extraordinary services and expenses of the Trustee.

“*Underwriter*” means: (a) with respect to the Series 2021 Bonds, 280 Securities LLC, or InspereX LLC as a successor resulting from a contemplated merger of 280 Securities LLC with Incapital LLC, and (b) with respect to any Additional Bonds, the underwriter of such Additional Bonds.

“*Written Request of the Agency*” means an instrument in writing signed by or on behalf of the Agency by any Authorized Representative of the Agency.

“*Written Request of the Authority*” means an instrument in writing signed by or on behalf of the Authority by any Authorized Representative of the Authority.

“*Written Request of the City*” means an instrument in writing signed by or on behalf of the City by any Authorized Representative of the City.

Section 1.2 Contents of Certificates and Opinions.

(a) Every certificate (other than any certificate relating to the destruction of Bonds in accordance with the provisions of this Indenture) or opinion with respect to compliance with any provision of this Indenture shall include all of the following: (i) a statement that the Person making or giving such certificate or opinion has read such provision and the definitions herein relating thereto; (ii) a brief statement as to the nature and scope of the examination or investigation upon which the certificate or opinion are based; (iii) a statement that, in the opinion of such Person, he or she has made or caused to be made such examination or investigation as is necessary to enable such Person to express an informed opinion with respect to the subject matter referred to in the instrument to which such Person’s signature is affixed; (iv) a statement of the assumptions upon which such certificate or opinion is based, and that such assumptions in the opinion of such Person are reasonable; and (v) a statement as to whether, in the opinion of such Person, such provision has been satisfied.

(b) Any such certificate or opinion made or given by an officer of the Authority, the Agency or the City may be based, insofar as it relates to legal or accounting matters, upon a certificate or opinion of or representation by counsel or an Independent Certified Public Accountant, unless such officer knows, or in the exercise of reasonable care should have known, that the certificate, opinion or representation with respect to the matters upon which such certificate or statement may be based, as aforesaid, is erroneous. Any such certificate or opinion made or given by counsel or an Independent Certified Public Accountant may be based, insofar as it relates to factual matters (with respect to which information is in the possession of the Authority, the Agency or the City, as the case may be) upon a certificate or opinion of or representation by any Authorized Representative of the Authority, the Agency or the City, as the case may be, unless such counsel or Independent Certified Public Accountant knows, or in the exercise of reasonable care should have known, that the certificate or opinion with respect to the matters upon which such Person’s certificate or opinion may be based, as aforesaid, is erroneous. Neither the same Authorized Representative of the Authority, the Agency or the City, as the case may be, or the same counsel or Independent Certified Public Accountant, as the case may be, need certify to all of the matters required to be certified under any provision of this Indenture, but any different Authorized Representative, counsel or Independent Certified Public Accountant may certify to different matters, respectively.

Section 1.3 Interpretation.

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

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

(c) Unless the context otherwise indicates, all references herein to “Articles,” “Sections,” “paragraphs,” “subparagraphs,” “clauses” and other subdivisions are to the corresponding Articles, Sections, paragraphs, subparagraphs, clauses or other subdivisions of this Indenture; the words “herein,” “hereof,” “hereby,” “hereunder” and other words of similar import refer to this Indenture as a whole and not to any particular Article, Section, paragraph, subparagraph, clause or other subdivision of this Indenture.

ARTICLE II
GENERAL TERMS AND PROVISIONS OF
THE SERIES 2021 BONDS AND ADDITIONAL BONDS

Section 2.1 General Provisions.

(a) The Authority is duly authorized pursuant to law to issue the Series 2021 Bonds and to enter into this Indenture and to pledge and assign the Revenues and other assets purported to be pledged and assigned under this Indenture in the manner and to the extent provided in this Indenture. The Authority has duly authorized the execution and delivery of the Series 2021 Bonds and the Indenture under the terms and provisions of the Act, the Refunding Law and a resolution adopted by its Governing Body and further represents, covenants and warrants that all requirements have been met and procedures have occurred in order to ensure the enforceability against the Authority of the Series 2021 Bonds and this Indenture. The Authority has taken all necessary action and has complied with all provisions of the Act and the Refunding Law required to make the Series 2021 Bonds and this Indenture the valid, legal and binding limited obligations of the Authority.

(b) The Series 2021 Bonds are issued for the purpose of refunding the Refunded Bonds, refunding the Series 2005 Loan Agreement and refinancing the Series 2005 Installment Sale Agreement and to pay the Costs of Issuance of the Series 2021 Bonds.

(c) The Series 2021 Bonds shall be subject to redemption as provided in Article IV.

(d) The Authority shall not be liable for payment of the principal of, Redemption Price or interest on the Series 2021 Bonds or any other costs, expenses, losses, damages, claims or actions of any conceivable kind on any conceivable theory, under or by reason of or in connection with this Indenture, the Series 2021 Bonds or any other documents, except only to the extent amounts are received for the payment thereof from the Agency under the Series 2021 Loan Agreement or from the City under the Series 2021 Installment Sale Agreement.

Section 2.2 General Provisions for Issuance of the Series 2021 Bonds and Additional Bonds.

(a) All (but not less than all) of the Series 2021 Bonds and Additional Bonds of each series shall be executed by the Authority for issuance under this Indenture and delivered to the Trustee and thereupon shall be authenticated by the Trustee and delivered by the Trustee to the Authority or upon its order, but only upon the receipt by the Trustee of each of the following items (upon which receipt the Trustee may rely conclusively in determining whether the conditions precedent for the issuance and authentication of the Series 2021 Bonds and such series of Additional Bonds have been satisfied):

(i) with respect to the Series 2021 Bonds, an executed copy of this Indenture, the Series 2021 Loan Agreement, the Series 2021 Installment Sale Agreement, the Tax Certificate and the Continuing Disclosure Agreement, in each case as originally executed;

(ii) with respect to the Series 2021 Bonds, an opinion of Bond Counsel to the effect that:
(A) this Indenture has been duly executed and delivered by, and constitutes the valid and binding

obligation of, the Authority; (B) this Indenture creates a valid pledge of the Revenues and the funds and accounts created hereunder (except the Series 2021 Rebate Fund) to secure the payment of the principal of, Redemption Price, if any, and interest on the Series 2021 Bonds subject to the provisions of this Indenture permitting the application thereof for the purposes and on the terms and conditions set forth in this Indenture; and (C) the Series 2021 Bonds constitute the valid and binding limited obligations of the Authority;

(iii) with respect to the Series 2021 Bonds, an order as to the delivery of the Series 2021 Bonds, signed by an Authorized Representative of the Authority;

(iv) except in the case of the Series 2021 Bonds, an executed copy of the Supplemental Indenture authorizing such series of Additional Bonds, certified by an Authorized Representative of the Authority to be in full force and effect, which shall, among other provisions, specify:

(A) that the aggregate principal amount of Bonds issued and at any time Outstanding under this Indenture shall not exceed any limit imposed by law, by this Indenture or by any Supplemental Indenture;

(B) that the Additional Bonds shall be payable from and secured by the Revenues as provided in this Indenture, subject to the provisions of Sections 2.3 and 2.4;

(C) the authorized principal amount of the Additional Bonds of such series and the series designation of such Additional Bonds;

(D) that the proceeds of the sale of the Additional Bonds shall be applied shall be solely for the purposes: (1) specified in Section 2.3 or Section 2.4, (2) of payment of all costs incidental to or connected with such series of Additional Bonds, (3) of making deposits, if any, into the Series 2021 Reserve Fund to equal the Series 2021 Reserve Fund Requirement to the extent modified by the terms of the Supplemental Indenture authorizing such series of Additional Bonds but in no event for the replenishment of any funds drawn upon the Series 2021 Reserve Fund with respect to the Series 2021 Bonds, and/or (4) of making any deposits into the funds, accounts and subaccounts required by the provisions of the Supplemental Indenture authorizing such series of Additional Bonds;

(E) the date, and the maturity date or dates, of the Additional Bonds of such series; provided that (1) each maturity date or mandatory sinking account payment date shall be September 1, and (2) serial maturities for Serial Bonds or mandatory sinking account payments for Term Bonds, or any combination thereof, shall be established to provide for the retirement of such Additional Bonds of such series on or before their respective maturity dates;

(F) the interest rate or rates on the Additional Bonds of such series, and the Interest Payment Dates therefor; provided that the Interest Payment Dates shall be each March 1 and September 1;

(G) the Authorized Denominations of, and the manner of dating, numbering and lettering, the Additional Bonds of such series;

(H) the place or places of payment of the principal of, Redemption Price, and interest on, the Additional Bonds of such series;

(I) the Redemption Price or prices, if any, and, subject to the provisions of Article IV, the redemption terms for the Additional Bonds of such series;

(J) whether the Additional Bonds of such series are to be registered in the name of a Depository, or its nominee, and any provisions appropriate or necessary with respect to the arrangements made with the Depository for such Additional Bonds;

(K) the forms of the Additional Bonds of such series and of the Trustee's certificate of authentication thereon;

(L) provisions relating to compliance with the continuing disclosure provisions of SEC Rule 15c2-12, if applicable; and

(M) such other provisions as are necessary and appropriate and not inconsistent with the provisions of this Indenture.

(v) except in the case of the Series 2021 Bonds, the amount, if any, necessary for deposit in the Series 2021 Reserve Fund so that the amount in such account shall equal the Series 2021 Reserve Fund Requirement to the extent modified by the terms of the Supplemental Indenture requiring any recalculation immediately after the authentication and delivery of such series of Additional Bonds, but in no event for the replenishment of any funds drawn upon the Series 2021 Reserve Fund with respect to the Series 2021 Bonds; provided, however, that in connection with the issuance of any Additional Bonds, a debt service reserve account may be established under a Supplemental Indenture, which secures such Additional Bonds, using a portion of the proceeds of such Additional Bonds;

(vi) except in the case of the Series 2021 Bonds, a certificate of an Authorized Representative of the Authority stating that the Authority is not in default in the performance of any of the covenants, conditions, agreements or provisions contained in this Indenture and applicable to the Authority; provided, however, that in the case of Refunding Bonds such certificate may state that upon the application of the proceeds of such Refunding Bonds in accordance with the provisions of the Supplemental Indenture authorizing their issuance, the Authority shall not be in default in the performance of any of the covenants, conditions, agreements or provisions contained in this Indenture and applicable to the Authority;

(vii) except in the case of the Series 2021 Bonds, a certificate of an Authorized Representative of the Agency stating that the Agency is not in default in the performance of any of the covenants, conditions, agreements or provisions contained in the Series 2021 Loan Agreement and applicable to the Agency; provided, however, that in the case of Refunding Bonds such certificate may state that upon the application of the proceeds of such Refunding Bonds in accordance with the provisions of the Supplemental Indenture authorizing their issuance, the Agency shall not be in default in the performance of any of the covenants, conditions, agreements or provisions contained in the Series 2021 Loan Agreement and applicable to the Agency;

(viii) except in the case of the Series 2021 Bonds, a certificate of an Authorized Representative of the City stating that the City is not in default in the performance of any of the covenants, conditions, agreements or provisions contained in the Series 2021 Installment Sale Agreement and applicable to the City; provided, however, that in the case of Refunding Bonds such certificate may state that upon the application of the proceeds of such Refunding Bonds in accordance with the provisions of the Supplemental Indenture authorizing their issuance, the City

shall not be in default in the performance of any of the covenants, conditions, agreements or provisions contained in the Series 2021 Installment Sale Agreement and applicable to the City;

(ix) except in the case of the Series 2021 Bonds, an executed copy of the Series 2021 Installment Sale Agreement amended so as to adjust the Installment Payments by an amount at least sufficient, together with the Loan Payments, to pay the principal of, Redemption Price, if any, and interest on such Additional Bonds as the same become due, certified by an Authorized Representative of the Authority to be in full force and effect;

(x) except in the case of the Series 2021 Bonds, and only in the case of a series of Refunding Bonds, an executed copy of the Series 2021 Loan Agreement as amended consistent with the provisions of the Dissolution Act so as to adjust the Loan Payments by an amount at least sufficient, together with the Installment Payments, to pay the principal of, Redemption Price, if any, and interest on such Refunding Bonds as the same become due, certified by an Authorized Representative of the Authority to be in full force and effect;

(xi) except in the case of the Series 2021 Bonds, a copy of the written request from the City and/or to the Agency, as applicable, for issuance of the Additional Bonds;

(xii) except in the case of the Series 2021 Bonds, an Opinion of Counsel setting forth that:

(A) such Counsel has examined the Supplemental Indenture and each amendment of the Series 2021 Loan Agreement and the Series 2021 Installment Sale Agreement required under clauses (ix) and (x) of this paragraph (a);

(B) the execution and delivery of the Additional Bonds have been duly authorized by the Authority; and

(C) each amendment described in subclause (A) of this clause (xii), when duly executed and delivered by the City or the Agency, as applicable, and the Authority, will be a valid and binding obligation of the City or the Agency, as applicable, and the Authority;

(xiii) a copy of the applicable Bond Resolution, certified by the Authority, and except in the case of the Series 2021 Bonds, certified copies of resolutions of the City Council of the City, the Agency and the Authority authorizing the execution and delivery of each of the amendments of the Series 2021 Loan Agreement and the Series 2021 Installment Sale Agreement required under clauses (ix) and (x) of this paragraph (a);

(xiv) except in the case of the Series 2021 Bonds, a Certificate of the Authority stating that the requirements of this paragraph (a) have been satisfied;

(xv) a Certificate of the City stating that the insurance required under the provisions of Sections 5.3 and 5.4 of the Series 2021 Installment Sale Agreement is in full force and effect;

(xvi) such further documents, moneys and securities as are required by the provisions of Section 2.3 or Section 2.4 or any Supplemental Indenture entered into pursuant to the provisions of Article X.

(b) All the Serial Bonds of each series of Additional Bonds and all the Term Bonds of each series of Additional Bonds of like maturity shall be identical in all respects, except as to denominations, numbers and letters, Owners and interest rate. After the original issuance of Additional Bonds of any series, no

Additional Bonds of the same series shall be issued except in lieu of or in substitution for other Additional Bonds of such series pursuant to the provisions of this Indenture.

Section 2.3 Additional Bonds.

(a) The Authority shall not, so long as any Series 2021 Bonds are Outstanding, issue any obligations or securities, however denominated, payable in whole or in part from Revenues, except the following:

(i) Bonds authorized pursuant to the provisions of Section 2.2; and

(ii) Bonds or other obligations which are payable and secured on a basis junior and subordinate to the payment of and security for the principal, premium, interest and reserve account requirements for the Series 2021 Bonds as the same become due and payable and at the times and in the manner required in this Indenture.

(b) At the request of the City (or of the Agency, if consistent with the provisions of the Dissolution Act), the Authority may (but shall not be required to) issue Additional Bonds on behalf of the City and/or the Agency, as applicable, from time to time for any purpose permitted by the Act, provided that any Additional Bonds shall be secured by and payable from sources or by property or instruments not applicable to the Series 2021 Bonds or any one or more series of Additional Bonds, or (b) not being secured or protected from sources or by property or instruments applicable to the Series 2021 Bonds or one or more series of Additional Bonds.

Section 2.4 Refunding Bonds. In accordance with Section 2.2 and the additional requirements of this Section 2.4, one or more series of Refunding Bonds may be issued, authenticated and delivered to refund all or any portion of the Outstanding Series 2021 Bonds or Additional Bonds of one or more series including any portion of any maturity within one or more series. Refunding Bonds shall be issued in a principal amount sufficient, together with other moneys available therefor, to accomplish such refunding, including providing amounts for the costs incidental to or connected with any such financing and the making of any deposits into the Series 2021 Reserve Fund (for the benefit of the Owners of the Bonds secured thereby) or any other debt service reserve account established in accordance with Section 2.2(a)(v) and any of the funds and accounts required by the provisions of the Supplemental Indenture authorizing such series of Refunding Bonds.

(a) Refunding Bonds of each series shall be authenticated and delivered by the Trustee only upon all of the following:

(i) satisfaction of the provisions of Section 7.2 with respect to the applicable refunded Series 2021 Bonds or Additional Bonds; and

(ii) receipt by the Trustee of the documents required by the provisions of Section 2.2.

(b) No Bonds may be issued under this Indenture except in accordance with this Article II. The total principal amount of Series 2021 Bonds that may be issued hereunder is hereby expressly limited to \$[PAR], except as provided in Sections 2.8, 2.9 and 2.11.

Section 2.5 Medium of Payment; Form and Date; Letters and Numbers.

(a) The Series 2021 Bonds shall be payable, with respect to interest, principal and Redemption Price, in any coin or currency of the United States of America which at the time of payment is legal tender

for the payment of public and private debts. The interest so payable with respect to any Series 2021 Bond on any Interest Payment Date will be paid to the Owner in whose name the Series 2021 Bond is registered as of the Record Date for such Interest Payment Date, except as provided below. Any such interest not so punctually paid or duly provided for shall forthwith cease to be payable to the Owner on such Record Date and shall be paid to the Owner in whose name the Series 2021 Bond is registered at the close of business on a Special Record Date for the payment of such defaulted interest to be fixed by the Trustee, notice of such Special Record Date being given by first class mail to the Owners not fewer than 15 days prior to such Special Record Date.

(b) Interest on the Series 2021 Bonds shall be payable on each Interest Payment Date by the Trustee by check mailed on the date on which due to the Owners of Series 2021 Bonds at the close of business on the Record Date with respect to such Interest Payment Date at the registered addresses of Owners as shall appear on the registration books of the Trustee. Any Owner of Series 2021 Bonds in an aggregate principal amount in excess of \$1,000,000 as shown on the registration books of the Trustee who, prior to the Record Date next preceding any Interest Payment Date, shall have provided the Trustee with written wire transfer instructions to a bank account located in the United States of America, shall be paid the interest payable on such Series 2021 Bonds in accordance with the wire transfer instructions provided by the Owner of such Series 2021 Bonds.

(c) Payments of principal of, Redemption Price, if any, and interest on the Series 2021 Bonds shall be made to the Depository, by wire transfer in immediately available funds to the account specified by the Depository without the necessity of the presentation and surrender of the Series 2021 Bonds. Without notice to or the consent of the Owner, the Trustee, with the consent of the Authority and the Depository, may agree in writing to make payments of principal of, Redemption Price, if any, and interest in a manner different from that set out herein. In such event, the Trustee shall make payments with respect to the Series 2021 Bonds in the manner determined pursuant to the preceding sentence.

(d) The Series 2021 Bonds and Additional Bonds of each series shall be issued in the form of fully registered Series 2021 Bonds and Additional Bonds without coupons.

(e) Each Series 2021 Bond shall be lettered and numbered as provided in Section 3.3 with respect to the Series 2021 Bonds, or the Supplemental Indenture authorizing the series of which such Additional Bond is a part and so as to be distinguished from every other Series 2021 Bond or Additional Bond.

(f) The Series 2021 Bonds and Additional Bonds of each series shall be dated the date specified in the Supplemental Indenture authorizing such series of Additional Bonds or, with respect to the Series 2021 Bonds, as provided in Article III. The Series 2021 Bonds and Additional Bonds of each series shall bear interest from their respective dated date.

(g) Unless otherwise provided in the Supplemental Indenture authorizing a series of Additional Bonds or Refunding Bonds, the interest payable on the Series 2021 Bonds and any Additional Bonds and Refunding Bonds shall be calculated on the basis of a 360-day year of twelve 30-day months.

Section 2.6 Legends. The Series 2021 Bonds and Additional Bonds of each series may contain or have endorsed thereon such provisions, specifications and descriptive words not inconsistent with the provisions of this Indenture as may be necessary or desirable to comply with custom, the rules of any securities depository, exchange, commission or brokerage board, or otherwise, as may be determined by the Authority prior to the authentication and delivery thereof.

Section 2.7 Execution and Authentication.

(a) The Series 2021 Bonds shall be executed in the name and on behalf of the Authority with the manual or facsimile signature of an Authorized Representative of the Authority. The executed Series 2021 Bonds shall then be delivered to the Trustee for authentication by the Trustee. In case any Authorized Representative who shall have signed or attested any of the Series 2021 Bonds shall cease to be such Authorized Representative before the Series 2021 Bonds so signed or attested shall have been authenticated or delivered by the Trustee or issued by the Authority, such Series 2021 Bonds may nevertheless be authenticated, delivered and issued and, upon such authentication, delivery and issue, shall be as binding upon the Authority as though any Authorized Representative who signed and attested the same had continued to be such Authorized Representative, and also any Series 2021 Bond may be signed and attested on behalf of the Authority by such Persons as at the actual date of execution of such Series 2021 Bond shall be any Authorized Representative although at the nominal date of such Series 2021 Bond any such person shall not have been an Authorized Representative.

(b) The Series 2021 Bonds and Additional Bonds of each series shall bear thereon a certificate of authentication, in the form set forth in this Indenture with respect to the Series 2021 Bonds or in the Supplemental Indenture authorizing such series of Additional Bonds, executed manually by the Trustee. Only such Series 2021 Bonds and Additional Bonds as shall bear thereon such executed certificate of authentication shall be entitled to any right or benefit under this Indenture, and no Series 2021 Bond or Additional Bond shall be valid or obligatory for any purpose until such certificate of authentication shall have been duly executed by the Trustee. Such certificate of the Trustee upon any Series 2021 Bond or Additional Bond executed on behalf of the Authority shall be conclusive evidence that the Series 2021 Bond or Additional Bond so authenticated has been duly authenticated and delivered under this Indenture and that the Owner thereof is entitled to the benefits of this Indenture.

Section 2.8 Interchangeability of Series 2021 Bonds or Additional Bonds. Series 2021 Bonds or Additional Bonds, as applicable, upon surrender thereof at the Principal Corporate Trust Office of the Trustee, together with a written instrument of transfer satisfactory to the Trustee and duly executed by the Owner or such Owner's attorney-in-fact duly authorized in writing, may, at the option of the Owner thereof, and upon payment by such Owner of any charges which the Trustee may make as provided in Section 2.10, be exchanged for an equal aggregate principal amount of Series 2021 Bonds or Additional Bonds, as applicable, of the same series, terms and maturity of any other Authorized Denominations.

Section 2.9 Transfer and Exchange of Series 2021 Bonds and Additional Bonds.

(a) Series 2021 Bonds and Additional Bonds, as applicable, shall be transferable only upon the bond register which shall be kept for such purpose by the Trustee at its Principal Corporate Trust Office pursuant to the provisions of Section 2.14, upon surrender thereof, together with a written instrument of transfer satisfactory to the Trustee, duly executed by the Owner or such Owner's duly authorized attorney-in-fact. Upon the transfer of any such Series 2021 Bond or Additional Bond, the Authority shall execute and the Trustee shall authenticate and deliver and the Trustee shall register in the name of the transferee a new Series 2021 Bond or Series 2021 Bonds or Additional Bond or Additional Bonds of the same aggregate principal amount, series, terms and maturity as the surrendered Series 2021 Bond or Additional Bond.

(b) The Authority and the Trustee may deem and treat the Owner in whose name any Series 2021 Bond or Additional Bond shall be registered upon the bond register as the absolute owner of such Series 2021 Bond or Additional Bond, as applicable, whether such Series 2021 Bond or Additional Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal of, Redemption Price, of, and interest on, such Series 2021 Bond or Additional Bond and for all other purposes, and all such payments so made to any such Owner or upon the order of such Owner shall be valid and

effectual to satisfy and discharge the liability upon such Series 2021 Bond or Additional Bond, as applicable, to the extent of the sum or sums so paid, and neither the Authority nor the Trustee shall be affected by any notice to the contrary.

(c) The Trustee shall not be required to transfer or exchange any Series 2021 Bond or Additional Bond during the period from the Record Date next preceding any Interest Payment Date of such Series 2021 Bond or Additional Bond, as applicable, through such Interest Payment Date nor to transfer or exchange any Series 2021 Bond or Additional Bond after the mailing of notice calling all or any portion of such Series 2021 Bond or Additional Bond, as applicable, for redemption has been given as herein provided nor during the period of 15 days next preceding the giving of such notice of redemption.

Section 2.10 Regulations With Respect to Exchanges and Transfers. In all cases in which the privilege of exchanging Series 2021 Bonds or Additional Bonds or transferring Series 2021 Bonds or Additional Bonds is exercised, the Authority shall execute and the Trustee shall authenticate and deliver Series 2021 Bonds or Additional Bonds, as applicable, in accordance with the provisions of this Indenture. All Series 2021 Bonds and Additional Bonds surrendered in any such exchanges or transfers shall forthwith be delivered to the Trustee and cancelled by the Trustee. Unless this Indenture provides that such transfer or exchange shall be made without charge to the Owner, for every such exchange or transfer of Series 2021 Bonds or Additional Bonds, whether temporary or definitive, the Authority or the Trustee may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid and any other cost incurred by the Authority or the Trustee with respect to such exchange or transfer.

Section 2.11 Bonds Mutilated, Destroyed, Stolen or Lost. If any Series 2021 Bond or any Additional Bond becomes mutilated or is lost, stolen or destroyed, the Authority may execute and the Trustee shall authenticate and deliver a new Series 2021 Bond or Additional Bond of like series, date of issue, maturity date, principal amount and interest rate per annum as the Series 2021 Bond or Additional Bond so mutilated, lost, stolen or destroyed; provided that: (a) in the case of such mutilated Series 2021 Bond or Additional Bond, as applicable, such Series 2021 Bond or Additional Bond is first surrendered to the Authority or the Trustee; (b) in the case of any such lost, stolen or destroyed Series 2021 Bond or Additional Bond, there is first furnished evidence of such loss, theft or destruction satisfactory to the Trustee, together with indemnity satisfactory to the Trustee; (c) all other reasonable requirements of the Authority and the Trustee are complied with; and (d) expenses in connection with such transaction are paid by the Owner. Any Series 2021 Bond or Additional Bond surrendered for exchange shall be cancelled. Any such new Series 2021 Bonds or Additional Bonds issued pursuant to this Section 2.11 in substitution for Series 2021 Bonds or Additional Bonds, as applicable, alleged to be destroyed, stolen or lost shall constitute original additional contractual obligations on the part of the Authority, whether or not the Series 2021 Bonds or Additional Bonds so alleged to be destroyed, stolen or lost be at any time enforceable by anyone, and shall be equally secured by and entitled to equal and proportionate benefits with all other Series 2021 Bonds and Additional Bonds issued under this Indenture, in any moneys or securities held by the Authority or the Trustee for the benefit of the Owners of the Series 2021 Bonds and Additional Bonds, respectively.

Section 2.12 Temporary Bonds.

(a) Until the definitive Series 2021 Bonds or Additional Bonds of any series are prepared, the Authority may execute, in the same manner as is provided in Section 2.7, and upon the order of the Authority, the Trustee shall authenticate and deliver, in lieu of definitive Series 2021 Bonds or Additional Bonds, as applicable, but subject to the same provisions, limitations and conditions as the definitive Series 2021 Bonds or Additional Bonds, as applicable, except as to the denominations thereof and as to exchangeability for Series 2021 Bonds or Additional Bonds, one or more temporary Series 2021 Bonds or Additional Bonds, as applicable, substantially of the tenor of the definitive Series 2021 Bonds or Additional

Bonds in lieu of which such temporary Series 2021 Bonds or Additional Bonds are issued, in Authorized Denominations, and with such omissions, insertions and variations as may be appropriate to temporary Series 2021 Bonds or Additional Bonds, as applicable. The installments of interest payable on such temporary Series 2021 Bonds and Additional Bonds shall be payable in the same manner as interest is payable on the definitive Series 2021 Bonds and Additional Bonds in lieu of which such temporary Series 2021 Bonds and Additional Bonds, as applicable, were issued. The Authority at its own expense shall prepare and execute and, upon the surrender of such temporary Series 2021 Bonds or Additional Bonds, as applicable, for exchange and the cancellation of such surrendered temporary Series 2021 Bonds or Additional Bonds, the Trustee shall authenticate and, without charge to the Owner thereof, deliver in exchange therefor, definitive registered Series 2021 Bonds or Additional Bonds of the same aggregate principal amount, series, maturity and date of issue as the temporary Series 2021 Bonds or Additional Bonds, as applicable, surrendered. Until so exchanged, the temporary Series 2021 Bonds and Additional Bonds shall in all respects be entitled to the same benefits and security as definitive Series 2021 Bonds and Additional Bonds, respectively, authenticated and issued pursuant to this Indenture.

(b) Temporary Series 2021 Bonds and Additional Bonds authorized in more than one Authorized Denomination, upon surrender thereof at the Principal Corporate Trust Office of the Trustee, may at the option of the Owner thereof, and upon payment by such Owner of any charges which may be made as provided in Section 2.10, be exchanged for an equal aggregate principal amount of temporary Series 2021 Bonds or Additional Bonds, as applicable, of the same series and maturity, and containing the same terms, of any of the Authorized Denominations as shall be requested by such Owner.

(c) All temporary Series 2021 Bonds and Additional Bonds surrendered in exchange either for another temporary Series 2021 Bond or Series 2021 Bonds, or Additional Bond or Additional Bonds, as applicable, or for a definitive Series 2021 Bond or Series 2021 Bonds, or Additional Bond or Additional Bonds, as applicable, shall be forthwith cancelled by the Trustee.

Section 2.13 Cancellation and Destruction of Bonds. All Series 2021 Bonds and Additional Bonds paid or redeemed, either at or before maturity, and all Series 2021 Bonds and Additional Bonds surrendered for transfer or exchange, shall be delivered to the Trustee when such payment, redemption or surrender is made, and such Series 2021 Bonds and Additional Bonds, together with all Series 2021 Bonds and Additional purchased by the Trustee, shall thereupon be promptly cancelled. Series 2021 Bonds and Additional Bonds so cancelled may at any time be destroyed by the Trustee, who shall execute a certificate of destruction by the signature of one of its Authorized Representatives describing the Series 2021 Bonds or Additional Bonds so destroyed, and such certificate shall be filed with the Authority if it so requests.

Section 2.14 Bond Register. The Trustee will keep or cause to be kept sufficient books for the registration and transfer of the Series 2021 Bonds and each series of Additional Bonds, respectively, which shall at all times, upon reasonable notice, be open to inspection by any Owner or any Owner's agent duly authorized in writing, the Authority, the Agency or 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 books, Series 2021 Bonds or Additional Bonds, as applicable and as hereinbefore provided. The person in whose name any Series 2021 Bond or Additional Bond shall be registered shall be deemed the Owner thereof for all purposes thereof, and payment of or on account of the interest and principal or Redemption Price represented by such Series 2021 Bond or Additional Bond, as applicable, shall be made only to or upon the order in writing of such Owner, which payment shall be valid and effectual to satisfy and discharge the liability upon such Series 2021 Bond or Additional Bond, as applicable, to the extent of the sum or sums so paid.

Section 2.15 Validity of Bonds. The validity of the authorization and issuance of the Series 2021 Bonds is not dependent on and shall not be affected in any way by any proceedings taken by the Authority

or the Trustee with respect to or in connection with the Series 2021 Loan Agreement or the Series 2021 Installment Sale Agreement. The recital contained in the Series 2021 Bonds that all acts, conditions and things required by the same are issued pursuant to the Constitution and laws of the State to exist, to have happened and to have been performed precedent to and in the issuance thereof shall be conclusive evidence of the validity of the Series 2021 Bonds and the validity of the obligations which they represent and of compliance with the provisions of law in their issuance.

Section 2.16 Book-Entry-Only System for the Series 2021 Bonds.

(a) Except as otherwise provided in paragraphs (b) and (c) of this Section 2.16, all of the Series 2021 Bonds initially issued shall be registered in the name of Cede & Co., as nominee for the Depository, or such other nominee as the Depository shall request pursuant to the Letter of Representations. Payment of the interest on any Series 2021 Bond registered in the name of Cede & Co. shall be made on each Interest Payment Date for such Bonds to the account, in the manner and at the address indicated in or pursuant to the Letter of Representations.

(b) The Series 2021 Bonds initially shall be issued in the form of a single authenticated fully registered bond for each stated maturity of the Series 2021 Bonds, representing the aggregate principal amount of the Series 2021 Bonds of such maturity. Upon initial issuance, the ownership of all such Series 2021 Bonds shall be registered in the registration records maintained by the Trustee pursuant to the provisions of Section 2.14 in the name of Cede & Co., as nominee of the Depository, or such other nominee as the Depository shall request pursuant to the Letter of Representations. The Trustee, the Authority and any paying agent may treat the Depository (or its nominee) as the sole and exclusive owner of the Series 2021 Bonds registered in its name for the purposes of payment of the principal or Redemption Price of and interest on such Series 2021 Bonds, selecting the Series 2021 Bonds or portions thereof to be redeemed, giving any notice permitted or required to be given to Owners hereunder, registering the transfer of Series 2021 Bonds, obtaining any consent or other action to be taken by Owners of the Series 2021 Bonds and for all other purposes whatsoever; and neither the Trustee nor the Authority or any paying agent shall be affected by any notice to the contrary. Neither the Trustee nor the Authority or any paying agent shall have any responsibility or obligation to any Participant (which shall mean, for purposes of this Section 2.16, securities brokers and dealers, banks, trust companies, clearing corporations and other entities, some of whom directly or indirectly own the Depository), any person claiming a beneficial ownership interest in the Series 2021 Bonds under or through the Depository or any Participant, or any other Person which is not shown on the registration records as being an Owner, with respect to: (i) the accuracy of any records maintained by the Depository or any Participant, (ii) the payment by the Depository or any Participant of any amount in respect of the principal or Redemption Price of or interest on the Series 2021 Bonds, (iii) any notice which is permitted or required to be given to Owners of Series 2021 Bonds hereunder, (iv) the selection by the Depository or any Participant of any Person to receive payment in the event of a partial redemption of the Series 2021 Bonds or (v) any consent given or other action taken by the Depository as Owner of Series 2021 Bonds. The Trustee shall pay all principal of and premium, if any, and interest on the Series 2021 Bonds only at the times, to the accounts, at the addresses and otherwise in accordance with the Letter of Representations, and all such payments shall be valid and effective to satisfy fully and discharge the Authority's obligations with respect to the principal of and premium, if any, and interest on the Series 2021 Bonds to the extent of the sum or sums so paid. Upon delivery by the Depository to the Trustee of written notice to the effect that the Depository has determined to substitute a new nominee in place of its then existing nominee, the Series 2021 Bonds will be transferable to such new nominee in accordance with the provisions of paragraph (f) of this Section 2.16.

(c) In the event that the Authority determines that it is in the best interests of the Beneficial Owners of the Series 2021 Bonds that they be able to obtain bond certificates, the Trustee shall, upon the written instruction of the Authority, so notify the Depository, whereupon the Depository shall notify the

Participants of the availability through the Depository of bond certificates. In such event, the Series 2021 Bonds will be transferable in accordance with the provisions of paragraph (f) of this Section 2.16. The Depository may determine to discontinue providing its services with respect to the Series 2021 Bonds at any time by giving written notice of such discontinuance to the Authority or the Trustee and discharging its responsibilities with respect thereto under applicable law. In such event, the Series 2021 Bonds will be transferable in accordance with the provisions of paragraph (f) of this Section 2.16. Whenever the Depository requests the Authority and the Trustee to do so, the Trustee and the Authority will cooperate with the Depository in taking appropriate action after reasonable notice to arrange for another securities depository to maintain custody of all certificates evidencing the Series 2021 Bonds then Outstanding. In such event, the Series 2021 Bonds will be transferable to such securities depository in accordance with the provisions of paragraph (f) of this Section 2.16, and thereafter, all references in this Indenture to the Depository or its nominee shall be deemed to refer to such successor securities depository and its nominee, as appropriate.

(d) Notwithstanding any other provision of this Indenture to the contrary, so long as all the Series 2021 Bonds Outstanding are registered in the name of any nominee of the Depository, all payments with respect to the principal of and premium, if any, and interest on each such Series 2021 Bond and all notices with respect to each such Series 2021 Bond shall be made and given, respectively, to the Depository as provided in the Letter of Representations.

(e) The Trustee is hereby authorized and requested to execute and deliver the Letter of Representations and, in connection with any successor nominee for the Depository or any successor depository, enter into comparable arrangements, and shall have the same rights and limitations of liability with respect to its actions thereunder as it has with respect to its actions under this Indenture.

(f) In the event that any transfer or exchange of the Series 2021 Bonds is authorized under the provisions of paragraph (b) or (c) of this Section 2.16, such transfer or exchange shall be accomplished upon receipt by the Trustee from the registered owner thereof of the Series 2021 Bonds to be transferred or exchanged an appropriate instrument of transfer to the transferee. In the event the Series 2021 Bond certificates are issued to Owners other than Cede & Co., its successor as nominee for the Depository as holder of all the Series 2021 Bonds, another securities depository as holder of all the Series 2021 Bonds, or the nominee of such successor securities depository, the provisions of Section 2.9 shall also apply to, among other things, the registration, exchange and transfer of the Series 2021 Bonds and the method of payment of principal of, premium, if any, and interest on the Series 2021 Bonds.

ARTICLE III THE SERIES 2021 BONDS

Section 3.1 Designation and Principal Amount. Pursuant to the provisions of this Indenture, a series of Bonds entitled to the benefit, protection and security of such provisions are hereby authorized and shall be designated “Avenal Public Financing Authority Refunding Revenue Bonds, Series 2021.” The Series 2021 Bonds are to be issued in the aggregate principal amount of \$[PAR] in Authorized Denominations.

Section 3.2 Registration, Date and Interest.

(a) The Series 2021 Bonds shall be registered in accordance with the provisions set forth in Sections 2.14 and 2.16.

(b) The Series 2021 Bonds shall be dated the Closing Date and shall bear interest from the Closing Date.

(c) Interest on the Series 2021 Bonds shall be payable March 1, 2022, and each Interest Payment Date thereafter, at the applicable interest rate per annum set forth in Section 3.3, accruing and calculated on the basis of a 360-day year of twelve 30-day months until maturity (except as the provisions set forth herein with respect to redemption prior to maturity may become applicable thereto).

(d) Interest on each Series 2021 Bond shall accrue from and including the Interest Payment Date immediately preceding the date of authentication thereof, or, if such date of authentication shall be an Interest Payment Date, from such Interest Payment Date, or if such date of authentication shall be prior to the first Interest Payment Date, from the Closing Date; provided, however, that if, as shown by the registration books maintained by the Trustee pursuant to the provisions of Section 2.14, interest on the Series 2021 Bonds shall be in default, interest on Series 2021 Bonds issued in exchange for Series 2021 Bonds surrendered for registration of transfer or exchange shall accrue from the date to which interest on the Series 2021 Bonds has been paid in full or, if no interest has been paid on the Series 2021 Bonds, from the Closing Date.

(e) Interest on any Series 2021 Bond shall cease to accrue:

(i) on its Maturity Date, provided that there shall have been irrevocably deposited with the Trustee an amount sufficient to pay the principal amount thereof, plus interest accrued thereon to the Maturity Date; or

(ii) on the date of redemption of such Series 2021 Bond, provided that there shall have been irrevocably deposited with the Trustee an amount sufficient to pay the applicable Redemption Price, plus interest accrued thereon to such date of redemption.

The Owner of such Series 2021 Bond shall not be entitled to any other payment, and such Series 2021 Bond shall no longer be Outstanding and entitled to the benefits of this Indenture, except for the payment of such principal amount or Redemption Price, plus interest accrued thereon, as appropriate, from moneys held by the Trustee for such payment.

Section 3.3 Maturities and Interest Rates. The Series 2021 Bonds shall mature September 1 in the years and in the principal amounts, and shall bear interest, as follows:

MATURITY DATE (September 1)	PRINCIPAL AMOUNT	INTEREST RATE
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Section 3.4 Application of Proceeds of Series 2021 Bonds and Certain Other Moneys. On the Closing Date, the Underwriter shall wire the proceeds from the sale of the Series 2021 Bonds in the amount of \$ _____, consisting of the aggregate par amount of the Series 2021 Bonds of \$[PAR], plus a net original issue premium of \$ _____, and less an underwriter’s discount of \$ _____, to the Trustee, together with funds transferred by the Refunded Bonds Trustee from the “Reserve Fund” for the Refunded Bonds in the amount of \$ _____ and from the “Pledged Revenue Fund” for the Refunded Bonds in the amount of \$ _____. Upon receipt of said amounts, the Trustee shall forthwith deposit or transfer such funds as follows:

(a) The Trustee shall deposit in the Series 2021 Costs of Issuance Fund proceeds of the sale of the Series 2021 Bonds in the amount of \$ _____ (of which \$ _____ shall be deemed to be proceeds of

the Series 2021 Loan Agreement and \$ _____ shall be deemed to be proceeds of the Series 2021 Installment Sale Agreement;

(b) The Trustee shall deposit in the Series 2021 Reserve Fund proceeds of the sale of the Series 2021 Bonds in the amount of \$ _____ (of which \$ _____ shall be deemed to be proceeds of the Series 2021 Loan Agreement and \$ _____ shall be deemed to be proceeds of the Series 2021 Installment Sale Agreement), representing the amount, together with the funds received from the Refunded Bonds Trustee set forth above, required so that the balance on deposit in the Series 2021 Reserve Fund shall equal the Series 2021 Reserve Fund Requirement; and

(c) The Trustee shall transfer to the Refunded Bond Trustee as Escrow Agent under the Escrow Agreement proceeds of the sale of the Series 2021 Bonds in the amount of \$ _____ for the defeasance, payment, redemption and retirement of the Refunded Bonds on November __, 2021, in accordance with the provisions of the Escrow Agreement.

ARTICLE IV REDEMPTION OF BONDS

Section 4.1 Extraordinary Redemption. The Series 2021 Bonds are subject to redemption by the Authority on any date prior to their respective stated Maturity Dates, upon notice as hereinafter provided, in whole or in part, pro rata among maturities and by lot within a maturity, in integral multiples of Authorized Denominations then applicable, from the proceeds of the acceleration of Installment Payments under the Series 2021 Installment Sale Agreement and the acceleration of the Series 2021 Loan pursuant to the Series 2021 Loan Agreement, at a Redemption Price equal to the sum of the principal amount thereof, without premium, plus accrued interest thereon to the date of redemption. Whenever less than all of the Outstanding Series 2021 Bonds are to be redeemed on any one date, the Trustee shall select, from all Series 2021 Bonds subject to redemption and not previously called for redemption, by lot in any manner which the Trustee in its sole discretion shall deem appropriate and fair (but subject to the provisions of Section 4.5), the Series 2021 Bonds to be redeemed in part from the Outstanding Series 2021 Bonds so that the aggregate annual principal amount of and interest on Series 2021 Bonds which shall be payable after such date of redemption shall be as nearly proportional as practicable to the aggregate annual principal amount of and interest due on Series 2021 Bonds Outstanding prior to such date of redemption.

Section 4.2 Privilege of Redemption and Redemption Price. The Series 2021 Bonds and Additional Bonds subject to redemption prior to maturity pursuant to the provisions of Article II (or with respect to the Series 2021 Bonds, pursuant to the provisions of this Article IV) of this Indenture or applicable Supplemental Indenture shall be redeemable, upon giving notice as provided in this Article IV, at such times, at such Redemption Prices and upon such terms in addition to the terms contained in this Article IV as may be specified, with respect to the Series 2021 Bonds, or with respect to any series of Additional Bonds, in the Supplemental Indenture authorizing such series.

Section 4.3 Redemption at the Direction of the Authority.

(a) The Series 2021 Bonds maturing on or after September 1, 20__, are subject to redemption prior to their stated maturity on or after September 1, 20__, at the option of the Authority, from any source of available funds, as a whole or in part on any date in a notice of redemption given by the Trustee to the Owners of the Series 2021 Bonds pursuant to Section 4.5 (in such amounts and of such Mandatory Sinking Account Payments as may be specified by the Authority, or if the Authority fails to specify such amounts and such Mandatory Sinking Account Payments, in inverse order of Mandatory Sinking Account Payments), at the following redemption prices (expressed as percentages of the principal amount of the Series 2021 Bonds called for redemption), plus accrued interest to the date fixed for redemption.

Redemption Periods	Redemption Price
September 1, 20__ through August 31, 20__	10_%
September 1, 20__ through August 31, 20__	10_%
September 1, 20__ through August 31, 20__	10_%
September 1, 20__ through August 31, 20__	10_%
September 1, 20__ through August 31, 20__	10_%
September 1, 20__ through August 31, 20__	10_%
September 1, 20__ through August 31, 20__	10_%
September 1, 20__ and thereafter	10_%

(b) In the case of any redemption of any Series 2021 Bonds at the option of the Authority, the Authority shall give written notice to the Trustee of its direction so to redeem, and of the date fixed for redemption, the principal amounts of the Series 2021 Bonds of each maturity of such series to be redeemed, subject to any limitations with respect thereto contained in this Indenture. Such notice shall be given at least 45 days prior to the date fixed for redemption or such shorter period as shall be acceptable to the Trustee. In the event notice of redemption shall have been given as provided in Section 4.5, there shall be paid on or prior to the date fixed for redemption to the Trustee an amount which, in addition to other moneys, if any, available therefor held by the Trustee, shall be sufficient to redeem on the date fixed for redemption at the Redemption Price thereof, plus interest accrued and unpaid to the date fixed for redemption, all of the Series 2021 Bonds to be redeemed.

Section 4.4 Mandatory Sinking Account Redemption.

(a) Series 2021 Term Bonds maturing September 1, 20__, are subject to mandatory redemption by lot on September 1 of each year from Mandatory Sinking Account Payments at a Redemption Price equal to the principal amount thereof to be redeemed together with interest accrued to the date of redemption, without premium. Such Term Bonds are subject to Mandatory redemption from the following Mandatory Sinking Fund Payments:

Mandatory Sinking Account Payment Date (September 1)	Principal Amount
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(b) Series 2021 Term Bonds maturing September 1, 20__, are subject to mandatory redemption by lot on September 1 of each year from Mandatory Sinking Account Payments at a Redemption Price equal to the principal amount thereof to be redeemed together with interest accrued to the date of redemption, without premium. Such Term Bonds are subject to mandatory redemption from the following Mandatory Sinking Account Payments:

Mandatory Sinking Account Payment Date (September 1)	Principal Amount
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(c) Notwithstanding the foregoing provisions of this Section 4.4, the Mandatory Sinking Account Payments provided under paragraphs (a) and (b) above shall be adjusted by the Trustee to reflect any partial redemptions of Series 2021 Bonds pursuant to the provisions of Section 4.1 or 4.3.

Section 4.5 Selection of Bonds to Be Redeemed. If less than all of the Series 2021 Bonds or Additional Bonds of like maturity of any series shall be called for redemption, except as otherwise provided in Sections 4.1 and 4.3, and any arrangements with a Depository with respect to Series 2021 Bonds or Additional Bonds, as applicable, registered in the name of a Depository or its nominee, the particular Series 2021 Bonds or portions of Series 2021 Bonds (or Additional Bonds or portions of Additional Bonds, as applicable) to be redeemed shall be selected at random by the Trustee in such manner as the Trustee in its discretion may deem fair and appropriate; provided, however, that the portion of any Series 2021 Bond or Additional Bond of a series of a denomination greater than the minimum Authorized Denomination for the Series 2021 Bonds or Additional Bonds of such series to be redeemed shall be redeemed in part only in Authorized Denominations and that, in selecting portions of Series 2021 Bonds or Additional Bonds of a series for redemption, the Trustee shall treat each Series 2021 Bond or Additional Bond, as applicable, of such series as representing that number of Series 2021 Bonds or Additional Bonds, as applicable, of the minimum Authorized Denomination for such series that is obtained by dividing the principal amount of such Series 2021 Bond or such Additional Bond to be redeemed in part by the minimum Authorized Denomination for such series.

Section 4.6 Notice of Redemption.

(a) When the Trustee shall receive notice from the Authority, of its direction to redeem Series 2021 Bonds pursuant to the provisions of Section 4.3, and when redemption of Series 2021 Bonds is authorized or required pursuant to the provisions of Section 4.1 or 4.4, the Trustee shall give notice, at the expense and in the name of the Authority, of the redemption of such Series 2021 Bonds, which notice shall specify the series and maturities of the Series 2021 Bonds to be redeemed, the date fixed for redemption and the place or places where amounts due upon such redemption shall be payable and, if less than all of the Series 2021 Bonds of any like series and maturity are to be redeemed, the letters and numbers or other distinguishing marks of such Series 2021 Bonds so to be redeemed, and, in the case of Series 2021 Bonds to be redeemed in part only, such notice shall also specify the respective portions of the principal amount thereof to be redeemed. Such notice shall further state any conditions that must be satisfied prior to the redemption of the Series 2021 Bonds to be redeemed and that on such date there shall become due and payable upon each Series 2021 Bond to be redeemed the Redemption Price thereof, or the Redemption Price of the specified portions of the principal amount thereof in the case of Series 2021 Bonds to be redeemed in part only, together with interest accrued but unpaid on such principal amount of the Series 2021 Bonds to be redeemed to the date fixed for redemption, and that from and after such date interest thereon shall cease to accrue and be payable. The Trustee shall send a copy of such notice by Electronic Means or by first class mail, postage prepaid, not more than 60 days nor fewer than 30 days before the date fixed for redemption, to the Owners of any Series 2021 Bonds or portions of Series 2021 Bonds which are to be redeemed, at their last addresses appearing upon the bond register (with a copy to the Authority), but receipt of such notice shall not be a condition precedent to such redemption and failure of any Owner of a Series 2021 Bond to receive any such notice or any defect in such notice shall not affect the validity of the proceedings for the redemption of Series 2021 Bonds.

(b) Failure to give the notices described in this Section 4.6, or any defects therein, shall not in any manner affect the proceedings for redemption of any Series 2021 Bonds or Additional Bonds. Neither the Authority nor the Trustee shall have any responsibility for any defect in the CUSIP number that appears on any Series 2021 Bonds or Additional Bonds or in any redemption notice with respect thereto, and any such redemption notice may contain a statement to the effect that CUSIP numbers have been assigned by an independent service for convenience of reference and that neither the Authority nor the Trustee shall be liable for any inaccuracy in such numbers.

(c) The Authority shall have the right to rescind any redemption notice by written notice to the Trustee, on or prior to the date fixed for redemption. Any such notice of redemption shall be cancelled and

annulled if for any reason funds will not be or are not available on the date fixed for redemption for the payment in full of the Series 2021 Bonds then called for redemption, and such cancellation shall not constitute an Event of Default under this Indenture. The Authority and the Trustee shall have no liability to the Owners or any other party related to or arising from such rescission of redemption. The Trustee shall send notice of such rescission of redemption in the same manner and to the same recipients as the original notice of redemption was sent.

Section 4.7 Payment of Redeemed Bonds.

(a) Notice having been given in the manner provided in Section 4.6, the Series 2021 Bonds (or Additional Bonds, as applicable) or portions thereof so called for redemption shall become due and payable on the date fixed for redemption so designated at the Redemption Price, plus, if applicable, interest accrued and unpaid to the date fixed for redemption, and, upon presentation and surrender thereof at the office specified in such notice, such Series 2021 Bonds (or Additional Bonds, as applicable) or portions thereof, shall be paid at the Redemption Price, plus, if applicable, interest accrued and unpaid to the date fixed for redemption. If there shall be called for redemption less than all of the full principal amount of a Series 2021 Bond (or Additional Bond, as applicable), the Authority shall execute and the Trustee shall authenticate and the Trustee shall deliver, upon the surrender of such Series 2021 Bond (or Additional Bond, as applicable), without charge to the Owner thereof, for the unredeemed balance of the principal amount of the Series 2021 Bond (or Additional Bond, as applicable) so surrendered, a Series 2021 Bond or Series 2021 Bonds (or Additional Bonds, as applicable) of like series, terms, and maturity in any of the Authorized Denominations applicable to such series. If, on the date fixed for redemption, moneys for the redemption of all the Series 2021 Bonds (or Additional Bonds, as applicable) or portions thereof of any like series and maturity to be redeemed, and, if applicable, interest accrued but unpaid on the principal amount of the Series 2021 Bonds (or Additional Bonds, as applicable) to be redeemed to the date fixed for redemption, shall be held by the Trustee so as to be available therefor on said date and if notice of redemption shall have been given as aforesaid, then, from and after the date fixed for redemption interest on the Series 2021 Bonds (or Additional Bonds, as applicable) or portions thereof so called for redemption shall cease to accrue and become payable. If said moneys shall not be so available on the date fixed for redemption, such Series 2021 Bonds (or Additional Bonds, as applicable) or portions thereof shall continue to bear interest until paid at the same rate as they would have borne had they not been called for redemption.

(b) If the date fixed for redemption for any Series 2021 Bond (or Additional Bond, as applicable) shall be a date other than an Interest Payment Date for such Series 2021 Bond (or Additional Bond, as applicable), accrued interest payable on the redemption of such Series 2021 Bond (or Additional Bond, as applicable) shall be paid to the Owner of such Series 2021 Bond (or Additional Bond, as applicable) as of the date fixed for redemption.

ARTICLE V PLEDGE; APPLICATION OF PROCEEDS; FUNDS AND ACCOUNTS

Section 5.1 Pledge and Assignment.

(a) Subject only to the provisions of this Indenture permitting the application thereof for the purposes and on the terms and conditions set forth herein, and subject to the rights of the Owners of the Series 2021 Bonds, there are hereby irrevocably pledged and assigned to secure the payment of the principal amount of, premium, if any, and interest on the Series 2021 Bonds in accordance with their terms and the provisions of this Indenture, all of the Revenues and the right to receive the Revenues and any other amounts (including proceeds of the sale of Series 2021 Bonds) held in any fund or account established pursuant to this Indenture (excepting only moneys on deposit in the Series 2021 Rebate Fund), and the Revenues and other amounts pledged and assigned hereunder shall not be used for any other purpose while any of the

Series 2021 Bonds remain Outstanding. Said pledge shall constitute a pledge of and first and exclusive lien and charge on and security interest in the Revenues, all other amounts pledged and assigned hereunder and all other moneys on deposit in the funds and accounts established hereunder (excluding amounts on deposit in the Series 2021 Rebate Fund) for the payment of the interest on, premium, if any, and principal of the Series 2021 Bonds in accordance with the terms hereof and thereof and shall attach, be perfected and be valid and binding from and after delivery of the Series 2021 Bonds, without any physical delivery thereof or further act.

(b) The Authority hereby transfers in trust, grants a security interest in and assigns to the Trustee, for the benefit of the Owners from time to time of the Series 2021 Bonds, all of the Revenues and other amounts pledged in paragraph (a) of this Section 5.1 (except for the right to receive any indemnification and the right to receive any notices and reports). The Trustee shall be entitled to and shall collect and receive all of the Revenues, and any Revenues collected or received by the Authority shall be deemed to be held, and to have been collected or received, by the Authority as the agent of the Trustee and shall forthwith be paid by the Authority to the Trustee. The Trustee also shall be entitled to and, subject to the provisions of this Indenture, shall take all steps, actions and proceedings following any Event of Default reasonably necessary in its judgment to enforce, either jointly with the Authority or separately, all of the rights of the Authority assigned to the Trustee.

(c) All Revenues shall be promptly deposited by the Trustee upon receipt thereof in a special fund designated as the "Series 2021 Revenue Fund" which the Trustee shall establish, maintain and hold in trust for the benefit of the Owners from time to time of the Series 2021 Bonds but shall nevertheless be disbursed, allocated and applied solely for the uses and purposes hereinafter in this Article V set forth.

(d) At least five Business Days prior to each Interest Payment Date, the Trustee shall notify the City of the amount of the Installment Payment and the Agency of the amount of the Loan Payment needed to pay the principal of and interest on the Series 2021 Bonds due on such Interest Payment Date. Any failure to send such notice shall not affect the City's obligation to make timely Installment Payments, subject to the terms and provisions of the Series 2021 Installment Sale Agreement, or the Agency's obligation to make timely Loan Payments, subject to the terms and provisions of the Series 2021 Loan Agreement.

(e) To effect the pledge and assignment of the Revenues hereunder, the Authority hereby assigns to the Trustee: (i) the right to receive and collect the Installment Payments payable by the City under the Series 2021 Installment Sale Agreement and the right to enforce, whether by action at law or in equity or by other means, all provisions, covenants and agreements of the Series 2021 Installment Sale Agreement with respect to the payment of Installment Payments including specifically the right to collect each Installment Payment and other amounts as they become due and to enforce such payment by mandamus action against the City (and the City Council, officers and employees of the City) and to compel the City to perform and carry out its duties and to take all actions on the City's part which may be required under and subject to the terms of the Series 2021 Installment Sale Agreement to enable the City to satisfy its payment obligations under the Series 2021 Installment Sale Agreement on a timely basis; and (ii) the right to receive and collect the Loan Payments payable by the Agency under the Series 2021 Loan Agreement and the right to enforce, whether by action at law or in equity or by other means, all provisions, covenants and agreements of the Series 2021 Loan Agreement with respect to the payment of Loan Payments including specifically the right to collect each Loan Payment and other amounts as they become due and to enforce such payment by mandamus action against the Agency (and officers and employees of the Agency) and to compel the Agency to perform and carry out its duties and to take all actions on the Agency's part which may be required under and subject to the terms of the Series 2021 Loan Agreement to enable the Agency to satisfy its payment obligations under the Series 2021 Loan Agreement on a timely basis.

(f) The Series 2021 Bonds shall not constitute a debt or liability, or a pledge of the faith and credit, of the State, the City, the Agency or of any political subdivision or agency thereof, other than the Authority, which shall be obligated to pay the Series 2021 Bonds solely from the Revenues and funds herein provided therefor. The issuance of the Series 2021 Bonds shall not directly or indirectly or contingently obligate the State, the City, the Agency or any political subdivision or agency thereof to levy or to pledge any form of taxation whatever therefor or to make any appropriation for their payment except as and to the extent provided in the Series 2021 Installment Sale Agreement with respect to the City's obligations thereunder and as and to the extent provided in the Series 2021 Loan Agreement with respect to the Agency's obligations thereunder.

Section 5.2 Establishment of Funds and Accounts. The Trustee shall establish and maintain separate funds and accounts for the Series 2021 Bonds as follows:

- (a) the Series 2021 Costs of Issuance Fund;
- (b) the Series 2021 Revenue Fund, and within said Fund, the Series 2021 Interest Account and the Series 2021 Principal Account;
- (c) the Series 2021 Rebate Fund (as provided in Section 5.8); and
- (d) the Series 2021 Reserve Fund.

Section 5.3 Series 2021 Costs of Issuance Fund. Moneys deposited in the Series 2021 Costs of Issuance Fund shall be used and withdrawn by the Trustee to pay the Costs of Issuance of the Series 2021 Bonds upon Requisition of the Authority in substantially the form attached hereto as Exhibit B stating the person to whom payment is to be made, the amount to be paid, the purpose for which the obligation was incurred and that such payment is a proper charge against said fund. On the 180th day following the initial issuance of the Series 2021 Bonds, or upon the earlier Request of the Authority, amounts, if any, remaining in the Series 2021 Costs of Issuance Fund shall be transferred to the Series 2021 Revenue Fund.

Section 5.4 Series 2021 Revenue Fund. In order to carry out and effectuate the pledge, charge and lien contained herein, the Authority agrees and covenants that all Revenues and all other amounts pledged hereunder when and as received shall be received by the Authority in trust hereunder for the benefit of the Owners of the Series 2021 Bonds, and shall be transferred when and as received by the Authority to the Trustee for deposit into the Series 2021 Revenue Fund, which shall be maintained in trust for such Owners so long as any Series 2021 Bonds remain Outstanding. All Revenues and other amounts pledged hereunder shall be accounted for and held in trust in the Series 2021 Revenue Fund, and the Authority shall have no beneficial right or interest in any of the Revenues and other amounts pledged hereunder, whether received by the Authority in trust or deposited with the Trustee as herein provided, shall nevertheless be allocated, applied and disbursed solely to the purposes and uses hereinafter in this Article V set forth, and shall be accounted for separately and apart from all other accounts, funds, moneys or other resources of the Authority.

Section 5.5 Series 2021 Interest Account and Series 2021 Principal Account.

(a) Subject to the provisions of the Tax Certificate and of Section 6.6, all money in the Series 2021 Revenue Fund shall be deposited by the Trustee in the Series 2021 Interest Account and Series 2021 Principal Account. All money in each of said Accounts shall be held in trust by the Trustee and shall be applied, used and withdrawn only for the purposes hereinafter authorized in this Section 5.6. On each Principal Payment Date, following the payment of principal of and interest on the Series 2021 Bonds, any excess amount on deposit in the Series 2021 Revenue Fund shall be transferred to the Series 2021 Reserve

Fund to the extent necessary to maintain the amount therein at not less than the Series 2021 Reserve Fund Requirement, and any remaining excess shall be returned to the City as an excess of Installment Payments.

(b) *Series 2021 Interest Account.* On or before each Interest Payment Date, the Trustee shall transfer from the Series 2021 Revenue Fund and deposit in the Series 2021 Interest Account that amount of money which is equal to the amount of interest becoming due and payable on all Outstanding Series 2021 Bonds on the next succeeding Interest Payment Date. No deposit need be made in the Series 2021 Interest Account to the extent that the amounts therein and available to pay interest on the Series 2021 Bonds becoming due and payable on such Interest Payment Date is at least equal to the aggregate amount of the interest on all Outstanding Series 2021 Bonds. All money in the Series 2021 Interest Account shall be used and withdrawn by the Trustee solely for the purpose of paying the interest on the Series 2021 Bonds as it shall become due and payable (including accrued interest on any Series 2021 Bonds purchased or redeemed prior to their Maturity Date).

(c) *Series 2021 Principal Account.* On or before the third Business Day preceding each September 1, commencing September 1, 2022, the Trustee shall transfer from the Series 2021 Revenue Fund and deposit in the Series 2021 Principal Account an amount of money equal to the sum of (i) the amount of all Mandatory Sinking Account Payments required to be made on such September 1 with respect to all Outstanding Term Series 2021 Bonds and (ii) the principal amount of all Outstanding Serial Series 2021 Bonds maturing on such September 1. No deposit need be made in the Series 2021 Principal Account to the extent that the amounts therein and available to pay the principal of the Series 2021 Bonds becoming due and payable on such September 1 is at least equal to the aggregate amount of the principal of all Outstanding Serial Series 2021 Bonds having their Maturity Date on such September 1 plus the aggregate amount of all Mandatory Sinking Account Payments required to be made on such September 1 for all Outstanding Term Series 2021 Bonds. All money in the Series 2021 Principal Account shall be used and withdrawn by the Trustee solely for the purpose of paying the principal of the Series 2021 Bonds as it shall become due and payable (including principal of any Series 2021 Bonds purchased or redeemed prior to their Maturity Date). Notwithstanding the provisions of this paragraph (c) applicable to Outstanding Term Series 2021 Bonds, the Trustee may, upon the Written Request of the Authority, apply moneys in the Series 2021 Principal Account, that otherwise would be paid on account of Mandatory Sinking Account Payments of Outstanding Term Series 2021 Bonds, to the purchase of Outstanding Term Series 2021 Bonds of such maturity at public or private sale, as and when and at such prices (including brokerage and other charges, but excluding accrued interest, which shall be payable from the Series 2021 Interest Account), as may be directed by the Authority, except that the purchase price (excluding accrued interest) shall not exceed the Redemption Price that would be payable for such Term Series 2021 Bonds upon their redemption by application of such Mandatory Sinking Account Payment. If, during the 12-month period immediately preceding said Mandatory Sinking Account Payment Date, the Trustee shall have purchased Term Series 2021 Bonds of such maturity with moneys in the Series 2021 Principal Account, such Term Series 2021 Bonds so purchased shall be applied, to the extent of the full principal amount thereof then being paid, to reduce said Mandatory Sinking Account Payment except to the extent notice of redemption of Term Series 2021 Bonds for such Mandatory Sinking Account Payments has been sent by the Trustee.

Section 5.6 Series 2021 Reserve Fund. All money in the Series 2021 Reserve Fund shall be deposited with, used and withdrawn by the Trustee solely for the purpose of funding the Series 2021 Interest Account or the Series 2021 Principal Account, in that order, in the event of any deficiency in either of such Accounts on a Principal Payment Date or on an Interest Payment Date, except that so long as the Authority is not in default hereunder, any cash amounts in the Series 2021 Reserve Fund in excess of the Series 2021 Reserve Fund Requirement shall be withdrawn from the Series 2021 Reserve Fund and deposited in the Series 2021 Revenue Fund on each Interest Payment Date. The Trustee may conclusively presume that there has been no change in the Series 2021 Reserve Fund Requirement unless notified to that effect in writing by the Authority. When and to the extent that withdrawals from the Series 2021 Reserve Fund are

made pursuant to this Section 5.6, with the result that funds remaining on deposit in the Series 2021 Reserve Fund are less than the amount of the Series 2021 Reserve Requirement, the Trustee shall deposit into the Series 2021 Reserve Fund (a) transfers made by the Agency pursuant to the provisions of Section 3.3(b) of the Series 2021 Loan Agreement and (b) transfers made by the City pursuant to the provisions of Section 4.3(c)(iii) of the Series 2021 Installment Payment Agreement.

Section 5.7 Series 2021 Rebate Fund.

(a) The Trustee shall establish and maintain, when required, a fund separate from any other fund established and maintained hereunder designated as the Series 2021 Rebate Fund. Within the Series 2021 Rebate Fund, the Trustee shall maintain such accounts as shall be necessary to comply with written instructions of the Authority given pursuant to the terms and conditions of the Tax Certificate. Subject to the transfer provisions provided in paragraph (e) below, all money at any time deposited in the Series 2021 Rebate Fund shall be held by the Trustee in trust, to the extent required to satisfy the Series 2021 Rebate Requirement, for payment to the federal government of the United States of America. None of the Authority, the Agency, the City or the Owner of any Series 2021 Bonds shall have any rights in or claim to such money. All amounts deposited into or on deposit in the Series 2021 Rebate Fund shall be governed by this Section 5.8, by Section 6.6 and by the Tax Certificate. The Trustee shall be deemed conclusively to have complied with such provisions if it follows the directions of the Authority including supplying all necessary information in the manner provided in the Tax Certificate and shall have no liability or responsibility to enforce compliance by the Authority, the City or the Agency with the terms of the Tax Certificate or any other tax covenants contained herein or therein. The Trustee shall not be responsible for calculating rebate amounts or for the adequacy or correctness of any rebate report or rebate calculations. The Trustee shall have no independent duty to review such calculations or enforce the compliance by the Authority, the City or the Agency with any Series 2021 Rebate Requirement. The Trustee shall have no duty or obligation to determine the applicability of the Code and shall be obligated to act only in accordance with written instructions provided by the Authority.

(b) Upon the Authority's written direction, an amount shall be deposited to the Series 2021 Rebate Fund by the Trustee from deposits by the City or the Agency, if and to the extent required, so that the balance in the Series 2021 Rebate Fund shall equal the Series 2021 Rebate Requirement. Calculations of the Series 2021 Rebate Requirement shall be furnished by or on behalf of the Authority in accordance with the provisions of the Tax Certificate. The Trustee shall supply to the Authority all necessary information in the manner provided in the Tax Certificate to the extent such information is reasonably available to the Trustee.

(c) The Trustee shall have no obligation to rebate any amounts required to be rebated pursuant to this Section 5.8, other than from moneys held in the funds and accounts created under this Indenture or from other moneys provided to it by the Authority, the City or the Agency.

(d) At the written direction of the Authority, the Trustee shall invest all amounts held in the Series 2021 Rebate Fund in Investment Securities, subject to the restrictions set forth in the Tax Certificate. Moneys shall not be transferred from the Series 2021 Rebate Fund except as provided in paragraph (e) below. The Trustee shall not be liable for any consequences arising from such investment.

(e) Upon receipt of the Authority's written directions, the Trustee shall remit part or all of the balances in the Series 2021 Rebate Fund to the United States of America, as so directed. In addition, if the Authority so directs, the Trustee will deposit money into or transfer money out of the Series 2021 Rebate Fund from or into such accounts or funds as directed by the Authority's written directions; provided, however, only moneys in excess of the Series 2021 Rebate Requirement may, at the written direction of the Authority, be transferred out of the Series 2021 Rebate Fund to such other accounts or funds or to anyone

other than the United States of America in satisfaction of the arbitrage rebate obligation. Any funds remaining in the Series 2021 Rebate Fund after each five-year remittance to the United States of America or redemption and payment of all of the Series 2021 Bonds and payment and satisfaction of any Series 2021 Rebate Requirement, or provision made therefor satisfactory to the Trustee, shall be withdrawn and remitted to the Authority.

(f) Notwithstanding any other provision of this Indenture, including in particular the provisions of Article VII, the obligation to remit the Series 2021 Rebate Requirement to the United States of America and to comply with all other requirements of this Section 5.8 and the Tax Certificate shall survive the defeasance or payment in full of the Series 2021 Bonds.

(g) Without limiting the generality of the foregoing, the Authority agrees that there shall be paid from time to time all amounts required to be rebated to the United States of America pursuant to section 148(f) of the Code and any temporary, proposed or final Treasury Regulations as may be applicable to the Series 2021 Bonds from time to time. This covenant shall survive payment in full or defeasance of the Series 2021 Bonds. The Authority specifically covenants to pay, or cause to be paid, the amount of the Series 2021 Rebate Requirement to the United States of America at the times and in the amounts determined above, as described in the Tax Certificate. The Trustee agrees to comply with all written instructions of the Authority which the Authority states in writing are given in accordance with the provisions of this Section 5.8 and the Tax Certificate.

(h) Notwithstanding any provision of this Section 5.8, if the Authority shall provide to the Trustee an Opinion of Counsel to the effect that any action required under this Section 5.8 or the Tax Certificate is no longer required, or to the effect that some further action is required, in either case to maintain the exclusion from gross income of the interest on the Series 2021 Bonds pursuant to section 103 of the Code, then the Authority and the Trustee may rely conclusively on such Opinion in complying with the provisions of this Section 5.8, and the covenants hereunder shall be deemed to be modified to that extent.

Section 5.8 Investment of Moneys in Funds and Accounts.

(a) Except as set forth in Section 5.8(d), all moneys in any of the funds and accounts established pursuant to this Indenture shall be invested and reinvested by the Trustee, upon the written direction of the Authority, solely in Investment Securities. The Trustee shall be entitled to rely upon any investment direction provided to it hereunder as a certification to the Trustee that such investment constitutes an Investment Security. In the absence of written investment directions from the Authority, the Trustee shall invest solely in Investment Securities set forth in paragraph (f) of the definition thereof set forth in Section 1.1. All Investment Securities shall be acquired subject to the limitations set forth in Section 6.6, the limitations as to maturities hereinafter in this Section 5.9 set forth and such additional limitations or requirements consistent with the foregoing as may be established by Written Request of the Authority. The Trustee is hereby authorized to trade with itself, or with any bank affiliated with it, in the purchase and sale of Investment Securities.

(b) Moneys in all funds and accounts (other than the Series 2021 Reserve Fund) shall be invested in Investment Securities maturing not later than the date on which it is estimated that such moneys will be required for the purposes specified in this Indenture. Moneys in the Series 2021 Reserve Account shall be invested in Investment Securities with a maturity of or ability to withdraw in full and without penalty or forfeiture not to exceed five years after the date of investment. Investment Securities purchased under a repurchase agreement may be deemed to mature on the date or dates on which the Trustee may deliver such Investment Securities for repurchase under such agreement. Investment Securities that are registrable securities shall be registered in the name of the Trustee or its nominee.

(c) All interest, profits and other income received from the investment of moneys in the Series 2021 Rebate Fund shall be deposited when received in such Fund. All interest, profits and other income received from the investment of moneys in any other fund or account established pursuant to this Indenture (other than the Series 2021 Rebate Fund and the Series 2021 Reserve Account) shall be deposited when received in the Series 2021 Revenue Fund. Notwithstanding anything to the contrary contained in this paragraph (c), an amount of interest received with respect to any Investment Security equal to the amount of accrued interest, if any, paid as part of the purchase price of such Investment Security shall be credited to the fund or account for the credit of which such Investment Security was acquired.

(d) Investment Securities acquired as an investment of moneys in any fund or account established under this Indenture shall be credited to such fund or account.

(e) Except as otherwise provided in the next subsequent sentence, all investments of amounts deposited in any fund or account created by or pursuant to this Indenture, or otherwise containing gross proceeds of the Tax-Exempt Bonds (within the meaning of section 148 of the Code) will be acquired, disposed of, and valued (as of the date that valuation is required by this Indenture or the Code) at Fair Market Value. Investments in funds or accounts (or portions thereof) that are subject to a yield restriction under applicable provisions of the Code and (unless valuation is undertaken at least annually) investments in the Series 2021 Reserve Account will be valued at their present value (within the meaning of section 148 of the Code).

(f) The Trustee may commingle any of the funds or accounts established pursuant to this Indenture (other than the Series 2021 Rebate Fund) into a separate fund or funds for investment purposes only; provided that all funds or accounts held by the Trustee hereunder shall be accounted for separately as required by this Indenture. The Trustee or any of its affiliates may act as principal or agent in the making or disposing of any investment and shall be paid its customary fee therefor. The Trustee may sell or present for redemption, any Investment Securities so purchased whenever it shall be necessary to provide moneys to meet any required payment, transfer, withdrawal or disbursement from the fund or account to which such Investment Security is credited, and, subject to the provisions of Section 9.3, the Trustee shall not be liable or responsible for any loss resulting from any investment made in accordance with provisions of this Section 5.9.

Section 5.9 Amounts Remaining in Funds and Accounts. Any amounts remaining in any fund or account established hereunder, after payment in full of (a) the Series 2021 Bonds (or after provision for payment thereof has been made as provided in Article VII), (b) the fees, charges and expenses of the Trustee and the Authority and (c) the Series 2021 Rebate Requirement, shall be transferred to the City as a reduction of the Installment Payments.

ARTICLE VI COVENANTS OF THE AUTHORITY

Section 6.1 Punctual Payment. The Authority shall punctually cause to be paid the principal of, Redemption Price, and interest to become due in respect of all the Series 2021 Bonds, in strict conformity with the terms of the Series 2021 Bonds and of this Indenture, according to the true intent and meaning thereof, but only out of Revenues and other assets pledged for such payment as provided in this Indenture.

Section 6.2 Extension of Payment of Series 2021 Bonds. The Authority shall not directly or indirectly extend or assent to the extension of the maturity of any of the Series 2021 Bonds or the time of payment of any claims for interest by the purchase or funding of such Series 2021 Bonds or claims for interest or by any other arrangement and in case the maturity of any of the Series 2021 Bonds or the time of payment of any such claims for interest shall be extended, such Series 2021 Bonds or claims for interest

shall not be entitled, in case of any default hereunder, to the benefits of this Indenture, except subject to the prior payment in full of the principal of all of the Series 2021 Bonds then Outstanding and of all claims for interest thereon which shall not have been so extended. Nothing in this Section 6.2 shall be deemed to limit the right of the Authority to issue obligations for the purpose of refunding any Outstanding Series 2021 Bonds, and such issuance shall not be deemed to constitute an extension of maturity of Series 2021 Bonds.

Section 6.3 Against Encumbrances. The Authority shall not create any pledge, lien, charge, or other encumbrance upon the Revenues and other assets pledged or assigned under this Indenture while any of the Series 2021 Bonds are Outstanding, except the pledge and assignment created by this Indenture, and will assist the Trustee in contesting any such pledge, lien, charge or other encumbrance which may be created.

Section 6.4 Power to Issue Series 2021 Bonds and Make Pledge and Assignment. The Authority is duly authorized pursuant to law to issue the Series 2021 Bonds and to enter into this Indenture and to pledge and assign the Revenues and other assets purported to be pledged and assigned under this Indenture in the manner and to the extent provided in this Indenture. The Authority has duly authorized the execution and delivery of the Series 2021 Bonds and the Indenture under the terms and provisions of the Act and a resolution adopted by its Governing Body and further represents, covenants and warrants that all requirements have been met and procedures have occurred in order to ensure the enforceability against the Authority of the Series 2021 Bonds and this Indenture. The Authority has taken all necessary action and has complied with all provisions of the Act required to make the Series 2021 Bonds and the Indenture the valid, legal and binding limited obligations of the Authority.

Section 6.5 Accounting Records and Financial Statements.

(a) The Trustee shall at all times keep, or cause to be kept, proper books of record and account prepared in accordance with industry standards, in which complete and accurate entries shall be made of all transactions relating to the receipt, investment, disbursement, allocation and application of the proceeds of the Series 2021 Bonds, the Revenues and all funds and accounts established by it pursuant to this Indenture. Such books of record and account shall be available for inspection by the Authority, the Agency, the City and any Owner of Series 2021 Bonds, or any agent or representative duly authorized in writing by any of them, upon reasonable notice at reasonable hours and under reasonable circumstances.

(b) The Trustee shall file and furnish to the Authority (only upon its request) and to each Owner of Series 2021 Bonds who shall have filed such Owner's name and address with the Trustee for such purpose, within 30 days after the end of each month, a statement (which need not be audited) covering receipts, disbursements, allocation and application of Revenues and any other moneys (including proceeds of Series 2021 Bonds) in any of the funds and accounts established pursuant to this Indenture for such month; provided, however, that the Trustee shall not be obligated to report as to any fund or account that (i) has a balance of zero, and (ii) has had no activity since the last reporting date.

Section 6.6 Tax Covenants.

(a) The Authority covenants that it shall not take any action, or fail to take any action, if such action or failure to take such action would result in the interest on the Series 2021 Bonds not being excluded from gross income for federal income tax purposes under section 103 of the Code. Without limiting the generality of the foregoing, the Authority covenants that it will comply with the requirements of the Tax Certificate, which is incorporated herein as if fully set forth herein. This covenant shall survive the payment in full or the defeasance of the Series 2021 Bonds.

(b) In the event that at any time the Authority is of the opinion that for purposes of this Section 6.6 it is necessary or helpful to restrict or limit the yield on the investment of any moneys held by the Trustee under this Indenture, the Authority shall so instruct the Trustee in a Written Request of the Authority accompanied by a supporting Favorable Opinion of Bond Counsel, and the Trustee shall take such action as may be directed in accordance with such instructions.

(c) Notwithstanding any provisions of this Section 6.6, if the Authority shall provide to the Trustee a Favorable Opinion of Bond Counsel to the effect that any specified action required under this Section 6.6 is no longer required or that some further or different action is required to maintain the exclusion from gross income of the interest on the Series 2021 Bonds pursuant to section 103 of the Code, the Trustee may conclusively rely on such opinion in complying with the requirements of this Section 6.6 and the Tax Certificate, and the covenants hereunder and thereunder shall be deemed to be modified to that extent.

(d) The Authority shall not take any action or permit or suffer any action to be taken if the result of the same would be to cause any of the Series 2021 Bonds to be “federally guaranteed” within the meaning of section 149(b) of the Code.

(e) The Authority shall 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 Series 2021 Bonds.

Section 6.7 Collection of Revenues.

(a) The Trustee shall promptly collect all amounts due from the Agency pursuant to the Series 2021 Loan Agreement and all amounts due from the City pursuant to the Series 2021 Installment Sale Agreement, and, subject to the provisions of this Indenture, shall exercise all rights assigned to it pursuant to the Series 2021 Loan Agreement and the Series 2021 Installment Sale Agreement and shall enforce, and take all steps, actions and proceedings reasonably necessary for the enforcement of all of the rights of the Authority and all of the respective obligations of the Agency and the City thereunder.

(b) Except with respect to amendments to the Series 2021 Loan Agreement or to the Series 2021 Installment Sale Agreement required pursuant to the provisions of Article II and in connection with the issuance of Additional Bonds, the Authority shall not amend, modify or terminate any of the terms of the Series 2021 Loan Agreement or the Series 2021 Installment Sale Agreement, or consent to any such amendment, modification or termination, without the prior written consent of the Trustee. The Trustee shall give such written consent only if both of the following conditions are satisfied: (i) the Trustee first obtains the written consent of the Owners of a majority in principal amount of the Series 2021 Bonds then Outstanding, to such amendment, modification or termination; and (ii) the Trustee shall have received a Favorable Opinion of Bond Counsel with respect to such amendment, modification or termination; provided, however, that without the written consent of all of the Owners of the Series 2021 Bonds then Outstanding, no such amendment, modification or termination shall reduce the amount of Loan Payments or Installment Payments to be made to the Authority or the Trustee by the Agency or the City, respectively, pursuant to the Series 2021 Loan Agreement or the Series 2021 Installment Sale Agreement, or extend the time for making such payments.

Section 6.8 Waiver of Laws. The Authority shall not at any time insist upon or plead in any manner whatsoever, or claim or take the benefit or advantage of, any stay or extension of law now or at any time hereafter in force that may affect the covenants and agreements contained in this Indenture or in the Series 2021 Bonds, and all benefit or advantage of any such law or laws is hereby expressly waived by the Authority to the extent permitted by law.

Section 6.9 Further Assurances. Whenever and so often as requested to do so by the Trustee or any Owner of a Series 2021 Bond, the Authority will make, execute and deliver any and all such further indentures, instruments and assurances and promptly do or cause to be done all such other and further things as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of this Indenture and for the better assuring and confirming unto the Owners of the Series 2021 Bonds of the rights and benefits provided in this Indenture and more fully vest in the Trustee and said Owners all advantages, benefits, interests, powers, privileges and rights conferred or intended to be conferred upon them hereby or by the Series 2021 Loan Agreement or the Series 2021 Installment Sale Agreement.

Section 6.10 Disclosure Requirements. The Agency and the City have covenanted and agreed with the Authority pursuant to the provisions of the Series 2021 Loan Agreement and the Series 2021 Installment Sale Agreement, respectively, to enter into an agreement or contract, constituting an undertaking, to provide ongoing disclosure for the benefit of the Owners and Beneficial Owners of the Series 2021 Bonds as required by paragraph (b)(5)(i) of Rule 15c2-12 (the “Disclosure Requirements”). The provisions of Section 4.21 of the Series 2021 Loan Agreement and of Section 5.9 of the Series 2021 Installment Sale Agreement shall be enforceable by any Owner of a Series 2021 Bond, a Participating Underwriter or a Beneficial Owner. However, the Trustee shall have no duty to enforce the provisions of said sections of the Series 2021 Loan Agreement or the Series 2021 Installment Sale Agreement. Notwithstanding any other provision of this Indenture, neither any failure of the Agency to comply with the provisions of Section 4.21 of the Series 2021 Loan Agreement nor any failure of the City to comply with the provisions of Section 5.9 of the Series 2021 Installment Sale Agreement shall be considered an Event of Default; provided, however, the Trustee, at the written request of the Owners of at least 25% aggregate principal amount in Outstanding Series 2021 Bonds, to the extent indemnified to its satisfaction from any liability or expense, shall, or any Beneficial Owner may, take such action as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Agency to comply with its obligations under Section 4.21 of the Series 2021 Loan Agreement or the City to comply with its obligations under Section 5.9 of the Series 2021 Installment Sale Agreement.

Section 6.11 Other Covenants. Subject to the provisions of this Indenture, the Trustee shall perform all duties expressly imposed upon it pursuant to the Series 2021 Loan Agreement or the Series 2021 Installment Sale Agreement, as applicable.

ARTICLE VII DEFEASANCE AND DISCHARGE OF INDENTURE

Section 7.1 Discharge of Indenture.

(a) The Series 2021 Bonds may be paid by the Authority or the Trustee on behalf of the Authority in any of the following ways:

(i) by paying or causing to be paid the principal or Redemption Price of and interest on all Series 2021 Bonds Outstanding, as and when the same become due and payable;

(ii) by depositing with the Trustee, in trust, at or before maturity, moneys or securities in the necessary amount (as provided in Section 7.4) to pay when due or redeem all Series 2021 Bonds then Outstanding; or

(iii) by delivering to the Trustee, for cancellation by it, all Series 2021 Bonds then Outstanding.

(b) If the Authority shall pay all Series 2021 Bonds then Outstanding and shall also pay or cause to be paid all other sums payable hereunder by the Authority, then and in that case at the election of the Authority (evidenced by a Certificate of the Authority filed with the Trustee signifying the intention of the Authority to discharge all such indebtedness and this Indenture), and notwithstanding that any Series 2021 Bonds shall not have been surrendered for payment, this Indenture and the pledge of Revenues and other assets made under this Indenture and all covenants, agreements and other obligations of the Authority under this Indenture (except as otherwise provided in Section 5.8) shall cease, terminate, become void and be completely discharged and satisfied. In such event, upon the request of the Authority, the Trustee shall cause an accounting for such period or periods as may be requested by the Authority to be prepared and filed with the Authority and shall execute and deliver to the Authority all such instruments as may be necessary to evidence such discharge and satisfaction, and the Trustee shall pay over, transfer, assign or deliver to the City all moneys or securities or other property held by it pursuant to this Indenture which are not required for the payment or redemption of Series 2021 Bonds not theretofore surrendered for such payment or redemption; provided that in all events moneys in the Series 2021 Rebate Fund shall be subject to the provisions of Section 5.8.

(c) The release of the obligations of the Authority and Borrower under this Section 7.1 shall be without prejudice to the right of the Trustee to be paid reasonable compensation for all services rendered hereunder and all of the Trustee's reasonable expenses, charges and other disbursements incurred on or about the administration of the trust hereby created and the exercise of its powers and the performance of its duties hereunder.

Section 7.2 Survival. Notwithstanding the payment in full of the Series 2021 Bonds, the discharge of the Indenture as set forth in Section 7.1 above, and the termination or expiration of the Series 2021 Loan Agreement and the Series 2021 Installment Sale Agreement, all provisions in this Indenture concerning (a) the exclusion from gross income for federal income tax purposes of interest on the Series 2021 Bonds (including, but not limited to provisions concerning the payment of the Rebate Amount), (b) the interpretation of this Indenture, (c) the governing law, (d) the forum for resolving disputes, (e) the indemnity of the Trustee and (f) the rights, powers and duties of the Trustee as may be necessary and convenient for the payment of amounts due or to become due on the Series 2021 Bonds and the registration, transfer, exchange and replacement of Series 2021 Bonds, shall survive and remain in full force and effect.

Section 7.3 Discharge of Liability on Series 2021 Bonds. Upon the deposit with the Trustee, in trust, at or before maturity, of money or securities in the necessary amount (as provided in Section 7.4) to pay or redeem any Outstanding Series 2021 Bond (whether upon or prior to the Maturity Date or redemption date of such Series 2021 Bond), provided that, if such Series 2021 Bond is to be redeemed prior to its Maturity Date, notice of such redemption shall have been given as in Article IV provided or provision satisfactory to the Trustee shall have been made for the giving of such notice, then all liability of the Authority in respect of such Series 2021 Bond shall cease, terminate become void and be completely discharged and satisfied, except only that thereafter the Owner thereof shall be entitled to payment of the principal of and interest on such Series 2021 Bond by the Authority, and the Authority shall remain liable for such payments, but only out of such money or securities deposited with the Trustee as aforesaid for their payment, subject, however, to the provisions of Section 7.5. The Authority may at any time surrender to the Trustee for cancellation by it any Series 2021 Bonds previously issued and delivered, which the Authority may have acquired in any manner whatsoever, and such Series 2021 Bonds, upon such surrender and cancellation, shall be deemed to be paid and retired.

Section 7.4 Deposit of Money or Securities with Trustee. Whenever in this Indenture it is provided or permitted that there be deposited with or held in trust by the Trustee money or securities in the necessary amount to pay or redeem any Series 2021 Bonds, the money or securities so to be deposited or

held may include money or securities held by the Trustee in the funds and accounts established pursuant to this Indenture (other than the Series 2021 Rebate Fund) and shall be:

(a) lawful money of the United States of America in an amount equal to the principal amount of such Series 2021 Bonds and all unpaid interest thereon to maturity, except that, in the case of Series 2021 Bonds which are to be redeemed prior to maturity and in respect of which notice of such redemption shall have been given as in Article IV provided or provision satisfactory to the Trustee shall have been made for the giving of such notice, the amount to be deposited or held shall be the principal amount or Redemption Price of such Series 2021 Bonds and all unpaid interest thereon to the redemption date; or

(b) Investment Securities described in paragraph (a) of the definition thereof in Section 1.1 (not callable by the issuer thereof prior to maturity), the principal of and interest on which when due (without any income from the reinvestment thereof) will provide money sufficient to pay the principal or Redemption Price of and all unpaid interest to maturity, or to the redemption date, as the case may be, on the Series 2021 Bonds to be paid or redeemed, as such principal or Redemption Price and interest become due; provided that, in the case of Series 2021 Bonds which are to be redeemed prior to the maturity thereof, notice of such redemption shall have been given as in Article IV provided or provision satisfactory to the Trustee shall have been made for the giving of such notice; provided, that, in each case, that the Trustee shall have (i) been irrevocably instructed (by the terms of this Indenture or by Written Request of the Authority) to apply such money to the payment of such principal or Redemption Price and interest with respect to such Series 2021 Bond, (ii) received a certificate from a firm of Independent Certified Public Accountants certifying as to the sufficiency of the deposit made pursuant to paragraph (a) or (b) above, and (iii) received an opinion of Bond Counsel to the effect that such deposit shall not cause interest on the Series 2021 Bonds to be included in the gross income of the Owners thereof for federal income tax purposes and that the Series 2021 Bonds to be discharged are no longer Outstanding; and provided, further, that in the case of a deposit made pursuant to paragraph (b) above, the Trustee shall have received evidence that the defeasance escrow held by the Trustee has received a rating of the highest Rating Category assigned by a Rating Agency to Government Obligations (at the expense of the Authority).

Section 7.5 Payment of Series 2021 Bonds After Discharge of Indenture. Notwithstanding any provisions of this Indenture, any moneys held by the Trustee in trust for the payment of the principal of, or interest on, any Series 2021 Bonds and remaining unclaimed for the period which is one year less than the statutory escheat period after the principal of all of the Series 2021 Bonds has become due and payable (whether at maturity or upon call for redemption or by acceleration as provided in this Indenture), if such moneys were so held at such date, or the period which is one year less than the statutory escheat period after the date of deposit of such moneys if deposited after said date when all of the Series 2021 Bonds became due and payable, shall be repaid to the City free from the trusts created by this Indenture upon receipt of an indemnification agreement acceptable to the Trustee indemnifying the Trustee with respect to claims of Owners of Series 2021 Bonds that have not yet been paid, 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 City as aforesaid, the Trustee may (at the cost of the Authority) first mail to the Owners of Series 2021 Bonds which have not yet been paid, at the addresses shown on the registration books maintained by the Trustee, a notice, in such form as may be deemed appropriate by the Trustee with respect to the Series 2021 Bonds so payable and not presented and with respect to the provisions relating to the repayment to the City of the moneys held for the payment thereof.

ARTICLE VIII EVENTS OF DEFAULT AND REMEDIES

Section 8.1 Events of Default. Each of the following is hereby defined as and shall be deemed an “Event of Default” with respect to the Series 2021 Bonds:

(a) default in the due and punctual payment of the principal or Redemption Price of any Series 2021 Bond when and as the same shall become due and payable, whether at maturity as therein expressed, by proceedings for redemption, by declaration or otherwise;

(b) default in the due and punctual payment of any installment of interest on any Series 2021 Bond when and as such interest installment shall become due and payable;

(c) default by the Authority in the observance of any of the covenants, agreements or conditions on its part in this Indenture or in the Series 2021 Bonds contained, if such default shall have continued for a period of 30 days after written notice thereof, specifying such default and requiring the same to be remedied, shall have been given by the Trustee to the Authority, the Agency and the City, or by the Owners of not less than 25% in aggregate principal amount of the Series 2021 Bonds at the time Outstanding to the Authority, the Agency, the City and the Trustee;

(d) the Authority commences any proceeding seeking arrangement or reorganization under the federal bankruptcy laws or any other applicable law of the United States of America or any state therein, or a court of competent jurisdiction approves a petition filed with or without the consent of the Authority seeking arrangement or reorganization under the federal bankruptcy laws or any other applicable law of the United States of America or any state therein, or under the provisions of any other law for the relief or aid of debtors any court of competent jurisdiction assumes custody or control of the Authority or of the whole or any substantial part of its property; or

(e) the occurrence of a Loan Default Event under Section 5.1 of the Series 2021 Loan Agreement or of an Installment Default Event under Section 9.1 of the Series 2021 Installment Sale Agreement.

Section 8.2 Application of Moneys Collected by the Trustee. If an Event of Default shall occur and be continuing, all Revenues and any other funds then held or thereafter received by the Trustee under any of the provisions of this Indenture (subject to the provisions of Section 11.11 and other than moneys required to be deposited in the Series 2021 Rebate Fund) shall be applied by the Trustee as follows and in the following order:

(a) to the payment of any expenses necessary in the opinion of the Trustee to protect the interests of the Owners of the Series 2021 Bonds and payment of reasonable fees and expenses of the Trustee (including reasonable fees and disbursements of its counsel) incurred in and about the performance of its powers and duties under this Indenture; and

(b) to the payment of the principal or Redemption Price of and interest then due on the Series 2021 Bonds (upon presentation of the Series 2021 Bonds to be paid, and stamping thereon of the payment if only partially paid, or surrender thereof if fully paid) subject to the provisions of this Indenture (including Section 6.2), as follows:

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

(ii) SECOND, to the payment to the persons entitled thereto of the unpaid principal (including Mandatory Sinking Account Payments) or Redemption Price of any Bonds which shall have become due, whether at maturity or by call for redemption, in the order of their due dates, with interest on the overdue principal at the rate borne by the respective Bonds, and, if the amount

available shall not be sufficient to pay in full all the Bonds due on any date, together with such interest, then to the payment thereof ratably, according to the amounts of principal or Redemption Price due on such date to the persons entitled thereto, without any discrimination or preference.

Section 8.3 Trustee to Represent Owners of Series 2021 Bonds. The Trustee is hereby irrevocably appointed (and the successive respective Owners of the Series 2021 Bonds, by taking and holding the same, shall be conclusively deemed to have so appointed the Trustee) as trustee and true and lawful attorney-in-fact of the Owners of the Series 2021 Bonds for the purpose of exercising and prosecuting on their behalf such rights and remedies as may be available to such Owners under the provisions of the Series 2021 Bonds, this Indenture, the Series 2021 Loan Agreement, the Series 2021 Installment Sale Agreement or applicable provisions of any law. Upon the occurrence and continuance of an Event of Default or other occasion giving rise to a right in the Trustee to represent the Owners of the Series 2021 Bonds, the Trustee in its discretion may, and upon the written request of the Owners of not less than 25% in aggregate principal amount of the Series 2021 Bonds then Outstanding, and upon being indemnified to its satisfaction therefor, shall, proceed to protect or enforce its rights or the rights of such Owners by such appropriate action, suit, mandamus, or other proceedings as it shall deem most effectual to protect and enforce any such right, at law or in equity, either for the specific performance of any covenant or agreement contained herein, or in aid of the execution of any power herein granted, or for the enforcement of any other appropriate legal or equitable right or remedy vested in the Trustee or in such Owners under the provisions of the Series 2021 Bonds, this Indenture, the Series 2021 Loan Agreement, the Series 2021 Installment Sale Agreement or applicable provisions of any law; and upon instituting such proceeding, the Trustee shall be entitled, as a matter of right, to the appointment of a receiver of the Revenues and other assets pledged under this Indenture, pending such proceedings. All rights of action under this Indenture or the Series 2021 Bonds or otherwise may be prosecuted and enforced by the Trustee without the possession of any of the Series 2021 Bonds or the production thereof in any proceeding relating thereto, and any such suit, action or proceeding instituted by the Trustee shall be brought in the name of the Trustee for the benefit and protection of all the Owners of such Series 2021 Bonds, subject to the provisions of this Indenture (including Section 6.2).

Section 8.4 Direction of Proceedings by Owners of Series 2021 Bonds. Anything in this Indenture to the contrary notwithstanding, the registered Owners of a majority in aggregate principal amount of the Series 2021 Bonds then Outstanding shall have the right, at any time, to the extent permitted by law, by an instrument or instruments in writing executed and delivered to the Trustee, to direct the time, method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of this Indenture, or for the appointment of a receiver, or any other proceedings or remedies hereunder, provided that such direction shall not be otherwise than in accordance with the provisions hereof. The Trustee shall not be required to act on any direction given to it pursuant to this Section 8.4 unless indemnified or receiving other assurances as provided in Section 9.1.

Section 8.5 Limitation on Owners' Right to Sue. No registered Owner of any Series 2021 Bond shall have any right to institute any suit, action or proceeding in equity or at law for the enforcement of this Indenture or for the execution of any trust hereof or for the appointment of a receiver or any other remedy hereunder, unless a default has occurred of which the Trustee has been notified as provided in Section 8.1, or of which by virtue of the provisions of Section 9.1 it is deemed to have notice, nor unless such default shall have become an Event of Default and the registered Owners of not less than a majority in aggregate principal amount of the Series 2021 Bonds then Outstanding shall have made written request to the Trustee and shall have offered reasonable opportunity either to proceed to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in its own name, nor unless they have also offered to the Trustee indemnity or other assurances as provided in Section 9.1 nor unless the Trustee shall thereafter fail or refuse to exercise within a reasonable period of time (not to exceed 30 days) the powers hereinbefore granted, or to institute such action, suit or proceeding in its own name; and such notification, request and

offer of indemnity or other assurances are hereby declared in every case at the option of the Trustee to be conditions precedent to the execution of the powers and trusts of this Indenture, and to any action or cause of action for the enforcement of this Indenture, or for the appointment of a receiver or for any other remedy hereunder; it being understood and intended that no one or more registered Owners of the Series 2021 Bonds shall have the right in any manner whatsoever to affect, disturb or prejudice the lien of this Indenture by his, her, its or their action or to enforce any right hereunder except in the manner herein provided and that all proceedings at law or in equity shall be instituted, had and maintained in the manner herein provided and for the equal benefit of the registered Owners of the Series 2021 Bonds then Outstanding. Nothing in this Indenture contained shall, however, affect or impair the right of any registered Owner of Series 2021 Bonds to enforce the payment, by the institution of any suit, action or proceeding in equity or at law, of the principal of, premium, if any or interest on any Series 2021 Bond at and after the maturity thereof, or the obligation of the Authority to pay the principal of, premium, if any, and interest on each of the Series 2021 Bonds to the respective registered Owners of the Series 2021 Bonds at the time and place, from the source and in the manner herein and in the Series 2021 Bonds expressed. Such notification, request, tender of indemnity, and refusal or omission are hereby declared, in every case, to be conditions precedent to the exercise by any Owner of Series 2021 Bonds of any remedy hereunder or under law; it being understood and intended that no one or more Owners of Series 2021 Bonds shall have any right in any manner whatever by any action to affect, disturb or prejudice the security of this Indenture or the rights of any other Owners of Series 2021 Bonds, or to enforce any right under this Indenture, the Series 2021 Loan Agreement, the Series 2021 Installment Sale Agreement or applicable provisions of any law with respect to the Series 2021 Bonds, except in the manner herein provided, and that all proceedings at law or in equity to enforce any such right shall be instituted, had and maintained in the manner herein provided and for the benefit and protection of all Owners of the Outstanding Series 2021 Bonds, subject to the provisions of this Indenture (including Section 6.2).

Section 8.6 Absolute Obligation of Authority. Nothing in Section 8.5 or in any other provision of this Indenture, or in the Series 2021 Bonds, contained shall affect or impair the obligation of the Authority, which is absolute and unconditional, to pay the principal or Redemption Price of and interest on the Series 2021 Bonds to the respective Owners of the Series 2021 Bonds at their respective dates of maturity, or upon call for redemption, as herein provided, but only out of the Revenues and other assets herein pledged therefor, and not otherwise, or affect or impair the right of such Owners, which is also absolute and unconditional, to enforce such payment by virtue of the contract embodied in the Series 2021 Bonds.

Section 8.7 Termination of Proceedings. In case any proceedings taken by the Trustee or any one or more Owners of the Series 2021 Bonds on account of any Event of Default shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Trustee or the Owners of the Series 2021 Bonds, then in every such case the Authority, the Trustee and the Owners of the Series 2021 Bonds, subject to any determination in such proceedings, shall be restored to their former positions and rights hereunder, severally and respectively, and all rights, remedies, powers and duties of the Authority, the Trustee, and the Owners of the Series 2021 Bonds shall continue as though no such proceedings had been taken.

Section 8.8 Remedies Not Exclusive. No remedy herein conferred upon or reserved to the Trustee or to the Owners of the Series 2021 Bonds is intended to be exclusive of any other remedy or remedies, and each and every such remedy, to the extent permitted by law, shall be cumulative and in addition to any other remedy given hereunder or now or hereafter existing at law or in equity or otherwise.

Section 8.9 No Waiver of Default. No delay or omission of the Trustee or of any Owner of the Series 2021 Bonds to exercise any right or power arising upon the occurrence of any default shall impair any such right or power or shall be construed to be a waiver of any such default or an acquiescence therein;

and every power and remedy given by this Indenture to the Trustee or to the Owners of the Series 2021 Bonds may be exercised from time to time and as often as may be deemed expedient.

Section 8.10 No Waiver of One Default to Affect Another. No waiver of any default hereunder, whether by the Trustee the registered Owners of the Series 2021 Bonds, shall extend to or affect any subsequent or any other then existing default or shall impair any rights or remedies consequent thereon.

ARTICLE IX THE TRUSTEE

Section 9.1 Duties, Immunities and Liabilities of Trustee.

(a) The Authority hereby appoints U.S. Bank National Association, a national banking association, as Trustee. The Trustee shall, prior to an Event of Default, and after the curing of all Events of Default which may have occurred, perform such duties and only such duties as are specifically set forth in this Indenture, and, except to the extent required by law, no implied covenants or obligations shall be read into this Indenture against the Trustee. The Trustee shall, during the existence of any Event of Default (which has not been cured), 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 such person's own affairs.

(b) The Authority may remove the Trustee at any time with 30 days' prior written notice unless an Event of Default shall have occurred and then be continuing. If at any time the Trustee shall be removed or cease to be eligible in accordance with the provisions of paragraph (e) of this Section 9.1, or shall become incapable of acting, or shall be adjudged a bankrupt or insolvent, or a receiver of the Trustee or its property shall be appointed, or any public officer shall take control or charge of the Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation, the Authority shall appoint a successor Trustee by an instrument in writing.

(c) The Trustee may at any time resign by giving 30 days' prior written notice of such resignation to the Authority and Owners of the Series 2021 Bonds. Upon receiving such notice of resignation, the Authority shall promptly appoint a successor Trustee by an instrument in writing.

(d) The Trustee shall not be relieved of its duties hereunder until its successor Trustee has accepted its appointment and assumed the duties of Trustee hereunder. Any removal or resignation of the Trustee and appointment of a successor Trustee shall become effective upon acceptance of appointment by the successor Trustee. If no successor Trustee shall have been appointed and have accepted appointment within 30 days of giving notice of removal or notice of resignation as aforesaid, the resigning Trustee or any Owner of a Series 2021 Bond (at the sole expense of the Authority) may petition any court of competent jurisdiction for the appointment of a successor Trustee, and such court may thereupon, after such notice, if any, as it may deem proper, appoint such successor Trustee. Any successor Trustee appointed under this Indenture, shall signify its acceptance of such appointment by executing and delivering to the Authority and to its predecessor Trustee a written acceptance thereof, and thereupon such successor Trustee, without any further act, deed or conveyance, shall become vested with all the moneys, estates, properties, rights, powers, trusts, duties and obligations of such predecessor Trustee, with like effect as if originally named Trustee herein; but, nevertheless at the request of the successor Trustee, such predecessor Trustee shall execute and deliver any and all instruments of conveyance or further assurance and do such other things as may reasonably be required for more fully and certainly vesting in and confirming to such successor Trustee all the right, title and interest of such predecessor Trustee in and to any property held by it under this Indenture and shall pay over, transfer, assign and deliver to the successor Trustee any money or other property subject to the trusts and conditions herein set forth. Upon request of the successor Trustee, the Authority shall execute and

deliver any and all instruments as may be reasonably required for more fully and certainly vesting in and confirming to such successor Trustee all such moneys, estates, properties, rights, powers, trusts, duties and obligations. Upon acceptance of appointment by a successor Trustee as provided in this paragraph (d), the Authority shall cause such Trustee to mail a notice of the succession of such Trustee to the trusts hereunder to the Owners of the Series 2021 Bonds at the addresses shown on the registration books maintained by the Trustee.

(e) Any successor Trustee shall be a trust company or bank having the powers of a trust company having (or, in the case of a trust company or bank included in a bank holding company system, with a bank holding company having) a combined capital and surplus of at least \$50,000,000 and subject to supervision or examination by federal or state authority. If such bank or trust company publishes a report of condition at least annually, pursuant to law or to the requirements of any supervising or examining authority above referred to, then for the purpose of this paragraph (e) the combined capital and surplus of such bank or trust company shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. In case at any time the Trustee shall cease to be eligible in accordance with the provisions of this paragraph (e), the Trustee shall resign immediately in the manner and with the effect specified in this Section 9.1.

Section 9.2 Merger or Consolidation. Any company into which the Trustee may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which the Trustee may sell or transfer all or substantially all of its corporate trust business, provided such company shall be eligible under the provisions of paragraph (e) of Section 9.1, shall be the successor to such Trustee without the execution or filing of any paper or any further act, anything herein to the contrary notwithstanding.

Section 9.3 Liability of Trustee.

(a) The recitals of facts herein and in the Series 2021 Bonds contained shall be taken as statements of the Authority, and the Trustee assumes no responsibility for the correctness of the same, and makes no representations as to the legality, validity or sufficiency of this Indenture, the Series 2021 Loan Agreement, the Series 2021 Installment Sale Agreement, or any other document related hereto, or of the Series 2021 Bonds, and shall incur no responsibility in respect thereof, other than in connection with the duties or obligations herein or in the Series 2021 Bonds assigned to or imposed upon it except for any recital or representation specifically relating to the Trustee or its powers. The Trustee shall, however, be responsible for its representations contained in its certificate of authentication on the Series 2021 Bonds. The Trustee shall not be liable in connection with the performance of its duties hereunder, except for its own negligence or willful misconduct; provided, that this shall not be construed to limit the effect of paragraph (f) of this Section 9.3. The Trustee may become the owner of Series 2021 Bonds with the same rights it would have if it were not Trustee, and, to the extent permitted by law, may act as depositary for and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of the Owners of the Series 2021, whether or not such committee shall represent the Owners of a majority in principal amount of the Series 2021 Bonds then Outstanding.

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

(c) The Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Owners of not less than a majority in aggregate principal amount (or such lesser principal amount as is provided hereby) of the Series 2021 Bonds at the time Outstanding relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee under this Indenture.

(d) The Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Indenture at the request, order or direction of any of the Owners of the Series 2021 Bonds pursuant to the provisions of this Indenture unless such Owners shall have offered to the Trustee security or indemnity acceptable to it against the costs, expenses and liabilities which may be incurred therein or thereby.

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

(f) The Authority shall pay, or shall cause the Agency or the City to pay (as provided in the Series 2021 Loan Agreement or the Series 2021 Installment Sale Agreement, respectively):

(i) to pay the Trustee from time to time compensation for all services rendered by the Trustee hereunder in accordance with the provisions of this Indenture and any other agreement between the Authority, the Agency or the City and the Trustee;

(ii) except as otherwise expressly provided herein, to reimburse the Trustee upon its request for all reasonable expenses, disbursements and advances incurred or made by the Trustee in accordance with any provision of this Indenture (including the reasonable compensation and the expenses and disbursements of its agents and counsel), except any such expense, disbursement or advance as may be attributable to the Trustee's negligence or bad faith; and

(iii) to indemnify the Trustee for, and to hold it harmless against, any loss, liability or expense incurred without negligence, willful misconduct or bad faith on the Trustee's part, arising out of or in connection with the acceptance or administration of this trust or the performance of its duties hereunder, including the reasonable costs and expenses of defending itself against or investigating any claim or liability in connection with the exercise or performance of any of its powers or duties hereunder, under the Series 2021 Loan Agreement, the Series 2021 Installment Sale Agreement or any other document related hereto.

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

(h) Whether or not therein expressly so provided, every provision of this Indenture, the Series 2021 Loan Agreement, the Series 2021 Installment Sale Agreement or other documents relating to the issuance of the Series 2021 Bonds, relating to the conduct, or affecting the liability of or affording protection to the Trustee shall be subject to the provisions of this Article IX.

(i) Subject to the other provisions of this Section 9.3 and the provisions of Sections 9.1 and 9.4, the Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture, coupon or other paper or document, but the Trustee, in its discretion and at its expense, may make such further investigation or inquiry into such facts or matters as it may deem fit, and, if the Trustee shall determine to make such further inquiry or investigation, the Authority shall assure that the Trustee shall be entitled to examine the books, records and premises of the Authority, the Agency and the City personally or by agent or attorney.

(j) The Trustee shall have no responsibility with respect to any information, statement, or recital in any official statement, offering memorandum, or any other disclosure material prepared or distributed with respect to the Series 2021 Bonds.

(k) The Trustee shall not be required to take notice or be deemed to have notice of any Event of Default hereunder, except an Event of Default described in Section 8.1(a) and 8.1(b), under the Series 2021 Loan Agreement, the Series 2021 Installment Sale Agreement or any other document related to the Series 2021 Bonds unless an officer in the corporate trust department of the Trustee has actual notice thereof or the Trustee shall be specifically notified in writing of such Event of Default by the Authority, the Agency, the City or the Owners of at least a majority in aggregate principal amount of Series 2021 Bonds then Outstanding. All notices or other instruments required by this Indenture to be delivered to the Trustee, must, in order to be effective, be delivered at the address of the Trustee provided for in Section 11.9, and, in the absence of such notice so delivered, the Trustee may conclusively assume that there is no Event of Default except as aforesaid.

Section 9.4 Right of Trustee to Rely on Documents.

(a) The Trustee shall be protected in acting upon any notice, resolution, request, consent, order, certificate, report, opinion, bond, or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties. Before the Trustee acts or refrains from acting, it may consult with counsel, who may be counsel of or to the Authority, the Agency or the City, with regard to legal questions, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance therewith.

(b) With the exception of persons in whose names Series 2021 Bonds are registered on the books maintained by the Trustee for such purpose, the Trustee shall not be bound to recognize any person as the Owner of a Series 2021 Bond unless and until such Series 2021 Bond is submitted for inspection, if required, and his title thereto is satisfactorily established, if disputed.

(c) Whenever in the administration of the trusts imposed upon it by this Indenture the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may be deemed to be conclusively proved and established by a Certificate of the Authority, and such Certificate shall be full warrant to the Trustee for any action taken or suffered in good faith under the provisions of this Indenture in reliance upon such Certificate, but in its discretion the Trustee may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as to it may deem reasonable.

Section 9.5 Preservation and Inspection of Documents. All documents received by the Trustee under the provisions of this Indenture shall be retained in its possession and shall be subject at all reasonable times to the inspection of the Authority, the Agency, the City and any Owner of a Series 2021 Bond, and their respective agents and representatives duly authorized in writing (if such person provides to the Trustee not less than 30 days' prior written notice and such notice specifies a date upon which such inspection shall occur), during normal business hours and under reasonable conditions.

Section 9.6 Performance of Duties. The Trustee may execute any of the trusts or powers hereof and perform the duties required of it hereunder either directly or by or through attorneys or agents and shall be entitled to advice of counsel concerning all matters of trust and its duties hereunder and shall be absolutely protected in relying thereon. The Trustee shall not be responsible for the misconduct of such persons selected by it with reasonable care.

ARTICLE X
AMENDMENT OF THIS INDENTURE OR AGREEMENTS

Section 10.1 Amendments Permitted.

(a) This Indenture and the rights and obligations of the Authority, of the Trustee and of the Owners of the Series 2021 Bonds may be modified or amended from time to time and at any time by a Supplemental Indenture, which the Authority and the Trustee may enter into only when the written consent of the Owners of a majority in aggregate principal amount of the Series 2021 Bonds then Outstanding shall have been filed with the Trustee (the procedure for which is described below), and only with the prior written consent of the Agency and the City. No such modification or amendment shall: (i) extend the fixed maturity of any Series 2021 Bond, or reduce the amount of principal thereof, or extend the time of payment or reduce the amount of any Mandatory Sinking Account Payment, or reduce the rate of interest thereon, or change the method of determining the rate of interest thereon, or extend the time of payment of interest thereon, or reduce any premium payable upon the redemption thereof, without the prior written consent of the Owner of each Series 2021 Bond so affected; or (ii) reduce the aforesaid percentage of Outstanding Series 2021 Bonds the consent of the Owners of which is required to effect any such modification or amendment, or permit the creation of any lien on the Revenues and other assets pledged under this Indenture prior to or on a parity with the lien created by this Indenture or deprive the Owners of the Series 2021 Bonds of the lien created by this Indenture on such Revenues and other assets (except as expressly provided in this Indenture), without the consent of the Owners of all Series 2021 Bonds then Outstanding. It shall not be necessary for the consent of the Owners of Series 2021 to approve the particular form of any Supplemental Indenture, but it shall be sufficient if such consent shall approve the substance thereof. Promptly after the execution by the Authority and the Trustee of any Supplemental Indenture pursuant to this paragraph (a), the Trustee shall mail a notice, setting forth in general terms the substance of such Supplemental Indenture to the Owners of the Series 2021 Bonds then Outstanding at the addresses shown on the registration books maintained by the Trustee. 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.

(b) If at any time the Authority shall request the Trustee to enter into a Supplemental Indenture for any of the purposes of this Section 10.1, the Trustee shall mail by first-class mail notice of the proposed execution of such Supplemental Indenture to the Owners of the Series 2021 Bonds at their addresses as the same shall last appear upon the registration records. Such notice shall briefly set forth the nature of the proposed Supplemental Indenture and shall state that copies thereof are on file at the designated office of the Trustee for inspection by all Owners. If, within 60 days following the mailing of such notice, the Owners of the requisite principal amount of the Series 2021 Bonds Outstanding at the time of the execution of any such Supplemental Indenture shall have consented to and approved the execution thereof as herein provided, no Owner of any Series 2021 Bond shall have any right to object to any of the terms and provisions contained therein, or the operation thereof, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the Trustee or the Authority from executing the same or from taking any action pursuant to the provisions thereof.

(c) Notwithstanding anything to the contrary herein, this Indenture and the rights and obligations of the Authority, of the Trustee and of the Owners of the Series 2021 Bonds may be modified or amended from time to time and at any time by a Supplemental Indenture, which the Authority and the Trustee may enter into without the consent of any Series 2021 Bondholders, only to the extent permitted by law and only for any one or more of the following purposes:

(i) to add to the covenants and agreements of the Authority in this Indenture contained other covenants and agreements thereafter to be observed, to pledge or assign additional security for the Series 2021 Bonds (or any portion thereof);

(ii) to make such provisions for the purpose of curing any ambiguity, inconsistency or omission, or of curing or correcting any defective provision, contained in this Indenture;

(iii) to modify, amend or supplement this Indenture in such manner as to permit the qualification of this Indenture under the Trust Indenture Act of 1939, as amended, or any similar federal statute hereafter in effect, and to add such other terms, conditions and provisions as may be permitted by said act or similar federal statute, and which shall not materially adversely affect the interests of the Owners of the Series 2021 Bonds;

(iv) to make such additions, deletions or modifications as may be necessary or desirable to assure the exclusion from gross income for federal income tax purposes of interest on the Series 2021 Bonds; or

(v) to provide for the issuance of Additional Bonds.

(d) The Trustee may in its discretion, but shall not be obligated to, enter into any such Supplemental Indenture authorized by paragraph (a) or (b) of this Section 10.1 which materially adversely affects the Trustee's own rights, duties or immunities under this Indenture or otherwise. In executing, or accepting the additional trusts created by, any Supplemental Indenture permitted by this Article X or the modifications 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 by and in compliance with this Indenture.

Section 10.2 Effect of Supplemental Indenture. Upon the execution of any Supplemental Indenture pursuant to this Article X, this Indenture shall be deemed to be modified and amended in accordance therewith, and the respective rights, duties and obligations under this Indenture of the Authority, the Trustee and all Owners of Series 2021 Bonds Outstanding shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modification and amendment, and all the terms and conditions of any such Supplemental Indenture shall be deemed to be part of the terms and conditions of this Indenture for any and all purposes.

Section 10.3 Endorsement of Series 2021 Bonds. Series 2021 Bonds delivered after the execution of any Supplemental Indenture pursuant to this Article X 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 any Series 2021 Bond Outstanding at the time of such execution and presentation of such Owner's Series 2021 Bond for the purpose at the Principal Corporate Trust Office of the Trustee or at such additional offices as the Trustee may select and designate for that purpose, a suitable notation shall be made on such Series 2021 Bond. If the Supplemental Indenture shall so provide, new Series 2021 Bonds so modified as to conform, in the opinion of the Authority, to any modification or amendment contained in such Supplemental Indenture, shall be prepared by the Trustee at the expense of the Authority, executed by the Authority and authenticated by the Trustee, and upon demand of the Owners of any Series 2021 Bonds then Outstanding shall be exchanged at the Principal Corporate Trust Office of the Trustee, without cost to any Owner of Series 2021 Bonds, for Series 2021 Bonds then Outstanding, upon surrender for cancellation of such Series 2021 Bonds, in equal aggregate principal amounts of the same maturity.

Section 10.4 Amendment of Particular Series 2021 Bonds. The provisions of this Article X shall not prevent any Owner of Series 2021 Bonds from accepting any amendment as to the particular Series 2021 Bonds held by such Owner; provided that due notation thereof is made on such Series 2021 Bonds.

Section 10.5 Amendments of Series 2021 Loan Agreement and Series 2021 Installment Sale Agreement Not Requiring Consent of Registered Owners. The Authority and the Trustee may, without the consent of or notice to the registered Owners of the Series 2021 Bonds, consent to any amendment, change or modification of the Series 2021 Loan Agreement or the Series 2021 Installment Sale Agreement as may be required (a) by the provisions of the Series 2021 Loan Agreement or the Series 2021 Installment Sale Agreement or this Indenture, (b) for the purpose of curing any ambiguity or formal defect or omission therein, or (c) in connection with any other change therein which does not materially adversely affect the interests of the Trustee or the interests of the registered Owners of the Series 2021 Bonds.

Section 10.6 Amendments of Series 2021 Loan Agreement and Series 2021 Installment Sale Agreement Requiring Consent of Registered Owners. Except for the amendments, changes or modifications referred to in Section 10.5, neither the Authority nor the Trustee shall consent to any other amendment, change or modification of the Series 2021 Loan Agreement or the Series 2021 Installment Sale Agreement without the giving of notice to and receiving the prior written approval or consent of the Owners of not less than a majority in aggregate principal amount of the Series 2021 Bonds at the time Outstanding, subject to the same limitations set forth in Section 10.1. Such notice and consent shall be given and procured as provided in Section 10.1. If at any time the Authority shall request the consent of the Trustee to any such proposed amendment, change or modification of the Series 2021 Loan Agreement or the Series 2021 Installment Sale Agreement, the Trustee shall, upon being reasonably indemnified by the City or the Agency with respect to expenses, cause notice of such proposed amendment, change or modification to be given in the same manner as provided in Section 10.1. Such notice shall briefly set forth the nature of such proposed amendment, change or modification and shall state that copies of the instrument embodying the same are on file at the designated corporate trust office of the Trustee for inspection by all registered Owners of Series 2021 Bonds. If, within 60 days following the mailing of such notice, the registered Owners of the Series 2021 Bonds needed to meet the requisite aggregate principal amount of the Series 2021 Bonds Outstanding at the time of the execution of any such amendment, change or modification shall have consented to and approved the execution of the agreement effecting such amendment, change or modification thereof as herein provided, then no registered Owner of any Series 2021 Bond shall have any right to object to any of the terms and provisions contained therein, or the operation thereof, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the Trustee or the Authority from executing the same or from taking any action pursuant to the provisions thereof.

Section 10.7 Execution of Amended Series 2021 Loan Agreement or Amended Series 2021 Installment Sale Agreement. The Trustee shall, prior to its consent to any supplemental amendment or change to the Series 2021 Loan Agreement or the Series 2021 Installment Sale Agreement, require delivery of an opinion of Bond Counsel to the effect that such supplemental amendment or change to the Series 2021 Loan Agreement or Series 2021 Installment Sale Agreement: (a) has been validly authorized and duly executed by the Authority, the Agency and the City, as appropriate, and is enforceable against the Authority, the Agency and the City, as appropriate, in accordance with its terms; (b) will not adversely affect the qualification of the Series 2021 Bonds as obligations which may be issued pursuant to the Act; (c) will not adversely affect the exclusion from gross income of interest on the Series 2021 Bonds for federal income tax purposes; and (d) is permitted pursuant to the terms of this Indenture. Should the Trustee be asked to determine whether any such amendment or change materially adversely affects the interests of the registered Owners of the Series 2021 Bonds, the Trustee shall be entitled to receive and may conclusively rely upon an Opinion of Counsel in making any such determination. After execution thereof, any supplemental amendment, modification or change to the Series 2021 Loan Agreement or the Series 2021 Installment Payment Agreement executed in accordance with the provisions of this Article X shall thereafter form a part of the Series 2021 Loan Agreement or Series 2021 Installment Sale Agreement and all the terms and conditions contained in any such amendment, modification or change to the Series 2021 Loan Agreement or Series 2021 Installment Sale Agreement as to any provision authorized to be contained

therein shall be deemed to be part of the Series 2021 Loan Agreement or Series 2021 Installment Sale Agreement for any and all purposes.

ARTICLE XI MISCELLANEOUS

Section 11.1 Evidence of Rights of Owners of Series 2021 Bonds. Any request, consent or other instrument required or permitted by this Indenture to be signed and executed by Owners of the Series 2021 Bonds may be in any number of concurrent instruments of substantially similar tenor and shall be signed or executed by such Owners in person or by an agent or agents duly appointed in writing. Proof of the execution of any such request, consent or other instrument or of a writing appointing any such agent, or of the holding by any person of Series 2021 Bonds transferable by delivery, shall be sufficient for any purpose of this Indenture and shall be conclusive in favor of the Trustee and of the Authority if made in the manner provided in this Section 11.1:

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

(b) The ownership of Series 2021 Bonds shall be proved by the bond registration books held by the Trustee.

(c) Any request, consent, or other instrument or writing of the Owner of any Series 2021 Bond shall bind every future Owner of the same Series 2021 Bond and the Owner of every Series 2021 Bond issued in exchange therefor or in lieu thereof, in respect of anything done or suffered to be done by the Trustee or the Authority in accordance therewith or reliance thereon.

Section 11.2 Immunity of Officers, Employees and Members of Authority. No director, member, officer, agent or employee of the Authority shall be individually or personally liable for the payment of any principal (or redemption price) or interest on the Series 2021 Bonds or any other sum hereunder or be subject to any personal liability or accountability by reason of the execution and delivery of this Indenture, but nothing herein contained shall relieve any such member, director, officer, agent or employee from the performance of any official duty provided by law or by this Indenture.

Section 11.3 Limitation on Authority Obligations.

(a) None of the Authority, any Authority member, or any person executing the Series 2021 Bonds is liable personally on the Series 2021 Bonds or subject to any personal liability or accountability by reason of their issuance. The Series 2021 Bonds are limited obligations of the Authority, payable solely from and secured by the pledge of Revenues hereunder. Neither the Authority, its members, the State, nor any of the State's political subdivisions shall be directly, indirectly, contingently or morally obligated to use any other moneys or assets to pay all or any portion of the debt service due on the Series 2021 Bonds, to levy or to pledge any form of taxation whatever therefor or to make any appropriation for their payment. The Series 2021 Bonds are not a pledge of the faith and credit of the Authority, its members, the State, nor any of the State's political subdivisions and do not constitute indebtedness within the meaning of any constitutional or statutory debt limitation. The Authority has no taxing power.

(b) The Authority shall not be liable for payment of the principal of, Redemption Price, if any, or interest on the Series 2021 Bonds or any other costs, expenses, losses, damages, claims or actions of any

conceivable kind on any conceivable theory, under or by reason of or in connection with this Indenture, the Series 2021 Bonds or any other documents, except only to the extent amounts are received for the payment thereof from the Agency under the Series 2021 Loan Agreement and from the City under the Series 2021 Installment Sale Agreement.

Section 11.4 Successor Deemed Included in References to Predecessor. Whenever in this Indenture either the Authority or the Trustee is named or referred to, such reference shall be deemed to include the successors or assigns thereof, and all the covenants and agreements in this Indenture contained by or on behalf of the Authority or the Trustee shall bind and inure to the benefit of the respective successors and assigns thereof whether so expressed or not.

Section 11.5 Limitation of Rights to Parties, Agency, City and Owners of Series 2021 Bonds. Nothing in this Indenture or in the Series 2021 Bonds expressed or implied is intended or shall be construed to give to any Person other than the Authority, the Trustee, the Agency, the City and the Owners of the Series 2021 Bonds, any legal or equitable right, remedy or claim under or in respect of this Indenture or any covenant, condition or provision therein or herein contained; and all such covenants, conditions and provisions are and shall be held to be for the sole and exclusive benefit of the Authority, the Trustee, the Agency, the City and the Owners of the Series 2021 Bonds. Without limitation on the foregoing, nothing in this Indenture or in the Series 2021 Bonds or otherwise, pertaining in any way, directly or indirectly, to each and every deposit, investment, withdrawal, disbursement, remittance, delivery or payment of any moneys or investments, to, in or from any fund, account or subaccount established and maintained under this Indenture as herein authorized, directed or permitted under the provisions hereof, shall create or give rise to any such right, remedy or claim of any kind as aforesaid for or on behalf of or for the benefit of any Person other than the Authority, the Trustee, the Agency, the City and the Owners of the Series 2021 Bonds, whether a direct or indirect payee or recipient of payments or remittances hereunder or pursuant to the terms hereof or of any other agreement, document or instrument of any kind, and no such Person shall be, or deemed to be, equitably or otherwise, and express or implied, any third-party or other beneficiary of any provision of this Indenture or other agreement, document or instrument or any act or failure to act hereunder or thereunder.

Section 11.6 Waiver of Notice. Whenever in this Indenture the giving of notice by mail or otherwise is required, the giving of such notice may be waived in writing by the person entitled to receive such notice and in any such case the giving or receipt of such notice shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

Section 11.7 Destruction of Series 2021 Bonds. Whenever in this Indenture provision is made for the cancellation by the Trustee and the delivery to the Authority of any Series 2021 Bonds, the Trustee shall, in lieu of such cancellation and delivery, destroy such Series 2021 Bonds (in the presence of an officer of the Authority, if the Authority shall so require), and deliver a certificate of such destruction to the Authority.

Section 11.8 Severability of Invalid Provisions. If any one or more of the provisions contained in this Indenture or in the Series 2021 Bonds shall for any reason be held to be invalid, illegal or unenforceable in any respect, then such provision or provisions shall be deemed severable from the remaining provisions contained in this Indenture and such invalidity, illegality or unenforceability shall not affect any other provision of this Indenture, and this Indenture shall be construed as if such invalid or illegal or unenforceable provision had never been contained herein. The Authority hereby declares that it would have entered into this Indenture and each and every other section, subsection, paragraph, subparagraph, sentence, clause or phrase hereof and authorized the issuance of the Series 2021 Bonds pursuant thereto irrespective of the fact that any one or more sections, subsections, paragraphs, subparagraphs, sentences, clauses or phrases of this Indenture may be held illegal, invalid or unenforceable.

Section 11.9 Notices. All notices to Owners of the Series 2021 Bonds shall be given by Electronic Means unless otherwise provided herein and, if by a telecommunications device not capable of producing a written notice, confirmed in writing as soon as practicable. Any notice to or demand upon the Trustee may be served or presented, and such demand may be made, at the Principal Corporate Trust Office of the Trustee or at such other address as may have been filed in writing by the Trustee with the Authority. Any notice to or demand upon the Authority, the Agency or the City shall be deemed to have been sufficiently given or served for all purposes by being delivered or sent by Electronic Means or by being deposited, postage prepaid, in a U.S. Postal Service letter box, addressed, as the case may be, to the Authority at Avenal Public Financing Authority, 919 Skyline Boulevard, Avenal, California 93204, Attention: City Manager (or such other addresses as may have been filed in writing by the Authority with the Trustee). Notwithstanding the foregoing provisions of this Section 11.9, the Trustee shall not be deemed to have received, and shall not be liable for failing to act upon the contents of any notice, unless and until the Trustee actually receives such notice.

Section 11.10 Disqualified Series 2021 Bonds. In determining whether the Owners of the requisite aggregate principal amount of Series 2021 Bonds have concurred in any demand, request, direction, consent or waiver under this Indenture, Series 2021 Bonds which are owned or held by or for the account of the Authority, the Agency, the City or any other obligor on or with respect to the Series 2021 Bonds, or by any person directly or indirectly controlling or controlled by, or under direct or indirect common control with, the Authority, the Agency, the City or any other obligor on or with respect to the Series 2021 Bonds, shall be disregarded and deemed not to be Outstanding for the purpose of any such determination, but only to the extent the Trustee has actual knowledge of such ownership. Series 2021 Bonds so owned which have been pledged in good faith may be regarded as Outstanding for the purposes of this Section 11.10 if the pledgee shall establish to the satisfaction of the Trustee the pledgee's right to vote such Series 2021 Bonds and that the pledgee is not a person directly or indirectly controlling or controlled by, or under direct or indirect common control with, the Authority, the Agency, the City or any other obligor on or with respect to the Series 2021 Bonds. In case of a dispute as to such right, any decision by the Trustee taken upon the advice of counsel shall be full protection to the Trustee.

Section 11.11 Money Held for Particular Series 2021 Bonds. The money held by the Trustee for the payment of the interest, principal, or Redemption Price due on any date with respect to particular Series 2021 Bonds (or portions of Series 2021 Bonds in the case of Series 2021 Bonds redeemed in part only) shall, on and after such date and pending such payment, be set aside on its books and held in trust by it for the Owners of the Series 2021 Bonds entitled thereto, subject, however, to the provisions of Section 7.5.

Section 11.12 Funds and Accounts. The Trustee may establish such funds and accounts as it deems necessary or appropriate to fulfill its obligations under this Indenture. Any fund required by this Indenture to be established and maintained by the Trustee may be established and maintained in the accounting records of the Trustee either as a fund or an account, and may, for the purposes of such records, any audits thereof and any reports or statements with respect thereto, be treated either as a fund or as an account; but all such records with respect to all such funds shall at all times be maintained in accordance with customary standards of the industry, to the extent practicable, and with due regard for the requirements of Section 6.5 and for the protection of the security of the Series 2021 Bonds and the rights of every Owner thereof. Notwithstanding any other provision of this Indenture, the Trustee shall only be required to open any funds or accounts when it receives, or is notified that it will receive, funds or moneys to be deposited and maintained in such funds or accounts.

Section 11.13 Business Days. If any date specified herein shall not be a Business Day, any action required on such date may be made on the next succeeding Business Day with the same effect as if made on such date.

Section 11.14 Governing Law; Venue. This Indenture and the Series 2021 Bonds are contracts made under the laws of the State, and shall be construed in accordance with and governed by the constitution and the laws of the State applicable to contracts made and performed in said State. This Indenture and the Series 2021 Bonds shall be enforceable in the State of California, and, to the extent permitted by law, any action arising hereunder shall (unless waived by the Authority in writing) be filed and maintained in the County of Kings, California.

Section 11.15 Execution in Counterparts. This Indenture may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original; and all such counterparts, or as many of them as the Authority and the Trustee shall preserve undestroyed, shall together constitute but one and the same instrument.

Section 11.16 Effective Date. This Indenture is dated for the convenience of the parties as of November 1, 2021, but its effective date shall be the date on which the Series 2021 Bonds are issued, delivered and purchased.

Section 11.17 Incorporation of Terms of Series 2021 Loan Agreement and Series 2021 Installment Sale Agreement. The parties hereto acknowledge and agree that to the extent applicable, the terms and provisions of the Series 2021 Loan Agreement and the Series 2021 Installment Sale Agreement are incorporated herein as if they were contained in this Indenture.

Section 11.18 Patriot Act Notice. The Trustee hereby notifies the Authority that, pursuant to the requirements of the Patriot Act, it is required to obtain, verify and record information that identifies the Authority, which information includes the name and address of the Authority and other information that will allow the Trustee to identify the Authority in accordance with the Patriot Act. The Authority hereby agrees that it shall promptly provide such information upon request by the Trustee.

[Remainder of page left blank intentionally.]

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

AVENAL PUBLIC FINANCING AUTHORITY

By: _____
Executive Director

U.S. BANK NATIONAL ASSOCIATION

By: _____
Authorized Officer

EXHIBIT A-1

FORM OF SERIES 2021 BOND

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY TO THE AUTHORITY OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL SINCE THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

**AVENAL PUBLIC FINANCING AUTHORITY
REFUNDING REVENUE BOND, SERIES 2021**

NEITHER THE FULL FAITH AND CREDIT OF THE AVENAL PUBLIC FINANCING AUTHORITY NOR THE CITY OF AVENAL NOR THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF AVENAL IS PLEDGED FOR THE PAYMENT OF THE INTEREST ON, PREMIUM, IF ANY, OR PRINCIPAL OF THE BONDS, AND NO TAX OR OTHER SOURCE OF FUNDS OTHER THAN THE REVENUES HEREINAFTER REFERRED TO ARE PLEDGED TO PAY THE INTEREST ON, PREMIUM, IF ANY, OR PRINCIPAL OF THE BONDS. NEITHER THE PAYMENT OF THE PRINCIPAL OF NOR INTEREST OR PREMIUM ON THE BONDS CONSTITUTES A DEBT, LIABILITY OR OBLIGATION OF THE CITY OF AVENAL OR THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF AVENAL.

NO. R – ___ \$ _____

<u>MATURITY DATE</u>	<u>DATED DATE</u>	<u>INTEREST RATE</u>	<u>CUSIP</u>
September 1, 20__	November __, 2021	%	

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: _____ DOLLARS

The AVENAL PUBLIC FINANCING AUTHORITY, a joint exercise of powers authority (the "Authority") organized and existing under the laws of the State of California (the "State"), for value received, hereby promises to pay (but only out of the Revenues and other amounts pledged therefor as hereinafter provided) to the registered owner (the "Owner") identified above, or registered assigns, on the Maturity Date specified above (subject to any right of prior redemption hereinafter mentioned), the principal amount of this Series 2021 Bond stated above in lawful money of the United States of America and to pay interest thereon (but only from said Revenues and other assets pledged therefor) in like lawful money from the Dated Date of this Series 2021 Bond stated above (provided that, if interest on this Series 2021 Bond is in default, this Series 2021 Bond shall bear interest from the last date to which interest has been paid in full or duly provided for or, if no interest has been paid or duly provided for, from its Dated Date) until payment of such principal sum shall be discharged as provided in the Indenture (defined below), at the rate per annum stated above, payable March 1 and September 1 of each year, commencing March 1, 2022 (each, an "Interest Payment Date"). Interest on this Series 2021 Bond shall be calculated on a 360-day year basis of twelve 30-day months and shall accrue from and after the Interest Payment Date immediately preceding its date of authentication, or if such date of authentication is an Interest Payment Date, then from and after

such Interest Payment Date, or if such date of authentication shall be prior to the first Interest Payment Date, from the Closing Date; provided, however, that if, as shown by the bond registration books of the Trustee, interest on the Series 2021 Bonds is in default, interest on Series 2021 Bonds issued in exchange for Series 2021 Bonds surrendered for registration of transfer or exchange shall accrue from the Interest Payment Date to which interest on the Series 2021 Bonds has been paid in full or, if no interest has been paid on the Series 2021 Bonds, from the Dated Date.

All capitalized terms used and not otherwise defined herein shall have the meanings for such terms as set forth in the Indenture.

The principal (or Redemption Price) hereof is payable upon surrender of this Series 2021 Bond at the Principal Corporate Trust Office of U.S. Bank National Association, as trustee (together with any successor trustee, the "Trustee") to the Person appearing as the Owner hereof on the bond registration books of the Trustee. Interest hereon is payable to the Person appearing as the Owner hereof on the bond registration books of the Trustee on the Record Date (the fifteenth day of the calendar month, whether or not such day is a Business Day, preceding the next Interest Payment Date), by check mailed on each Interest Payment Date to such Owner at the address of such Owner appearing on the bond registration books maintained by the Trustee or to such other address as may have been furnished to the Trustee in writing by such Owner not later than the Record Date except that, if and to the extent that there shall be a default in the payment of interest due on such Interest Payment Date, such defaulted interest shall be paid to the Owners in whose name any such Series 2021 Bonds are registered on a special record date designated by the Trustee for such purpose pursuant to the provisions of the Indenture. Any Owner of at least \$1,000,000 in principal amount of Series 2021 Bonds shall be entitled to receive payments of interest on the Series 2021 Bonds by wire transfer of immediately available funds to an account within the United States designated by such Owner in writing to the Trustee not later than the Record Date for such payment. If any Interest Payment Date is not a Business Day, such interest shall be paid on the next succeeding Business Day.

This Bond is one of a duly authorized issue of bonds of the Authority designated as "Avenal Public Financing Authority Refunding Revenue Bonds, Series 2021" (the "Series 2021 Bonds"), limited in aggregate principal amount to \$_____ and issued pursuant to the provisions of the Joint Exercise of Powers Act (consisting of Chapter 5 (commencing with Section 6500) of Division 7 of Title 1 of the Government Code of the State of California, as amended (the "Act"), and Article 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code of the State of California, as amended (the "Refunding Law"), and an Indenture of Trust, dated as of November 1, 2021, between the Authority and the Trustee (as it may be supplemented, modified or amended by a Supplemental Indenture, the "Indenture"). The proceeds of the Series 2021 Bonds are being used for the purposes of (a) refunding the Avenal Public Financing Authority 2005 Refunding Revenue Bonds; (b) refunding the Amended and Restated Loan Agreement, dated as of September 1, 2005 (the "Series 2005 Loan Agreement"), by and between the Authority and the Redevelopment Agency of the City of Avenal (since succeeded by the Successor Agency to the Redevelopment Agency of the City of Avenal, the "Agency"); and (c) refunding and refinancing the Amended and Restated Installment Sale Agreement, dated as of September 1, 2005 (the "Series 2005 Installment Sale Agreement"), by and between the Authority and the City of Avenal (the "City").

As provided in the Indenture, additional bonds of the Authority may be issued thereunder from time to time pursuant to the provisions of Supplemental Indentures in one or more series, in various principal amounts, may mature at different times, may bear interest at different rates and may otherwise vary as provided in the Indenture. The aggregate principal amount of bonds which may be issued under the Indenture is not limited except as provided in the Indenture, and all bonds issued or to be issued under the Indenture are and will be equally secured by the pledge and assignment and covenants made therein, except as otherwise expressly provided or permitted in the Indenture.

Copies of the Indenture are on file at the City Hall of the City and at the Principal Corporate Trust Office of the Trustee, and reference is hereby made to the Indenture and to all amendments and supplements thereto for a description of the provisions, among others, with respect to the nature and extent of the security, the rights, duties and obligations of the Authority, the Trustee and the Owners of the Series 2021 Bonds and the terms upon which the Series 2021 Bonds are secured under the Indenture, the rights and remedies of the Owners of the Series 2021 Bonds, the limitations on such rights and remedies and the terms and conditions upon which the Series 2021 Bonds are issued and any Additional Bonds may be issued thereunder. The Indenture provides that Additional Bonds secured by a pledge of the Revenues on a parity with the pledge of the Revenues for the Series 2021 Bonds may be issued or incurred by the Authority on the terms set forth therein. By acceptance of this Series 2021 Bond, the Owner accepts and agrees to the terms of the Indenture.

This Series 2021 Bond is a limited obligation of the Authority, and the principal of, Redemption Price, if any, and interest on this Series 2021 Bond are payable solely from the Revenues and the other funds pledged therefor under the Indenture and shall not constitute a charge against the general credit of the Authority. This Series 2021 Bond is not secured by a legal or equitable pledge of, or lien or charge upon, any property of the Authority or any of its income or receipts except the Revenues pledged pursuant to the provisions of the Indenture which is subject to the provisions of the Indenture permitting the application of the Revenues for the purposes and on the terms and conditions set forth therein. Neither the faith and credit nor the taxing power of the State, the City, the Agency or any other public agency is pledged to the payment of the principal or Redemption Price of or the interest on this Series 2021 Bond. The issuance of this Series 2021 Bond shall not directly, indirectly or contingently obligate the City Council of the City to levy or pledge any form of taxation or to make any appropriation for the payment of this Series 2021 Bond, except as expressly provided in the Second Amended and Restated Installment Sale Agreement, dated as of November 1, 2021 (the "Series 2021 Installment Sale Agreement"), by and between the Authority and the City. The payment of the principal or Redemption Price of or interest on this Series 2021 Bond does not constitute a debt, liability or obligation of the State or any public agency (other than the limited obligation of the Authority as provided in the Indenture). Neither the members of the City Council of the City, nor any Person executing this Series 2021 Bond, nor any officer or employee of the Authority or the Agency shall be individually liable for the payment of the principal or Redemption Price of or interest on this Series 2021 Bond or be subject to any personal liability or accountability by reason of the issuance of this Series 2021 Bond or in respect of any undertakings by the Authority under the Indenture or otherwise.

The Revenues are derived principally from: (a) Installment Payments made by the City pursuant to the Series 2021 Installment Sale Agreement, which amends and restates in full the Series 2005 Installment Sale Agreement; and (b) Loan Payments made by the Agency pursuant to the Second Amended and Restated Loan Agreement, dated as of November 1, 2021, by and between the Authority and the Agency (the "Series 2021 Loan Agreement"), which amends and restates in full the Series 2005 Loan Agreement. Under the Series 2021 Installment Sale Agreement, the City's obligation to make Installment Payments is required to be funded and satisfied solely through (a) the City's collection and use of net operating revenues from its waterworks system enterprise and (b) appropriations by the City of other funds legally available therefor. Under the Series 2021 Loan Agreement, the Agency's obligation to make Loan Payments is required to be funded and satisfied solely through available tax revenues allocated to the Agency.

Optional Redemption. The Series 2021 Bonds maturing after September 1, 20[YEAR], are subject to redemption prior to their stated Maturity Dates, at the option of the Authority, in whole or in part, in such amounts as may be specified by the Authority and in any order of maturity directed by the Authority and by lot within a maturity, on any date commencing September 1, 20[YEAR], at a Redemption Price equal

to the sum of the principal amount thereof plus accrued interest thereon to the Redemption Date, without a redemption premium.

Mandatory Redemption. Term Series 2021 Bonds maturing September 1, 20[YEAR], are subject to mandatory redemption by lot on September 1 each year from mandatory sinking fund payments at a Redemption Price equal to the sum of the principal amount thereof plus accrued interest thereon to the Redemption Date, without a redemption premium. The Term Series 2021 Bonds are subject to mandatory redemption from the following sinking fund payments:

Redemption Date (September 1)	Principal Amount
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Term Series 2021 Bonds maturing September 1, 20[YEAR], are subject to mandatory redemption by lot on September 1 each year from mandatory sinking fund payments at a Redemption Price equal to the sum of the principal amount thereof plus accrued interest thereon to the Redemption Date, without a redemption premium. The Term Series 2021 Bonds are subject to mandatory redemption from the following sinking fund payments:

Redemption Date (September 1)	Principal Amount
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Extraordinary Redemption. The Series 2021 Bonds are subject to redemption by the Authority on any date prior to their respective stated Maturity Dates, upon notice as hereinafter provided, in whole or in part, pro rata among maturities and by lot within a maturity, in integral multiples of Authorized Denominations then applicable, from the proceeds of the acceleration of Installment Payments under the Series 2021 Installment Sale Agreement and the acceleration of the Series 2021 Loan pursuant to the Series 2021 Loan Agreement, at a Redemption Price equal to the sum of the principal amount thereof plus accrued interest thereon to the Redemption Date, without a redemption premium. Whenever less than all of the Outstanding Series 2021 Bonds are to be redeemed on any one date, the Trustee shall select, from all Series 2021 Bonds subject to redemption and not previously called for redemption, by lot in any manner which the Trustee in its sole discretion shall deem appropriate and fair (but subject to the provisions of the Indenture), the Series 2021 Bonds to be redeemed in part from the Outstanding Series 2021 Bonds so that the aggregate annual principal amount of and interest on Series 2021 Bonds which shall be payable after such Redemption Date shall be as nearly proportional as practicable to the aggregate annual principal amount of and interest due on Series 2021 Bonds Outstanding prior to such Redemption Date.

Terms of Redemption. If less than all of the Series 2021 Bonds are to be redeemed, the particular Series 2021 Bonds to be redeemed shall be selected as provided in the Indenture. The Series 2021 Bonds are payable upon redemption, upon surrender thereof at the Principal Corporate Trust Office of the Trustee. The Trustee shall give notice, in the name of the Authority, of the redemption of Series 2021 Bonds, by mail not more than 60 days nor less than 30 days before the Redemption Date to the Owners of any Series 2021 Bonds to be redeemed (in whole or in part) at their addresses appearing on the registration books of the Trustee. Such notice shall specify the maturity of the Series 2021 Bonds to be redeemed, the Redemption Date and the place or places where amounts due upon such redemption shall be payable and, if less than all of the Series 2021 Bonds are to be redeemed, the letters and numbers or other distinguishing marks of such Series 2021 Bonds so to be redeemed, and, in the case of Series 2021 Bonds to be redeemed

in part only, such notice shall specify the respective portions of the principal amount thereof to be redeemed. Such notice shall further state that on such Redemption Date there shall become due and payable upon each Series 2021 Bond to be redeemed the Redemption Price thereof (or the Redemption Price of the specified portions of the principal amount thereof to be redeemed in the case of Series 2021 Bonds to be redeemed in part only) and that from and after such date interest on such Series 2021 Bond shall cease to accrue and be payable.

Receipt of such notice of redemption shall not be a condition precedent to the redemption of Series 2021 Bonds, and failure of any Owner of a Series 2021 Bond to receive any such notice or any insubstantial defect in such notice shall not affect the validity of the proceedings for the redemption of Series 2021 Bonds.

In the event that funds required to pay the Redemption Price of the Series 2021 Bonds are not on deposit with the Trustee at the time the notice with respect to the redemption of Series 2021 Bonds at the option of the Authority is given, such notice shall state that such redemption is conditional upon the receipt by the Trustee, on or prior to the date fixed for redemption, of moneys sufficient to pay the Redemption Price of the Series 2021 Bonds to be redeemed, and that if such moneys shall not have been so received said notice shall be of no force or effect, and the Authority shall not be required to redeem such Series 2021 Bonds. In the event a notice of redemption of Series 2021 Bonds contains such a condition and such moneys are not so received, the redemption of Series 2021 Bonds as described in the conditional notice of redemption as described in said notice shall not be made, and the Trustee shall, within a reasonable time after the date on which such redemption was to occur, give notice to the Persons and in the manner in which said notice was given that such moneys were not so received and that there shall be no redemption of Series 2021 Bonds pursuant to said notice.

Amendment of the Indenture. To the extent and in the manner permitted by the terms and provisions of the Indenture, or any indenture amendatory thereof or supplemental thereto, may be modified or amended by the Authority with, in certain cases, the prior written consent of the Owners of at least a majority in principal amount of the affected Outstanding Series 2021 Bonds; provided, however, that if such modification or amendment will by its terms not take effect so long as any Series 2021 Bonds of any specified maturity remain Outstanding, the consent of the Owners of such Series 2021 Bonds shall not be required, and such Series 2021 Bonds shall not be deemed to be Outstanding for purposes of such consent. No such modification or amendment shall permit a change in the terms of any sinking fund payment or the terms of redemption or maturity of the principal of any Series 2021 Bond or of any installment of interest thereon or a reduction in the principal amount or Redemption Price thereof or in the rate of interest thereon without the prior consent of the Owner of such Series 2021 Bond, or shall reduce the percentages or otherwise affect the classes of Series 2021 Bonds the consent of the Owners of which is required to effect any such modification or amendment, or shall change or modify any of the rights or obligations of the Trustee without its prior written consent.

The Indenture may also be amended or supplemented without the necessity of the consent of the Owners of the Series 2021 Bonds for any one or more of the purposes specified in the Indenture.

Transfer. This Series 2021 Bond is fully transferable and exchangeable by the registered Owner hereof in person or accompanied by an assignment duly executed by the registered Owner by his or her duly authorized attorney on the registration books of the Trustee, upon surrender of this Series 2021 Bond together with a duly endorsed written instrument of transfer satisfactory to the Trustee; subject, however, to the terms of the Indenture which limit the transfer and exchange of Series 2021 Bonds during certain periods. Upon such transfer or exchange a new fully registered Series 2021 Bond of Authorized Denomination or Denominations for the same aggregate principal amount and of the same maturity will be issued to the transferee in exchange therefor, all subject to the terms, limitations and conditions set forth in

the Indenture. The Trustee shall require the payment by any registered Owner of this Series 2021 Bond requesting exchange or transfer of any tax or other governmental charge required to be paid with respect to such exchange or transfer. The Authority and the Trustee may deem and treat the person in whose name this Series 2021 Bond is registered as the absolute owner hereof, whether or not this Series 2021 Bond shall be overdue, for the purpose of receiving payment and for all other purposes, except to the extent otherwise provided herein and in the Indenture with respect to Record Dates and Special Record Dates for the payment of interest, and neither the Authority nor the Trustee shall be affected by any notice to the contrary.

Notwithstanding the foregoing, so long as the ownership of the Series 2021 Bonds is maintained in book-entry form by The Depository Trust Company (the "Securities Depository") or a nominee thereof, this Series 2021 Bond may be transferred in whole but not in part only to the Securities Depository or a nominee thereof or to a successor Securities Depository or its nominee.

Enforcement of Series 2021 Bond and Indenture. The registered Owner of this Series 2021 Bond shall have no right to enforce the provisions of the Indenture or to institute action to enforce the pledge, assignment or covenants made therein or to take any action with respect to an Event of Default under the Indenture or to institute, appear in, or defend any suit, action or other proceeding at law or in equity with respect thereto, except as provided in the Indenture. In case an Event of Default under the Indenture shall occur, the principal of all the Series 2021 Bonds at any such time Outstanding may be declared or may become due and payable, upon the conditions and in the manner and with the effect provided in the Indenture. The Indenture provides that such declaration may in certain events be rescinded by the Trustee, with the consent of the registered Owners of a requisite principal amount of the Series 2021 Bonds.

None of the officials, officers, agents, servants or employees of the Authority, the Agency or the City or any person executing the Series 2021 Bonds shall be liable personally on the Series 2021 Bonds or be subject to any personal liability or accountability by reason of the issuance thereof.

The liability and obligations of the Authority, the Agency and the City under the Series 2021 Loan Agreement, the Series 2021 Installment Sale Agreement and the Indenture with respect to all or any portion of the Series 2021 Bonds may be discharged at or prior to the maturity or redemption of the Series 2021 Bonds upon the making of provision for the payment thereof on the terms and conditions set forth in the Series 2021 Loan Agreement, the Series 2021 Installment Sale Agreement and the Indenture, as applicable.

No covenant or agreement contained in the Series 2021 Bonds or in the Indenture shall be deemed to be the covenant or agreement of any appointed official, officer, agent, servant or employee of the Authority in his or her individual capacity or of any officer, agent, servant or employee of the Trustee in his or her individual capacity, and neither the members of the governing body of the Authority nor any official executing the Series 2021 Bonds, including any officer or employee of the Trustee, shall be liable personally on the Series 2021 Bonds or be subject to any personal liability or accountability by reason of the issuance thereof. No covenant or agreement contained in the Series 2021 Loan Agreement shall be deemed to be the covenant or agreement of any appointed official, officer, agent, servant or employee of the Agency in his or her individual capacity, and the members of the governing body of the Agency shall not be liable personally or be subject to any personal liability or accountability by reason of the execution and delivery thereof. No covenant or agreement contained in the Series 2021 Installment Sale Agreement shall be deemed to be the covenant or agreement of any appointed official, officer, agent, servant or employee of the City in his or her individual capacity, and the members of the City Council shall not be liable personally or be subject to any personal liability or accountability by reason of the execution and delivery thereof.

It is hereby certified, recited and declared that all conditions, acts and things required by the Constitution or statutes of the State or by the Act, the Refunding Law or the Indenture to exist, to have

happened or to have been performed precedent to or in the issuance of this Series 2021 exist, have happened and have been performed.

In addition to a copy of the Indenture, copies of the Series 2021 Loan Agreement, the Series 2021 Installment Sale Agreement and the other documents relating to the Series 2021 Bonds are on file at the Principal Corporate Trust Office of the Trustee, and reference is made to those instruments for the provisions relating, among other things, to the limited liability of the Agency and the City, the terms of and security for the Series 2021 Bonds, the custody and application of the proceeds of the Series 2021 Bonds, the rights and remedies of the registered Owners of the Series 2021 Bonds, amendments, and the rights, duties and obligations of the Authority and the Trustee, to all of which the Registered Owner hereof, by acceptance of this Series 2021 Bond, assents.

This Series 2021 Bond shall not be entitled to any benefit under the Indenture or become valid or obligatory for any purpose until the Trustee shall have signed the certificate of authentication hereon.

IN WITNESS WHEREOF, the AVENAL PUBLIC FINANCING AUTHORITY has caused this Series 2021 Bond to be signed in its name and on its behalf by the manual or facsimile signature of a member of the board of directors of the Authority.

AVENAL PUBLIC FINANCING AUTHORITY

By: _____
Authorized Signatory

(FORM OF CERTIFICATE OF AUTHENTICATION)

This is one of the Series 2021 Bonds described in the within mentioned Indenture of Trust.

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

By: _____
Authorized Signatory

Date: _____

(END OF FORM OF CERTIFICATE OF AUTHENTICATION)

(FORM OF ASSIGNMENT)

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto

(Social Security or Federal Taxpayer Identification Number)

(Please print or typewrite Name and Address,
including Zip Code, of Assignee)

the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints the Trustee under the Indenture as registrar and attorney to register the transfer of the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

Date: _____

Signature guaranteed by:

NOTICE: Signature(s) must be guaranteed by a guarantor institution participating in the Securities Transfer Agents Medallion Program or in such other guarantee program acceptable to the Trustee. The Assignor's signature to this assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatsoever.

NOTICE: The signature of the registered owner to this assignment must correspond with the name as it appears on the face of the within Bond in every particular, without alteration or enlargement or any change whatsoever.

(END OF FORM OF SERIES 2021 BOND)

EXHIBIT B

**FORM OF REQUISITION OF THE AUTHORITY
FROM SERIES 2021 COSTS OF ISSUANCE FUND**

**AVENAL PUBLIC FINANCING AUTHORITY
REFUNDING REVENUE BONDS, SERIES 2021**

SERIES 2021 COSTS OF ISSUANCE FUND REQUISITION 2021-___

NOTE: All payments pursuant to this Requisition shall be made by check or wire transfer in accordance with the payment instructions set forth in Schedule I attached hereto ("Schedule I"), and the Trustee shall rely on such payment instructions with no duty to investigate or inquire as to the authenticity of the payment instructions or the authority under which they were given.

The undersigned Authorized Representative of the Avenal Public Financing Authority ("Authority") hereby requests U.S. Bank National Association, as trustee (the "Trustee") under that certain Indenture of Trust, dated as of November 1, 2021 (the "Indenture"), between the Authority and the Trustee, to pay to the Persons listed on Schedule I, the fixed (or not-to-exceed, where expressly so stated) amounts shown for the purposes indicated from the Series 2021 Costs of Issuance Fund established and maintained under the Indenture.

The Authority hereby certifies that obligations in amounts stated in this Requisition have been incurred by or on behalf of the Authority and are presently due and payable and each item is a proper charge against the Series 2021 Costs of Issuance Fund and has not been previously paid from the Series 2021 Costs of Issuance Fund.

Dated: _____

AVENAL PUBLIC FINANCING AUTHORITY

By: _____
Authorized Signatory

**AVENAL PUBLIC FINANCING AUTHORITY
REFUNDING REVENUE BONDS, SERIES 2021**

SCHEDULE I

(SERIES 2021 COSTS OF ISSUANCE FUND REQUISITION)

Item no.	Name/Address/Payment Instructions	Amount	Purpose
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SECOND AMENDED AND RESTATED LOAN AGREEMENT

by and between the

AVENAL PUBLIC FINANCING AUTHORITY, as lender
(“AUTHORITY”)

and the

**SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY OF THE CITY OF AVENAL, as borrower**
(“AGENCY”)

relating to

**[\$PAR]
Avenal Public Financing Authority
Refunding Revenue Bonds, Series 2021**

Dated as of November 1, 2021

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SECOND AMENDED AND RESTATED LOAN AGREEMENT

This **SECOND AMENDED AND RESTATED LOAN AGREEMENT** (“Series 2021 Loan Agreement”) is made and entered into as of November 1, 2021, by and between the **AVENAL PUBLIC FINANCING AUTHORITY** (the “Authority”), a joint exercise of powers authority organized and existing under the laws of the State of California (the “State”), specifically the provisions of Articles 1 through 4 (commencing with Section 6500) of Chapter 5, Division 7, Title 1 of the Government Code of the State (the “Act”), and of that certain Joint Exercise of Powers Agreement, dated March 30, 1989, by and between City of Avenal (the “City”) and the former Redevelopment the Agency of the City of Avenal (the “Former Agency”), the rights and obligations of the Former Agency thereunder having since, by virtue of the enactment of statutory provisions codified under Parts 1.8 (commencing with Section 34161) and 1.85 (commencing with Section 34170) of Division 24 of the Health and Safety Code (the “Dissolution Act”), been transferred to and assumed by the Successor Agency to the Redevelopment the Agency of the City of Avenal, and the aforesaid **SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF AVENAL** (the “Agency”).

RECITALS:

WHEREAS, the Authority is authorized and empowered under the Act to issue bonds in order to assist local agencies in financing and refinancing public improvements whenever a local agency determines that there are significant public benefits from so doing;

WHEREAS, to assist the City and the Former Agency in refinancing certain outstanding obligations, the Authority issued \$9,660,000 aggregate principal amount of its 2005 Refunding Revenue Bonds, the outstanding portion of which (the “Refunded Bonds”) is to be refunded and retired in accordance with the provisions of an Indenture of Trust, dated as of November 1, 2021 (the “Indenture”), by and between the Authority and U.S. Bank National Association, as trustee (the “Trustee”), and under the authority of Article 11 (commencing with Section 53580) of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code of the State (the “Refunding Law”) through the Authority’s issuance of its Avenal Public Financing Authority Refunding Revenue Bonds, Series 2021 (the “Series 2021 Bonds”);

WHEREAS, the Authority entered into an Amended and Restated Loan Agreement, dated as of September 1, 2005 (the “Series 2005 Loan Agreement”), by and between the Authority and the Former Agency, for the purpose of providing funds to make a loan to the Agency with respect to the Refunded Bonds;

WHEREAS, pursuant to the provisions of the Dissolution Act, the Former Agency was dissolved effective February 1, 2012, and pursuant to the provisions of Section 34173 of the Dissolution Act, the authority, rights, powers, duties and obligations of the Former Agency, including without limitation the rights, duties and obligations of the Former Agency under the Series 2005 Loan Agreement, were transferred to and assumed by the Agency, with the result that the Series 2005 Loan Agreement is an existing enforceable obligation of the Agency;

WHEREAS, the Series 2005 Loan Agreement is to be refunded in accordance with the provisions of the Indenture and this Series 2021 Loan Agreement, in accordance with the provisions of Section 34177.5(a)(3) of the Dissolution Act, which empowers the Agency to enter into an amendment of the Series 2005 Loan Agreement for the purpose of providing savings to the Agency, provided that the Series 2005 Loan Agreement is amended in connection with a refunding of the Refunded Bonds and the interest cost savings requirement and borrowing limits applicable under the Dissolution Act to the refinancing or refunding of the Series 2005 Loan Agreement are satisfied;

WHEREAS, the Authority and the Agency desire that the Authority fund a loan (“Series 2021 Loan”) to the Agency for the purpose of refunding the outstanding obligations of the Agency under the Series 2005 Loan Agreement;

WHEREAS, in order to establish and declare the terms and conditions upon which the Series 2021 Loan is to be made and secured, the Agency and the Authority wish to enter into this Series 2021 Loan Agreement; and

WHEREAS, all acts and proceedings required by law necessary to make this Series 2021 Loan Agreement, when executed by the Agency and the Authority, the valid, binding and legal obligation of the Agency and to constitute this Series 2021 Loan Agreement 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 this Series 2021 Loan Agreement have been in all respects duly authorized;

NOW, THEREFORE, in consideration of the premises and the mutual agreements herein contained and for other valuable consideration, the receipt and sufficiency whereof are hereby acknowledged, the Agency and the Authority hereby agree as follows:

ARTICLE 1 DEFINITIONS; RULES OF CONSTRUCTION

Section 1.1 Definitions. Unless the context clearly otherwise requires or unless otherwise defined herein, the capitalized terms in this Series 2021 Loan Agreement shall have the respective meanings which such terms have in the Indenture. In addition, the following terms defined in this Section 1.1 shall, for all purposes of this Series 2021 Loan Agreement, have the respective meanings herein specified. All terms defined in the recitals hereof shall have the meanings ascribed to those terms in the recitals.

“*Avenal Redevelopment Project*” means the Avenal Redevelopment Project for the City of Avenal, an undertaking of the Former Agency pursuant to the Redevelopment Plan and the Redevelopment Law for the redevelopment of the Avenal Redevelopment Project Area.

“*Compliance Costs*” means those costs incurred by the Agency, the Trustee or the Authority in connection with their compliance with the Indenture, this Series 2021 Loan Agreement and the Continuing Disclosure Agreement that are chargeable against the Redevelopment Property Tax Trust Fund as provided herein, including legal fees and charges, fees and disbursements of consultants and professionals, rating agency fees and all amounts required to be rebated to the United States of America pursuant to section 148(f) of the Code in accordance with the Indenture and the Tax Certificate.

“*Consultant’s Report*” means a report signed by an Independent Financial Consultant or an Independent Redevelopment Consultant, as may be appropriate to the subject of the report, and including (a) a statement that the person or firm making or giving such report has read the pertinent provisions of this Series 2021 Loan Agreement to which such report relates; (b) a brief statement as to the nature and scope of the examination or investigation upon which the report is based; and (c) a statement that in the opinion of such person or firm, sufficient examination or investigation was made as is necessary to enable said Independent Financial Consultant or Independent Redevelopment Consultant to express an informed opinion with respect to the subject matter referred to in the report.

“*County*” means the County of Kings, a political subdivision of the State.

“*County Auditor-Controller*” means the Auditor-Controller of the County of Kings.

“*DOF*” means the State of California Department of Finance.

“Independent Financial Consultant” means a financial consultant or firm of such consultants generally recognized to be well qualified in the financial consulting field, appointed and paid by the Agency and who, or each of whom: (a) is in fact independent and not under the domination of the Agency; (b) does not have any substantial interest, direct or indirect, with the Agency; and (c) is not connected with the Agency as a member, officer or employee of the Agency, but who may be regularly retained to make annual or other reports to the Agency.

“Independent Redevelopment Consultant” means a consultant or firm of such consultants generally recognized to be well qualified in the field of consulting relating to tax allocation bond or loan financing by California redevelopment agencies and their successor agencies, appointed and paid by the Agency, and who, or each of whom: (a) is in fact independent and not under the domination of the Agency; (b) does not have any substantial interest, direct or indirect, with the Agency; and (c) is not connected with the Agency as a member, officer or employee of the Agency, but who may be regularly retained to make annual or other reports to the Agency.

“Loan Default Event” means any event of default set forth in Section 5.1.

“Loan Installments” means installments of principal and interest components of the Series 2021 Loan, payable in the amounts and at the times specified in Section 2.2.

“Loan Payment Date” means each February 15 and August 15, commencing February 15, 2022.

“Loan Reserve Requirement” means that portion of the Series 2021 Reserve Requirement attributable to the Series 2021 Loan, calculated as an amount equal to the Series 2021 Reserve Requirement multiplied by the quotient of the outstanding principal amount of the Series 2021 Loan divided by the aggregate Outstanding principal amount of the Series 2021 Bonds.

“Oversight Board” means the countywide oversight board of the County duly constituted from time to time pursuant to Section 34179 of the Dissolution Act.

“Pass-Through Obligations” means (a) the statutory pass-through obligations of the Agency described under Section 33607.5 of the Redevelopment Law, [and (b) the Pass-Through Agreements, and will include amounts elected to be allocated pursuant to subdivision (a) of Section 33676 of the California Health and Safety Code].

“Plan Limit” means the aggregate amount of taxes which may be divided and allocated to the Agency pursuant to the Redevelopment Plan.

“Project Area” means the Avenal Redevelopment Project Area, as described in the Redevelopment Plan.

“Recognized Obligation Payment Schedule” means a Recognized Obligation Payment Schedule, each prepared and approved from time to time pursuant to subdivision (I) of Section 34177 of the Dissolution Act.

“Redevelopment Law” means the Community Redevelopment Law of the State (being Part I of Division 24 of the California Health and Safety Code, as amended), and all laws amendatory thereof or supplemental thereto including, without limitation, the Dissolution Act.

“Redevelopment Plan” means the Redevelopment Plan for the Avenal Redevelopment Project, approved and adopted by Ordinance No. 85-07, enacted by the City Council of the City and effective July 11, 1985, together with any amendments thereto at any time duly authorized pursuant to the Redevelopment Law.

“*Redevelopment Project*” means the Avenal Redevelopment Project, an undertaking of the Agency pursuant to the Redevelopment Plan and the Redevelopment Law for the redevelopment of the Project Area.

“*Redevelopment Property Tax Trust Fund*” means the fund by that name created within the county treasury of the County of Kings with respect to the Former Agency pursuant to the provisions of Section 34170.5(b) of the Health and Safety Code of the State.

“*Redevelopment Obligation Retirement Fund*” means the fund by that name established pursuant to Section 34170.5(b) of the Redevelopment Law and administered by the Agency.

“*Tax Increment Fund*” means the fund by that name established and held by the Agency pursuant to this Series 2021 Loan Agreement.

“*Tax Revenues*” means all taxes annually allocated within the Plan Limit and paid to the Agency pursuant to Article 6 of Chapter 6 (commencing with Section 33670) of the Redevelopment Law, Section 16 of Article XVI of the Constitution of the State and other applicable state laws and as provided in the Redevelopment Plan available and deposited in the Redevelopment Property Tax Trust Fund, subject to payments with respect to Pass-Through Obligations (unless otherwise subordinated). If, and to the extent that, the provisions of California Health and Safety Code Section 34172 or paragraph (2) of subdivision (a) of California Health and Safety Code Section 34183 are invalidated by a final judicial decision, then “Tax Revenues” will include all tax revenues allocated to the payment of indebtedness pursuant to California Health and Safety Code Section 33670 or such other section as may be in effect at the time providing for the allocation of tax increment revenues in accordance with Article XVI, Section 16 of the California Constitution.

Section 1.2 Rules of Construction. All references in this Series 2021 Loan Agreement to Articles, Sections, subsections, paragraphs, subparagraphs, sentences, clauses or phrases are to the corresponding Articles, Sections, subsections, paragraphs, subparagraphs, sentences, clauses or phrases of this Series 2021 Loan Agreement, and the words “herein,” “hereof,” “hereunder” and other words of similar import refer to this Series 2021 Loan Agreement as a whole and not to any particular Article, Section, subsection, paragraph, subparagraph, sentence, clause or phrase of this Series 2021 Loan Agreement.

ARTICLE 2 THE SERIES 2021 LOAN; LOAN INSTALLMENTS, PAYMENTS AND PREPAYMENTS; APPLICATION OF SERIES 2021 LOAN PROCEEDS

Section 2.1 Series 2021 Loan. The Authority hereby agrees to lend to the Agency, from the proceeds of the sale of the Series 2021 Bonds, the aggregate principal amount of \$[LOAN AMOUNT] and subject to the terms of this Series 2021 Loan Agreement, the Refunding Law, the Dissolution Act and the Redevelopment Law. The Agency hereby agrees to pay the Series 2021 Loan pursuant to the terms of this Series 2021 Loan Agreement. This Series 2021 Loan Agreement constitutes a continuing agreement with the Authority to secure the full and final payment of the Series 2021 Loan, subject to the covenants, agreements, provisions and conditions contained in this Series 2021 Loan Agreement.

Section 2.2 Loan Payments. The principal of and interest on the Series 2021 Loan shall be payable in Loan Installments on each Loan Payment Date in each of the years and in the amounts as set forth in Exhibit A to this Series 2021 Loan Agreement. The interest component of each Loan Installment of the Series 2021 Loan shall be calculated on the basis of a 360-day year of twelve 30-day months, and shall accrue on the principal components of each Loan Installment from and including the Closing Date to but not including the September 1 or March 1 with respect to which such Loan Installment is payable. Interest on the Series 2021 Loan shall be due and payable as of each Interest Payment Date. Any Loan Installment

of principal or interest which is not paid when due shall continue to accrue interest from and including the Interest Payment Date with respect to which such principal or interest is payable to but not including the date of actual payment. Principal of and interest on the Series 2021 Loan shall be payable by the Agency to the Trustee, as assignee of the Authority under the Indenture, in immediately available funds which constitute lawful money of the United States of America. Payment of such principal and interest shall be secured, and amounts for the payment thereof shall be deposited with the Trustee at the times, as set forth in Article 3 of this Series 2021 Loan Agreement.

Section 2.3 Optional Prepayment. If and when the Authority is permitted under the Indenture to exercise its option to redeem Series 2021 Bonds prior to their stated maturity, then the Agency may prepay the Series 2021 Loan under the terms of this Section 2.3. The Agency shall be required to give the Authority and the Trustee written notice (which may be revocable) of its intention to prepay the Series 2021 Loan under this Section 2.3 at least 60 days prior to the date fixed for such prepayment, and shall transfer to the Trustee all amounts required for such prepayment at least four Business Days prior to the date fixed for such prepayment.

Section 2.4 Proceeds. On the Closing Date, the Authority shall be deemed to have disbursed \$[DISBURSEMENT AMOUNT] to the Agency to fully fund the Series 2021 Loan, the proceeds of which shall be deemed to have been paid in full to the Agency. However, the Agency hereby authorizes the Authority to retain the proceeds of the Series 2021 Loan in consideration for the following results effective on the Closing Date:

(a) all unpaid amounts due under the Series 2005 Loan Agreement shall be deemed to have been paid in full, and the Agency's obligations under the Series 2005 Loan Agreement shall be deemed to have been satisfied and discharged; and

(b) the Agency shall be deemed to have transferred to the Authority a portion of the proceeds of the Series 2021 Loan for funding (i) \$[COI AMOUNT] of the deposit into the Series 2021 Costs of Issuance Fund (representing the amount equal to the total amount of funds from the sale of the Series 2021 Bonds deposited in the Series 2021 Costs of Issuance Fund multiplied by the quotient of the aggregate principal amount of the Series 2021 Loan divided by the aggregate principal amount of the Series 2021 Bonds) and (ii) \$[RESERVE AMOUNT] to the Series 2021 Reserve Fund (representing the Loan Reserve Requirement on the Closing Date).

Section 2.5 Validity of Series 2021 Loan. The validity of the Series 2021 Loan shall not be dependent upon the completion of the Redevelopment Project or upon the performance by any person of any obligation with respect to the Redevelopment Project.

ARTICLE 3 PLEDGE; HANDLING OF FUNDS

Section 3.1 Pledge; Allocations of Moneys in Redevelopment Property Tax Trust Fund.

(a) The Agency hereby agrees that the payment of the Loan Installments shall be secured by a first and prior pledge of, lien on and security interest in all of the Tax Revenues. The Series 2021 Loan shall be additionally secured by moneys in the Tax Increment Fund. The Tax Revenues are hereby allocated in their entirety to the payment of the principal of and interest on the Series 2021 Loan, except as provided herein. Except for the Tax Revenues and amounts in the funds and accounts pledged hereunder, no funds or properties of the Agency shall be pledged to, or otherwise liable for, the payment of principal of or interest or premium (if any) on the Series 2021 Loan.

(b) In order to provide Tax Revenues sufficient for the payment of the Loan Installments, the Agency shall take or cause to be taken all actions under the Dissolution Act to provide for allocations to the Agency of moneys in the applicable Redevelopment Property Tax Trust Fund sufficient for the Agency to make each such payment, including without limitation, the filing of such Recognized Obligation Payment Schedules as may be necessary for the Agency to obtain such allocations.

Section 3.2 Tax Increment Fund. There is hereby established a Tax Increment Fund to be known as the “Tax Increment Fund,” which shall be held by the Agency. The Agency shall deposit all of the Tax Revenues received in any Bond Year in the Tax Increment Fund promptly upon receipt thereof, until such time (if any) during any Bond Year as the amounts on deposit in the Tax Increment Fund equal the aggregate amounts required to be transferred to the Trustee pursuant to Section 3.3 in any such Bond Year, and any Tax Revenues received during any such Bond Year in excess of such amounts are hereby released from the pledge, lien and security interest of this Series 2021 Loan Agreement and may be used for any lawful purposes of the Agency. Prior to the payment in full of the principal of and interest and prepayment premium (if any) on the Series 2021 Loan and the payment in full of all other amounts payable hereunder, the Agency shall not have any beneficial right or interest in the moneys on deposit in the Tax Increment Fund, except only as provided in this Series 2021 Loan Agreement, and such moneys shall be used and applied as set forth herein.

Section 3.3 Transfers to Trustee. The Agency shall withdraw from the Tax Increment Fund and transfer to the Trustee the following amounts at the following times and in the following order of priority:

(a) *Interest and Principal.* On or before each Loan Payment Date, the Agency shall withdraw from the Tax Increment Fund and transfer to the Trustee for deposit in the Series 2021 Revenue Fund established under the Indenture, an amount equal to the aggregate amount of the principal of and interest on the Series 2021 Loan becoming due and payable on such Interest Payment Date pursuant to Section 2.2, together with the aggregate principal amount of the Series 2021 Loan to be prepaid on such Interest Payment Date pursuant to Section 2.3, less an amount equal to any amount in the Series 2021 Interest Account, not deposited therein as Installment Payments, which is available to pay interest on the Series 2021 Bonds.

(b) *Series 2021 Reserve Fund.* If funds on deposit in the Series 2021 Reserve Fund on account of the Loan Reserve Requirement at any time becomes less than the Loan Reserve Requirement, the Agency shall, promptly upon receipt of notice thereof from the Trustee, transfer to the Trustee an amount sufficient to maintain the Loan Reserve Requirement on deposit in the Series 2021 Reserve Fund. If there shall then not be sufficient Tax Revenues to transfer an amount sufficient to maintain the Loan Reserve Requirement, the Agency shall be obligated to continue making transfers as Tax Revenues become available in the Tax Increment Fund until there is an amount on deposit in the Series 2021 Reserve Fund sufficient to maintain such Loan Reserve Requirement.

(c) *Surplus.* The Agency shall not be obligated to deposit in the Tax Increment Fund in any Bond Year an amount of Tax Revenues which, together with other available amounts in the Tax Increment Fund, exceeds the amounts required to be transferred to the Trustee pursuant to this Section 3.3. In the event that for any reason whatsoever any amounts shall remain on deposit in the Tax Increment Fund on any September 3 after making all of the transfers theretofore required to be made pursuant to paragraph (a) above during any such Bond Year, the Agency shall withdraw such amounts from the Tax Increment Fund, to be used for any lawful purposes of the Agency.

Section 3.4 Investments. All moneys in the Tax Increment Fund shall be invested by the Agency solely in Investment Securities. All interest, profits and other income received from the investment of moneys in any fund or account held under this Series 2021 Loan Agreement shall be deposited in such fund or account, except than an amount of interest received with respect to any investment equal to the amount

of accrued interest, if any, paid as part of the purchase price of such investment shall be credited to the fund from which such accrued interest was paid. Investment Securities acquired as an investment of moneys in any fund or account held under this Series 2021 Loan Agreement shall be credited to such fund. For the purpose of determining the amount in any fund, the value of Investment Securities credited to such fund shall be calculated at the original cost thereof (excluding brokerage commissions and accrued interest, if any).

ARTICLE 4 COVENANTS

Section 4.1 Punctual Payment. The Agency will punctually pay or cause to be paid the principal of and interest on the Series 2021 Loan together with any prepayment premiums thereon, in strict conformity with the terms of this Series 2021 Loan Agreement, and it will faithfully satisfy, observe and perform all of the conditions, covenants and requirements of this Series 2021 Loan Agreement.

Section 4.2 Against Encumbrances. The Agency shall not create or allow to exist any liens on Tax Revenues senior to or on a parity with the pledge of and lien on such Tax Revenues for the payment of the Series 2021 Loan, except as provided in this Series 2021 Loan Agreement, and shall not issue or incur any obligation or security superior to or on a parity with the Series 2021 Loan payable in whole or in part from the Tax Revenues.

Section 4.3 Payment of Claims. Subject to the terms of the Dissolution Act, the Agency will pay and discharge, or cause to be paid and discharged, any and all lawful claims for labor, materials or supplies which, if unpaid, might become a lien or charge upon the properties owned by the Agency or upon the Tax Revenues or any part thereof, or upon any funds in the hands of the Trustee, or which might impair the security of the Series 2021 Loan; provided that nothing herein contained will require the Agency to make any such payments so long as the Agency in good faith shall contest the validity of any such claims.

Section 4.4 Books and Accounts; Financial Statements. The Agency will keep, or cause to be kept, proper books of record and accounts, separate from all other records and accounts of the Agency, the City and the Authority, in which complete and correct entries shall be made of all transfers to the Authority or its assignee required under this Series 2021 Loan Agreement for deposit into the Tax Increment Fund. Such books of record and accounts shall at all times during business hours be subject to the inspection of the Trustee (who shall have no duty to inspect) and the County or of the Owners of not less than 10 percent if the aggregate principal amount of Series 2021 Bonds then Outstanding, or their representatives authorized in writing. The Agency will cause to be prepared and filed with the County annually, so long as any of the Series 2021 Bonds are Outstanding, the audited financial statements of the Agency as part of the Annual Report (as defined in and filed pursuant to the Continuing Disclosure Agreement); provided, however, that the audited financial statements of the Agency may be submitted separately from the remainder of the Annual Report, and later than the date required for the filing of the Annual Report and as soon as practicable if they are not available by that date.

Section 4.5 Protection of Security and Rights. The Agency will preserve and protect the security of the Series 2021 Loan and the rights of the Trustee and the Series 2021 Bond Owners with respect to the Series 2021 Loan. From and after the Closing Date, the Series 2021 Loan shall be incontestable by the Agency.

Section 4.6 Payments of Taxes and Other Charges. The Agency will pay and discharge, or cause to be paid and discharged, all taxes, service charges, assessments and other governmental charges which may be lawfully imposed upon the Agency or the properties then owned by the Agency in the Project Area, or upon the revenues therefrom, when the same become due; provided that nothing in this Series 2021 Loan

Agreement requires the Agency to make any such payment so long as the Agency in good faith contests the validity of any such taxes, service charges, assessments or other governmental charges.

Section 4.7 Amendment of Redevelopment Plan. The Agency shall not amend the Redevelopment Plan except as permitted by this Series 2021 Loan Agreement and the Redevelopment Law. If the Agency proposes to amend the Redevelopment Plan, it shall cause to be filed with the Trustee a Consultant's Report on the effect of the proposed amendment. If the Consultant's Report concludes that the Tax Revenues will not be materially reduced by the proposed amendment, the Agency may undertake the amendment. If the Consultant's Report concludes that the Tax Revenues will be materially reduced by the proposed amendment, the Agency may not undertake the amendment.

Section 4.8 Maintain Tax Revenues. The Agency shall comply with all requirements of the Redevelopment Law (including the Dissolution Act) to insure the allocation and payment to it of the Tax Revenues, including without limitation the timely filing of any necessary Recognized Obligation Payment Schedules and any other filings necessary to maintain the Series 2021 Loan as an enforceable existing obligation of the Agency, such that the Agency shall maintain sufficient Tax Revenues for payment of the Series 2021 Loan.

Section 4.9 Compliance with the Dissolution Act. The Agency covenants that it will comply with all other requirements of the Dissolution Act. Without limiting the generality of the foregoing, the Agency covenants and agrees to file all required statements and seek all necessary successor agency and oversight board approvals required under the Dissolution Act to assure compliance by the Agency with its covenants under this Series 2021 Loan Agreement. Further, the Agency shall take all actions required under the Dissolution Act to include on its Recognized Obligation Payment Schedule for each six-month period (or twelve-month period if then applicable under the Dissolution Act) all payments expected to be made to the Trustee, as assignee of the Authority, in order to satisfy the requirements of this Series 2021 Loan Agreement, including without limitation the making of all Loan Payments in full as and when due and payable, the satisfaction of the Loan Reserve Requirement and the payment of any Compliance Costs, so as to enable the County Auditor-Controller to distribute from the Redevelopment Property Tax Trust Fund amounts to the Agency for deposit in the Tax Increment Fund on or before each Loan Payment Date amounts required for the Agency to pay all Loan Payments coming due in the respective six-month period (or twelve-month period if then applicable under the Dissolution Act). Such actions shall include, without limitation, placing on the periodic Recognized Obligation Payment Schedule for approval by the Oversight Board and the DOF, to the extent necessary, the amounts to be held by the Agency as a reserve until the next six-month period (or twelve-month period if then applicable under the Dissolution Act), as contemplated by paragraph (1)(A) of subdivision (d) of Section 34171 of the Dissolution Act, that are necessary to provide for the payment in full of all Loan Payments as and when due and payable when the next property tax allocation is projected to be insufficient to pay all obligations due under this Series 2021 Loan Agreement for the next payment due in the following six-month period (or twelve-month period if then applicable under the Dissolution Act).

Section 4.10 Credits to Redevelopment Obligation Retirement Fund. The Agency covenants to credit all Tax Revenues withdrawn from the Redevelopment Property Tax Trust Fund by the County Auditor-Controller and remitted to the Agency for the payment of the Loan Payments to the Redevelopment Obligation Retirement Fund established pursuant to Section 34170.5 of the Dissolution Act.

Section 4.11 Adverse Changes in State Law. If, due to an adverse change in State law resulting from legislation or a decision of a court of competent jurisdiction, the Agency determines that it can no longer comply with the provisions of this Series 2021 Loan Agreement, then the Agency shall immediately notify the County Auditor-Controller and the Trustee in writing of such determination. The Agency shall immediately seek a declaratory judgment or take other appropriate action in a court of competent

jurisdiction to determine the duties of the County Auditor-Controller and the Agency with regard to the performance of this Series 2021 Loan Agreement by the Agency. The Trustee may, but in no event is obligated to, participate in the process of seeking such declaratory judgment to protect its rights under the Indenture and this Series 2021 Loan Agreement. Any reasonable fees and expenses incurred by the Trustee (including, without limitation, legal fees and expenses) in connection with such participation shall be borne by the Agency.

Section 4.12 Compliance Costs. The Agency, to the fullest extent permitted by law, shall pay the annual Compliance Costs, including fees and disbursements consultants and professionals engaged in connection with this Series 2021 Loan Agreement, costs of the Agency, the Trustee and the Authority, payable from the Redevelopment Property Tax Trust Fund.

Section 4.13 Payment of Expenses; Indemnification.

(a) The Agency shall pay to the Trustee from time to time all compensation for all services rendered under this Series 2021 Loan Agreement and the Indenture, including but not limited to all reasonable expenses, charges, legal and consulting fees and other disbursements and those of its attorneys, agents and employees, incurred in and about the performance of its powers and duties hereunder and thereunder. The Trustee shall have a first lien on the Tax Revenues to secured the payment to the Trustee of all fees, costs and expenses, including reasonable compensation to its experts, attorneys and counsel incurred in declaring an Event of Default and in exercising the rights and remedies set forth in Article V. Nothing in this Section 4.9 shall preclude the Agency from making any arrangement with the City for City contributions to the Agency for such payments.

(b) The Agency further covenants and agrees, to the extent permitted by law, to indemnify and save the Trustee and its officers, directors, agents and employees, harmless against any loss, expense and liabilities which it or they may incur arising out of or in the exercise and performance of their powers and duties hereunder or under the Indenture or any related documents, but excluding any and all losses, expenses and liabilities which are due to the gross negligence or willful misconduct of the Trustee, its officers, directors, agents or employees. The obligations of the Agency under this paragraph (b) shall survive the resignation or removal of the Trustee under the Indenture and payment of the Series 2021 Loan and the discharge of this Series 2021 Loan Agreement.

Section 4.14 No Arbitrage. The Agency shall not take, nor permit nor suffer to be taken by the Trustee or otherwise, any action with respect to the proceeds of the Series 2021 Bonds which, if such action had been reasonably expected to have been taken, or had been deliberately and intentionally taken, on the Closing Date would have caused the Series 2021 Bonds to be “arbitrage bonds” within the meaning of section 148 of the Code.

Section 4.15 Rebate. The Agency shall take any and all actions necessary to assure compliance with section 148(c) of the Code, relating to the rebate of excess investment earnings, if any, to the United States of America. This covenant shall survive payment in full or defeasance of the Series 2021 Loan and the Series 2021 Bonds.

Section 4.16 Private Activity Bond Limitations. The Agency shall assure that the proceeds of the Series 2021 Loan are not used so as to cause the Series 2021 Bonds 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.

Section 4.17 Federal Guarantee Prohibition. The Agency shall not take any action or permit or suffer any action to be taken if the result of the same would be to cause any of the Series 2021 Bonds to be “federally guaranteed” within the meaning of section 149(b) of the Code.

Section 4.18 Maintain Tax Exemption. The Agency shall take all actions necessary on its part to assure the exclusion of interest on the Series 2021 Bonds from the gross income of the Owners of the Series 2021 Bonds to the same extent as such interest is permitted to be excluded from gross income under the Code as in effect on the Closing Date. This covenant shall survive payment in full or defeasance of the Series 2021 Loan and the Series 2021 Bonds.

Section 4.19 Plan Limit. The Agency shall, so long as any Series 2021 Bonds are Outstanding, annually on or before September 1 of each year, commencing September 1, 2022, prepare or cause to be prepared a report demonstrating the future availability of Tax Revenues to pay, within the Plan Limit, the debt service on the Series 2021 Loan and all other indebtedness of the Agency assuming the Series 2021 Bonds are retired as scheduled. Should such report reveal that the Plan Limit will be reached prior to the date on which all Series 2021 Bonds will be retired, the Agency shall include in such report a description of the action the Agency will take to ensure the payment in full of the Series 2021 Loan.

Section 4.20 Further Assurances. The Agency will adopt, make, execute and deliver any and all such further resolutions, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of this Series 2021 Loan Agreement and for the better assuring and confirming unto the Trustee, the Authority and the Owners of the Series 2021 Bonds of the rights and benefits provided in this Series 2021 Loan Agreement.

Section 4.21 Continuing Disclosure. The Agency hereby covenants and agrees that it will comply with and carry out all of the provisions of and its respective obligations under the Continuing Disclosure Agreement. Notwithstanding any other provision of this Series 2021 Loan Agreement, failure of the Agency to comply with the Continuing Disclosure Agreement shall not be considered a Loan Default Event; however, any Owner or Beneficial Owner of the Series 2021 Bonds may, take such actions as may be necessary and appropriate to compel performance, including seeking mandate or specific performance by court order.

ARTICLE 5 LOAN DEFAULT EVENTS AND REMEDIES

Section 5.1 Loan Default Events. The following events shall constitute Loan Default Events under this Series 2021 Loan Agreement:

(a) Failure by the Agency to pay the principal of or interest or prepayment premium (if any) on the Series 2021 Loan when and as the same shall become due and payable.

(b) Failure by the Agency to observe and perform any of the covenants, agreements or conditions on its part contained in this Series 2021 Loan Agreement, other than as referred to in the preceding paragraph (a), for a period of 90 days after written notice specifying such failure and requesting that it be remedied has been given to the Agency by the Trustee, or to the Agency and the Trustee by the Owners of not less than 25% in aggregate principal amount of the Outstanding Series 2021 Bonds; provided, however, that if in the reasonable opinion of the Agency the failure stated in such notice can be corrected, but not within such 90-day period, the Trustee shall not unreasonably withhold its consent to an extension of such time if corrective action is instituted by the Agency within such 690-day period and diligently pursued until such failure is corrected.

(c) The filing by the Agency of a petition or answer seeking reorganization or arrangement under the federal bankruptcy laws or any other applicable law of the United States of America, or if a court of competent jurisdiction shall approve a petition, filed with or without the consent of the Agency, seeking reorganization under the federal bankruptcy laws or any other applicable law of the United States of America, or if, under the provisions of any other law for the relief or aid of debtors, any court of competent

jurisdiction shall assume custody or control of the Agency or of the whole or any substantial part of its property.

If a Loan Default Event has occurred and is continuing of which the Trustee has actual knowledge or is deemed to have knowledge under the Indenture, the Trustee may, and at the written direction of the Owners of a majority in aggregate principal amount of the Outstanding Series 2021 Bonds the Trustee shall (1) declare the principal of the Series 2021 Loan, together with the accrued interest on all unpaid Loan Installments thereof, to be due and payable immediately, and upon any such declaration the same shall become immediately due and payable, anything in this Series 2021 Loan Agreement to the contrary notwithstanding, and (2) subject to the provisions of the Indenture, exercise any other remedies available to the Trustee in law or at equity. Promptly upon obtaining actual knowledge or being deemed to have knowledge under the Indenture of the occurrence of a Loan Default Event, the Trustee shall give notice of such Loan Default Event to the Agency by telephone or other Electronic Means, promptly confirmed in writing. The provisions of this paragraph, however, are subject to the condition that if, at any time after the principal of the Series 2021 Loan shall have been so declared due and payable, and before any judgment or decree for the payment of the moneys due shall have been obtained or entered, the Agency shall deposit with the Trustee a sum sufficient to pay all Loan Installments of principal of the Series 2021 Loan matured prior to such declaration and all accrued interest thereon, with interest on such overdue Loan Installments of principal and interest at the net effective rate then borne by the Outstanding Series 2021 Bonds, and the reasonable expenses of the Trustee (including but not limited to attorneys' fees), and any and all other defaults known to the Trustee (other than in the payment of principal of and interest on the Series 2021 Loan due and payable solely by reason of such declaration) shall have been made good or cured to the satisfaction of the Trustee or provision deemed by the Trustee to be adequate shall have been made therefor, then, and in every such case, the Owners of a majority in aggregate principal amount of the Outstanding Series 2021 Bonds may, by written notice to the Trustee and the Agency, rescind and annul such declaration and its consequences. However, no such rescission and annulment shall extend to or shall affect any subsequent default, or shall impair or exhaust any right or power consequent thereon.

Section 5.2 Application of Funds Upon Default. All amounts received by the Trustee pursuant to any right given or action taken by the Trustee under the provisions of this Series 2021 Loan Agreement, or otherwise held by the Trustee upon the occurrence of Loan Default Event, shall be applied by the Trustee in the following order:

(a) *First*, to the payment of the costs and expenses of the Trustee in declaring such Loan Default Event and in carrying out the provisions of this Article V, including reasonable compensation to its agents, attorneys and counsel and other amounts owing to the Trustee and secured by the lien granted to the Trustee pursuant to Section 3.1; and

(b) *Second*, to the payment of the whole amount of interest on and principal of the Series 2021 Loan then due and unpaid, with interest on overdue Loan Installments of principal and interest to the extent permitted by law at the net effective rate of interest then borne by the Outstanding Series 2021 Bonds; provided, however, that in the event such amounts shall be insufficient to pay in full the full amount of such interest and principal, then such amounts shall be applied in the following order of priority:

(i) *first*, to the payment of all Loan Installments of interest on the Series 2021 Loan then due and unpaid, on a pro rata basis in the event that the available amounts are insufficient to pay all such interest in full,

(ii) *second*, to the payment of principal of all Loan Installments of the Series 2021 Loan then due and unpaid, on a pro rata basis in the event that the available amounts are insufficient to pay all such principal in full,

(iii) *third*, to the payment of principal of the Series 2021 Loan then due and unpaid, on a pro rata basis in the event that the available amounts are insufficient to pay all such principal in full, and

(iv) *fourth*, to the payment of interest on overdue Loan Installments of principal and interest, on a pro rata basis in the event that the available amounts are insufficient to pay all such interest in full.

Section 5.3 No Waiver. Nothing in this Article V or in any other provision of this Series 2021 Loan Agreement shall affect or impair the obligation of the Agency, which is absolute and unconditional, to pay from the Tax Revenues and other amounts pledged hereunder, the principal of and interest and premium (if any) on the Series 2021 Loan to the Trustee on the respective Interest Payment Dates, as herein provided, or affect or impair the right of action, which is also absolute and unconditional, of the Trustee to institute suit to enforce such payment by virtue of the contract embodied in this Series 2021 Loan Agreement. No waiver by the Trustee with respect to any default under this Series 2021 Loan Agreement shall affect any subsequent default or impair any rights or remedies with respect to any subsequent default. No delay or omission of the Trustee to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or an acquiescence therein, and every power and remedy conferred upon the Trustee by law or by this Article V may be enforced and exercised from time to time and as often as shall be deemed expedient by the Trustee. If a suit, action or proceeding to enforce any right or exercise any remedy shall be abandoned or determined adversely to the Authority or the Trustee, as assignee of the Authority, then the Agency, the Authority and the Trustee shall be restored to their former positions, rights and remedies as if such suit, action or proceeding had not been brought or taken.

Section 5.4 Remedies Not Exclusive. No remedy conferred upon or reserved to the Trustee under this Series 2021 Loan Agreement is intended to be exclusive of any other remedy. Every such remedy shall be cumulative and shall be in addition to every other remedy given under this Series 2021 Loan Agreement or now or hereafter existing, at law or in equity or by statute or otherwise, and may be exercised without exhausting and without regard to any other remedy conferred by law or in equity.

ARTICLE 6 MISCELLANEOUS

Section 6.1 Benefits Limited to Parties and Trustee. Nothing in this Series 2021 Loan Agreement, expressed or implied, is intended to give to any Person other than the Agency, the Trustee and the Authority, any right, remedy or claim under or by reason of this Series 2021 Loan Agreement. All covenants, stipulations, promises or agreements in this Series 2021 Loan Agreement contained by and on behalf of the Agency shall be for the sole and exclusive benefit of the Authority and of the Trustee acting as trustee for the benefit of the Owners of the Series 2021 Bonds and in no other capacity.

Section 6.2 Successor Is Deemed Included in All References to Predecessor. Whenever in this Series 2021 Loan Agreement any of the Agency, the Authority or the Trustee is named or referred to, such reference shall be deemed to include the respective successors or assigns thereof, and all the covenants and agreements in this Series 2021 Loan Agreement contained by or on behalf of the Agency, the Authority or the Trustee shall bind and inure to the benefit of the respective successors and assigns thereof whether so expressed or not.

Section 6.3 Discharge. If the Agency shall pay and discharge the entire indebtedness on the Series 2021 Loan in any one or more of the following ways:

(a) by well and truly paying or causing to be paid the entire principal of and all interest and prepayment premiums (if any) on the Series 2021 Loan, as and when the same become due and payable;

(b) by irrevocably depositing with the Trustee, in trust, at or before maturity, cash in an amount which, together with the available amounts then on deposit in any of the funds and accounts established pursuant to the Indenture or this Series 2021 Loan Agreement, is fully sufficient to pay all principal of and interest and prepayment premiums (if any) on the Series 2021 Loan; or

(c) by irrevocably depositing with the Trustee or any other fiduciary, in trust, Government Obligations in such amount as an Independent Certified Public Accountant shall determine in a written report filed with the Trustee (upon which report the Trustee may conclusively rely) will, together with the interest to accrue thereon and available moneys then on deposit in the funds and accounts established pursuant to the Indenture or pursuant to this Series 2021 Loan Agreement, be fully sufficient to pay and discharge the indebtedness on the Series 2021 Loan (including all principal, interest and prepayment premiums) at or before maturity;

then, at the election of the Agency, but only if the Series 2021 Bonds relating to this Series 2021 Loan Agreement have been fully paid or defeased, and all other amounts then due and payable under this Series 2021 Loan Agreement shall have been paid or provision for their payment made, the pledge of and lien upon the Tax Revenues and other funds provided for in this Series 2021 Loan Agreement and all other obligations of the Agency and the Authority under this Series 2021 Loan Agreement with respect to the Series 2021 Loan shall cease and terminate, except only the obligation of the Agency to pay or cause to be paid to the Trustee, from the amounts so deposited with the Trustee or such other fiduciary, all sums due with respect to the Series 2021 Loan and all expenses and costs of the Trustee. The Agency shall file notice of such election with the Authority and the Trustee. Any funds thereafter held by the Trustee with respect to this Series 2021 Loan Agreement, which are not required for the purposes of this Section 6.3, shall be paid to the Agency.

Section 6.4 Amendment. This Series 2021 Loan Agreement may be amended by the parties hereto but only under the circumstances set forth in, and in accordance with, the provisions of Article X of the Indenture. The Authority covenants that the Indenture shall not be amended without the prior written consent of the Agency.

Section 6.5 No Personal Liability. No member, officer, agent or employee of the Agency shall be individually or personally liable for the payment of the principal of or interest on the Series 2021 Loan; but no provision of this Series 2021 Loan Agreement shall relieve any such member, officer, agent or employee from the performance of any official duty provided by law.

Section 6.6 Payment or Performance on Business Days. Whenever in this Series 2021 Loan Agreement any amount is required to be paid or act is required to be performed on a day which is not a Business Day, such payment or act, as applicable, shall be required to be made on the first Business Day immediately following such day, with the same force and effect as if done on the nominal date provided in this Series 2021 Loan Agreement.

Section 6.7 Notices. All written notices to be given under this Series 2021 Loan Agreement shall be given by Electronic Means or first class mail or personal delivery to the party entitled thereto at its address set forth below, or at such address as the party may provide to the other party in writing from time to time. Notice shall be effective 48 hours after deposit in the United States mail, postage prepaid or, in the case of personal delivery or delivery by any Electronic Means to any Person, upon actual receipt at the address set forth below:

If to the Authority:

Avenal Public Financing Authority

919 Skyline Boulevard
Avenal, California 93204
Attention: City Manager
email alopez@cityofavenal.us

If to the Agency: Successor Agency to the
Redevelopment Agency of the City of Avenal
919 Skyline Boulevard
Avenal, California 93204
Attention: Executive Director
email alopez@cityofavenal.us

If to the Trustee: U.S. Bank National Association
[U.S. Bank Tower]
[633 West Fifth Street, 24th Floor]
[Los Angeles, California 90071]
[Attention: Global Corporate Trust Services]
[email [EMAIL]]

Section 6.8 Partial Invalidity. If any Section, subsection, paragraph, subparagraph, sentence, clause or phrase of this Series 2021 Loan Agreement shall for any reason be held illegal, invalid or unenforceable, such holding shall not affect the validity of the remaining portions of this Series 2021 Loan Agreement. the Agency hereby declares that it would have adopted this Series 2021 Loan Agreement and each and every other Section, subsection, paragraph, subparagraph, sentence, clause or phrase of this Series 2021 Loan Agreement and authorized the Series 2021 Loan irrespective of the fact that any one or more Sections, subsections, paragraphs, subparagraphs, sentences, clauses or phrases of this Series 2021 Loan Agreement may be held illegal, invalid or unenforceable.

Section 6.9 Trustee. Except as otherwise expressly set forth herein, nothing contained herein shall be construed to impose any duties upon the Trustee beyond those contained in the Indenture. All immunities, indemnities and other provisions of the Indenture, insofar as they relate to the duties and liabilities of the Trustee, shall apply to this Series 2021 Loan Agreement.

Section 6.10 Governing Law. This Series 2021 Loan Agreement shall be construed and governed in accordance with the laws of the State.

Section 6.11 Counterparts. This Series 2021 Loan Agreement may be executed in any number of counterparts, each of which shall for all purposes be deemed to be an original and all of which shall together constitute but one and the same instrument.

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IN WITNESS WHEREOF, the **SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF AVENAL** and the **AVENAL PUBLIC FINANCING AUTHORITY** have caused this Series 2021 Loan Agreement to be signed by their respective officers, all as of the day and year first above written.

**SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY OF THE CITY OF AVENAL**

By: _____
Executive Director

AVENAL PUBLIC FINANCING AUTHORITY

By: _____
Authorized Signatory

EXHIBIT A: LOAN INSTALLMENTS

Loan Payment Date	Interest Payment	Principal Payment	Loan Payment Total
02/15/2022			
08/15/2022			
02/15/2023			
08/15/2023			
02/15/2024			
08/15/2024			
02/15/2025			
08/15/2025			
02/15/2026			
08/15/2026			

SECOND AMENDED AND RESTATED INSTALLMENT SALE AGREEMENT

by and between the

AVENAL PUBLIC FINANCING AUTHORITY, as seller
("AUTHORITY")

and the

CITY OF AVENAL, as purchaser
("CITY")

relating to

**[\$PAR]
Avenal Public Financing Authority
Refunding Revenue Bonds, Series 2021**

Dated as of November 1, 2021

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SECOND AMENDED AND RESTATED INSTALLMENT SALE AGREEMENT

This SECOND AMENDED AND RESTATED INSTALLMENT SALE AGREEMENT (this “Series 2021 Installment Sale Agreement”) is made and entered into as of November 1, 2021, by and between the **AVENAL PUBLIC FINANCING AUTHORITY** (the “Authority”), a joint exercise of powers authority organized and existing under the laws of the State of California (the “State”), specifically the provisions of Articles 1 through 4 (commencing with Section 6500) of Chapter 5, Division 7, Title 1 of the Government Code of the State (the “Act”), and of that certain Joint Exercise of Powers Agreement, dated March 30, 1989 (the “JPA Agreement”), by and between the City of Avenal and the former Redevelopment the Agency of the City of Avenal, as seller, and the **CITY OF AVENAL** (the “City”), a municipal corporation and general law city organized and existing under the Constitution and laws of the State, as purchaser;

WHEREAS, the Authority is authorized and empowered under the Act to issue bonds and other obligations in order to assist local agencies in financing and refinancing public improvements whenever a local agency determines that there are significant public benefits from so doing; and

WHEREAS, the Authority previously financed the acquisition, construction and completion by the City of a waterworks system and improvements thereto (the “Enterprise”) and improvements and facilities in the City which are of benefit to or appurtenant to the operation of the Enterprise, in that curbs and gutters, storm drains and similar facilities have been designed and constructed to reduce the incidence and impact of flooding within the City and the resulting impairment of the safe, sanitary and reliable operation of the Enterprise; and

WHEREAS, to assist the City in refinancing certain improvements to the Enterprise, the Authority issued \$9,660,000 aggregate principal amount of its 2005 Refunding Revenue Bonds, the outstanding portion of which (the “Refunded Bonds”) is to be refunded and retired in accordance with the provisions of an Indenture of Trust, dated as of November 1, 2021 (the “Series 2021 Indenture”), by and between the Authority and U.S. Bank National Association, as trustee (the “Trustee”), and under the authority of Article 11 (commencing with Section 53580) of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code of the State through the Authority’s issuance of its Avenal Public Financing Authority Refunding Revenue Bonds, Series 2021 (the “Series 2021 Bonds”); and

WHEREAS, in connection with the issuance of the Refunded Bonds, the Authority and the City entered into the Amended and Restated Installment Sale Agreement, dated as of September 1, 2005 (the “Series 2005 Installment Sale Agreement”), by and between the Authority and the City; and

WHEREAS, Authority and the City desire, in connection with the issuance of the Series 2021 Bonds, to refinance the Series 2005 Installment Sale Agreement in accordance with the provisions of the Series 2021 Indenture and of this Series 2021 Installment Sale Agreement, pursuant to which the City desires to pledge to the Authority as additional security for the Series 2021 Bonds certain amounts received as collections of water rates and charges and amounts in the City’s enterprise fund for its water utility (the “Net Revenues”); and

WHEREAS, to perfect such pledge and in consideration of the Authority’s assistance in such refinancing and pursuant to the provisions of Section 8.01 of the JPA Agreement, the City has determined to contribute and convey to the Authority its rights and interests in the Enterprise pursuant to a Conveyance Agreement, dated as of November 1, 2021 (the “Conveyance Agreement”), and then to purchase the Enterprise back from the Authority pursuant to this Series 2021 Installment Sale Agreement by making installment payments from the Net Revenues; and

WHEREAS, all acts and proceedings required by law necessary to make this Series 2021 Installment Sale Agreement, when executed by the City and the Authority, the valid, binding and legal obligation of the City and to constitute this Series 2021 Installment Sale Agreement 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 this Series 2021 Installment Sale Agreement have been in all respects duly authorized;

NOW, THEREFORE, in consideration of the above premises and of the mutual covenants hereinafter contained and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

ARTICLE I DEFINITIONS, CERTIFICATES AND INTERPRETATION

Section 1.1 **Definitions.** Unless the context otherwise requires, the terms defined in this Section 1.1 shall, for all purposes of this Series 2021 Installment Sale Agreement, have the meanings specified in the Series 2021 Indenture. All terms defined in the recitals hereof shall have the meanings ascribed to those terms in the recitals. In addition, the following definitions shall apply to this Series 2021 Installment Sale Agreement:

“*Enterprise*” means the entire waterworks system of the City and all improvements and extensions of the system as more fully described in Exhibit A.

“*Enterprise Revenues*” means (a) income and revenue received or receivable by the City from the ownership or operation of the Enterprise, determined in accordance with generally accepted accounting principles, including all rates, fees (including connection fees) and charges receivable by the City for water service, and all other income and revenue howsoever derived by the City from the Enterprise or arising from the Enterprise, including all sums required by this Series 2021 Installment Sale Agreement to be deposited in the Enterprise Revenue Fund, but excluding refundable deposits made to establish credit and advances of contributions in aid of construction or other payments of a similar nature, and (b) investment income with respect to any moneys held by the City in the Enterprise Revenue Fund.

“*Enterprise Revenue Fund*” means the fund established by the City pursuant to Section 4.3(c).

“*Fiscal Year*” means the period beginning July 1 of each year and ending the next succeeding June 30 or any other 12-month period selected and designated as the official fiscal year period of the City.

“*Installment Default Event*” means an event of default under this Series 2021 Installment Sale Agreement, as defined in Section 9.1.

“*Installment Payments*” means the Installment Payments required to be made by the City to the Authority under Section 4.1.

“*Installment Payment Date*” means the 15th day of each February and August, commencing February 15, 2022.

“*Installment Reserve Requirement*” means that portion of the Series 2021 Reserve Requirement attributable to this Series 2021 Installment Sale Agreement, calculated as an amount equal to the Series 2021 Reserve Requirement multiplied by the quotient of the outstanding principal amount of this Series 2021 Installment Sale Agreement divided by the aggregate Outstanding principal amount of the Series 2021 Bonds.

“*Maintenance and Operation Costs*” means all necessary and reasonable costs paid or incurred by the City for maintaining, operating and preserving the Enterprise, determined in accordance with generally accepted accounting principles, including all expenses of management and all expenses necessary to maintain and preserve the Enterprise in good repair and working order and to operate the Enterprise in an economic and efficient manner, including all administrative costs of the City that are charged directly, or properly apportioned, to the maintenance and operation of the Enterprise, such as salaries and wages of employees, overhead, insurance and taxes (if any), and including all other necessary and reasonable costs of the City or charges required to be paid by the City to comply with the terms of this Series 2021 Installment Sale Agreement, such as compensation, reimbursement and indemnification of the Authority and the Trustee and fees and expenses of Independent Certified Public Accountants or independent engineers, but excluding in all cases depreciation, obsolescence and replacement charges or reserves therefor and amortization of intangible or other bookkeeping entries of a similar nature.

“*Maximum Annual Debt Service*” means, as of any date of calculation, the maximum amount of payments, principal, premium, if any, interest and mandatory sinking fund deposits required to be paid by the City in the current or any future Fiscal Year (including any proposed Parity Lien Debt) with respect to all outstanding and contingent obligations of the City, which are or would be payable from the Net Revenues on a parity with the pledge of Net Revenues hereunder.

“*Net Proceeds*” means any insurance proceeds or condemnation award paid with respect to the Enterprise, remaining after payment therefrom of all expenses incurred in the collection thereof.

“*Net Revenues*” means Enterprise Revenues less Maintenance and Operation Costs.

“*Parity Lien Debt*” means any bond, note, obligation, guaranty, contingent obligation or evidence of indebtedness of the City made or incurred within the restrictions of Section 4.5(b) and which is payable from or secured in whole or in part by a pledge of, a lien upon or other interest in Enterprise Revenues on a basis which is on a parity with the pledge of Net Revenues hereunder.

“*Permitted Encumbrances*” means, as of any particular time: (a) liens for general ad valorem taxes and assessments, if any, not then delinquent, or which the City may, pursuant to the provisions of Article V, permit to remain unpaid; (b) this Series 2021 Installment Sale Agreement; (c) any right or claim of any mechanic, laborer, materialman, supplier or vendor filed or perfected in the manner prescribed by law; and (d) easements, rights of way, mineral rights, drilling rights and other rights, reservations, covenants, conditions or restrictions which are established following the date of this Series 2021 Installment Sale Agreement and to which the Authority and the City consent in writing.

“*Prepayment*” means any payment applied or to be applied toward the prepayment of the Installment Payments, in whole or in part, pursuant to Article X.

“*Series 2021 Installment Sale Agreement*” means this Second Amended and Restated Installment Sale Agreement, and any duly authorized and executed amendment or supplement thereto.

“*Term of this Series 2021 Installment Sale Agreement*” means the time during which this Series 2021 Installment Sale Agreement is in effect, as provided in Section 3.3.

Section 1.2 **Contents of Certificates and Opinions.**

(a) Every certificate or opinion with respect to compliance with any provision of this Series 2021 Installment Sale Agreement shall include all of the following: (i) a statement that the Person making or giving such certificate or opinion has read such provision and the definitions herein relating thereto; (ii) a

brief statement as to the nature and scope of the examination or investigation upon which the certificate or opinion is based; (iii) a statement that, in the opinion of such Person, he or she has made or caused to be made such examination or investigation as is necessary to enable such Person to express an informed opinion with respect to the subject matter referred to in the instrument to which such Person's signature is affixed; (iv) a statement of the assumptions upon which such certificate or opinion is based, and that such assumptions in the opinion of such Person are reasonable; and (v) a statement as to whether, in the opinion of such Person, such provision has been satisfied.

(b) Any such certificate or opinion made or given by an officer of the City may be based, insofar as it relates to legal or accounting matters, upon a certificate or opinion of or representation by counsel or an Independent Certified Public Accountant, unless such officer knows, or in the exercise of reasonable care should have known, that the certificate, opinion or representation with respect to the matters upon which such certificate or statement may be based, as aforesaid, is erroneous. Any such certificate or opinion made or given by counsel or an Independent Certified Public Accountant may be based, insofar as it relates to factual matters (with respect to which information is in the possession of the City) upon a certificate or opinion of or representation by any Authorized Representative of the City unless such counsel or Independent Certified Public Accountant knows, or in the exercise of reasonable care should have known, that the certificate or opinion with respect to the matters upon which such Person's certificate or opinion may be based, as aforesaid, is erroneous. Neither the same Authorized Representative of the City or the same counsel or Independent Certified Public Accountant, as the case may be, need certify to all of the matters required to be certified under any provision of this Series 2021 Installment Sale Agreement, but any different Authorized Representative, counsel or Independent Certified Public Accountant may certify to different matters, respectively.

Section 1.3 Interpretation.

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

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

(c) Unless the context otherwise indicates, all references herein to "Articles," "Sections," "paragraphs," "subparagraphs," "clauses" and other subdivisions are to the corresponding Articles, Sections, paragraphs, subparagraphs, clauses or other subdivisions of this Series 2021 Installment Sale Agreement; the words "herein," "hereof," "hereby," "hereunder" and other words of similar import refer to this Series 2021 Installment Sale Agreement as a whole and not to any particular Article, Section, paragraph, subparagraph, clause or other subdivision of this Series 2021 Installment Sale Agreement.

ARTICLE II REPRESENTATIONS, COVENANTS AND WARRANTIES

Section 2.1 Representations, Covenants and Warranties of the City. The City represents, covenants and warrants to the Authority as follows:

(a) The City is a municipal corporation and general law city, duly organized and existing under the Constitution and laws of the State.

(b) The Constitution and laws of the State authorize the City to enter into this Series 2021 Installment Sale Agreement and the Conveyance Agreement and to enter into the transactions contemplated by and to carry out its obligations under each of the aforesaid agreements, and the City has duly authorized and executed such agreements.

(c) The execution and delivery of this Series 2021 Installment Sale Agreement, the fulfillment of or compliance with the terms and conditions hereof, and the consummation of the transactions contemplated by this Series 2021 Installment Sale Agreement do not conflict with and do not result in a material breach of the terms, conditions or provisions of any restriction or any agreement or instrument to which the City is now a party or by which the City is bound or constitutes a default under any of such agreement or instrument.

(d) The City has duly authorized and executed this Series 2021 Installment Sale Agreement in accordance with the laws of the State.

(e) The City is empowered to set rates and charges for water service provided to the users of the Enterprise without review or approval by any state or local governmental agency.

(f) The City represents that, other than the Installment Payments and this Series 2021 Installment Sale Agreement, it has not issued or incurred any obligations payable out of the Net Revenues.

Section 2.2 Representations Covenants and Warranties of the Authority. The Authority represents, covenants and warrants to the City as follows:

(a) The Authority is a joint exercise of powers authority organized and existing under the laws of the State, has power to enter into this Series 2021 Installment Sale Agreement, the Conveyance Agreement and the Indenture, is possessed of full power to own and hold real and personal property, and to purchase and sell the same, and has duly authorized the execution and delivery of each of the aforesaid agreements.

(b) The Authority will not pledge the Installment Payments or other amounts derived with respect to the Enterprise and as a result of its other rights under this Series 2021 Installment Sale Agreement, and will not mortgage or encumber the Enterprise, except as provided under the terms of this Series 2021 Installment Sale Agreement, the Conveyance Agreement and the Indenture.

(c) Neither the execution and delivery of this Series 2021 Installment Sale Agreement or the Indenture, nor the fulfillment of or compliance with the terms and conditions hereof or thereof, nor the consummation of the transactions contemplated hereby or thereby, conflicts with or results in a breach of the terms, conditions or provisions of any restriction or any agreement or instrument to which the Authority is now a party or by which the Authority is bound, or constitutes a default under any of the foregoing.

(d) Except as provided herein or in the Indenture, the Authority will not assign this Series 2021 Installment Sale Agreement, its right to receive Installment Payments from the City, or its duties and obligations hereunder to any other person, firm or corporation other than the Trustee.

ARTICLE III SALE OF AND TITLE TO THE ENTERPRISE; TERM

Section 3.1 Sale of the Enterprise. The Authority hereby sells, bargains and conveys the Enterprise to the City, and the City hereby purchases the Enterprise from the Authority upon the terms and conditions set forth in this Series 2021 Installment Sale Agreement. Notwithstanding any other provision of this Series 2021 Installment Sale Agreement or of the Conveyance Agreement, it is the express intention

of the City and the Authority that this Series 2021 Installment Sale Agreement and the obligations of the City and the Authority hereunder shall be and remain separate and distinct from the Conveyance Agreement and the obligations of the parties thereunder, and that no merger of title or interest shall occur or be deemed to occur as a result of the position of (a) the City as purchaser under this Series 2021 Installment Sale Agreement and as transferor under the Conveyance Agreement and (b) the Authority as seller under this Series 2021 Installment Sale Agreement and as transferee under the Conveyance Agreement.

Section 3.2 Title. The City and the Authority agree that legal and equitable title to the Enterprise shall be deemed conveyed to and vested in the City on the Closing Date, subject only to Permitted Encumbrances. The Authority and its officers shall take all actions necessary to vest in the City all of the Authority's rights in and title to the Enterprise.

Section 3.3 Term of this Series 2021 Installment Sale Agreement. The Term of this Series 2021 Installment Sale Agreement shall commence as of the Closing Date and shall end September 1, 2036, unless such term is extended or sooner terminated as hereinafter provided. If, on September 1, 2036, the Indenture shall not be discharged by its terms, then the Term of this Series 2021 Installment Sale Agreement shall be extended until ten days after the date on which the Indenture shall be discharged by its terms. If prior to September 1, 2036, the Indenture shall be discharged by its terms, the Term of this Series 2021 Installment Sale Agreement shall end ten days after the date of such discharge. In any event, the Term of this Series 2021 Installment Sale Agreement shall terminate not later than September 1, 2056.

Section 3.4 Proceeds. On the Closing Date, the Authority shall be deemed to have disbursed \$[PURCHASE AMOUNT] to the City to fully fund the purchase of the Enterprise under the Conveyance Agreement, the proceeds of which shall be deemed to have been paid in full to the City. However, the City hereby authorizes the Authority to retain the proceeds of such purchase in consideration for the following results effective on the Closing Date:

(a) all unpaid amounts due under the Series 2005 Installment Sale Agreement shall be deemed to have been paid in full, and the City's obligations under the Series 2005 Installment Sale Agreement shall be deemed to have been satisfied and discharged; and

(b) the City shall be deemed to have transferred to the Authority a portion of the proceeds of this Series 2021 Installment Sale Agreement for funding (i) \$[COI AMOUNT] of the deposit into the Series 2021 Costs of Issuance Fund (representing the amount equal to the total amount of funds from the sale of the Series 2021 Bonds deposited in the Series 2021 Costs of Issuance Fund multiplied by the quotient of the aggregate principal amount of this Series 2021 Installment Sale Agreement divided by the aggregate principal amount of the Series 2021 Bonds), and (ii) \$[RESERVE AMOUNT] to the Series 2021 Reserve Fund (representing the Installment Reserve Requirement on the Closing Date).

ARTICLE IV INSTALLMENT PAYMENTS; PLEDGE OF NET REVENUES

Section 4.1 Installment Payments.

(a) *Obligation to Pay.* The City agrees to pay to the Authority, its successors and assigns, as the purchase price of the Enterprise, the Installment Payments, consisting of components of principal and interest, on the Installment Payment Dates and in the amounts specified in Section 4.3(b). The Installment Payments shall be payable solely from Net Revenues as hereinafter provided.

(b) *Reduction Upon Partial Prepayment.* In the event the City prepays less than all of the remaining principal components of the Installment Payments pursuant to Sections 10.2 or 10.3, the amount of such prepayment shall be applied to reduce the principal component of the subsequent remaining Installment Payments as directed in a Written Request of the City, and the interest component of each affected subsequent remaining Installment Payment shall be reduced by the aggregate corresponding amount of interest which would otherwise be payable with respect to the Series 2021 Bonds redeemed as a result of such prepayment.

(c) *Rate on Overdue Payments.* In the event the City should fail to make any of the payments required in this Section 4.1 so that there are insufficient moneys on hand in the Enterprise Revenue Fund to pay any Installment Payment in full on an Installment Payment Date, the Installment Payment in default shall continue as an obligation of the City until the amount in default shall have been fully paid, and the City agrees to pay the same with interest thereon, to the extent permitted by law, from the date thereof at the rate of interest payable with respect to the Series 2021 Bonds.

(d) *Assignment.* The City understands and agrees that the Authority has assigned its right, title and interest in this Series 2021 Installment Sale Agreement to the Trustee pursuant to the Indenture for the benefit of the Owners of the Series 2021 Bonds, and the City assents to such assignment. The Authority hereby directs the City, and the City hereby agrees, to pay to the Trustee at its Principal Corporate Trust Office or at such other place as the Trustee shall direct in writing all payments payable by the City pursuant to this Section 4.1 and all amounts payable by the City pursuant to Article X.

Section 4.2 Special Obligation of the City.

(a) The City's obligation to pay the Installment Payments shall be a special obligation limited solely to Net Revenues. Under no circumstances shall the City be obligated to advance any moneys derived from any source of income other than the Net Revenues and other sources specifically identified herein for the payment of the Installment Payments, nor shall any other funds or property of the City be liable for the payment of the Installment Payments.

(b) The obligations of the City to make the Installment Payments from Net Revenues and to perform and observe the other agreements contained herein shall be absolute and unconditional and shall not be subject to any defense or right of set-off, counterclaim or recoupment arising out of any breach by the City, the Authority or the Trustee of any obligation to the City or otherwise with respect to the Enterprise, whether hereunder or otherwise, or out of indebtedness or liability at any time owing to the City by the Authority or the Trustee. Until all of the Installment Payments shall have been fully paid or prepaid, the City (i) will not suspend, abate or discontinue any payments provided for in Section 4.3, (ii) will perform and observe all other agreements contained in this Series 2021 Installment Sale Agreement, and (iii) will not terminate the Term of this Series 2021 Installment Sale Agreement for any cause, including, without limiting the generality of the foregoing, the occurrence of any acts or circumstances that may constitute failure of consideration, eviction or constructive eviction, destruction of or damage to the Enterprise, the taking by eminent domain of title to or temporary use of any or all of the Enterprise, commercial frustration of purpose, any change in the tax or other laws of the United States of America or of the State or any political subdivision of either thereof or any failure of the Authority or the Trustee to perform and observe any agreement, whether express or implied, or any duty, liability or obligation arising out of or connected with the Indenture, the Conveyance Agreement or this Series 2021 Installment Sale Agreement.

(c) Nothing contained in this Section 4.2 shall be construed to release the Authority from the performance of any of the agreements on its part contained herein, and in the event the Authority shall fail to perform any such agreements on its part, the City may institute such action against the Authority as the

City may deem necessary to compel performance so long as such action does not abrogate the obligations of the City contained in the first sentence of paragraph (b) above. The City may, however, at the City's own cost and expense and in the City's own name or in the name of the Authority prosecute or defend any action or proceeding or take any other action involving third persons which the City deems reasonably necessary in order to secure or protect the City's right of possession, occupancy and use hereunder, and in such event the Authority hereby agrees to cooperate fully with the City and to take such action necessary to effect the substitution of the City for the Authority in such action or proceeding if the City shall so request.

Section 4.3 Pledge of Net Revenues; Deposits to Pay Installment Payments; Enterprise Revenue Fund.

(a) *Pledge of Net Revenues.* The City hereby agrees that the payment of the Installment Payments shall be secured by a pledge, charge and first and prior lien upon Net Revenues, and Net Revenues sufficient to pay the Installment Payments as they become due and payable are hereby pledged, charged, assigned, transferred and set over by the City to the Authority and its assigns for the purpose of securing payment of the Installment Payments. The Net Revenues shall constitute a trust fund for the security and payment of the Installment Payments. The City agrees that none of the Net Revenues shall be transferred or paid into its general fund unless and until the then-required payments of the Installment Payments and payments on any Parity Lien Debt have been made and the Series 2021 Reserve Requirement deposit in the Series 2021 Reserve Fund has been met.

(b) *Transfer to Pay Installment Payments.* In order to provide for the payment of the Installment Payments when due, the City shall, on or before each Installment Payment Date, transfer to the Trustee for deposit into the Series 2021 Revenue Fund established and maintained under the Indenture the amount indicated in Exhibit B attached hereto.

(c) *Enterprise Revenues and Enterprise Revenue Fund.* The City hereby covenants and agrees that all Enterprise Revenues, when and as received, shall be held in trust and shall be deposited in a special fund to be established and designated as the "Enterprise Revenue Fund" to be maintained and held by the City. While any Series 2021 Bonds remain Outstanding or interest thereon is unpaid, amounts in the Enterprise Revenue Fund shall be disbursed in the following manner and order of priority:

(i) *Maintenance and Operation Costs.* The City shall first pay from moneys in the Enterprise Revenue Fund the budgeted Maintenance and Operation Costs as such costs become due and payable.

(ii) *Installment Payments.* The City shall pay from the Enterprise Revenue Fund the Installment Payments (together with any payments with respect to Parity Lien Debt) to the Trustee (and the trustee for such Parity Lien Debt, as appropriate) for deposit into the Series 2021 Revenue Fund (and the debt service fund for such Parity Lien Debt, as appropriate) as provided in paragraph (b) above.

(iii) *Series 2021 Reserve Fund.* After making the payments, allocations and transfers provided for in subparagraphs (i) and (ii) above, if the balance in the Series 2021 Reserve Fund (and the reserve funds with respect to any Parity Lien Debt, if applicable) is less than an amount equal to the Series 2021 Reserve Requirement (and the reserve requirement for any Parity Lien Debt, if applicable), the deficiency shall be restored by transfers from the first funds which become available in the Enterprise Revenue Fund to the Trustee in accordance with the provisions of Section 5.06 of the Indenture for deposit into the Series 2021 Reserve Fund, unless such transfer is determined to be unlawful by a court of competent jurisdiction. The City shall make such transfers

of funds under this subparagraph (iii) no later than the times provided in the Indenture on a pro rata basis. No deposit need be made in the Series 2021 Reserve Fund (and the reserve funds relating to any Parity Lien Debt, if applicable) so long as the balance therein is at least equal to the Series 2021 Reserve Requirement (and any reserve requirement for such Parity Lien Debt, if applicable).

(iv) *Surplus.* The City shall manage, conserve and apply moneys in the Enterprise Revenue Fund in such a manner that all deposits required to be made pursuant to the Indenture and as specified above and in Section 4.6 shall be made at the times and in the amounts so required. If all of the foregoing transfers are made within the time required, any surplus moneys in the Enterprise Revenue Fund may be applied in accordance with the provisions of this subparagraph (iv). Subject to the foregoing and the other provisions of this Series 2021 Installment Sale Agreement and the Indenture, so long as no default shall have occurred and be continuing under this Series 2021 Installment Sale Agreement, the City may at any time and from time to time use and apply Net Revenues in the Enterprise Revenue Fund for the acquisition and construction of further extensions and betterments to the Enterprise or the redemption of any of the Series 2021 Bonds or Parity Lien Debt which are then subject to redemption or the purchase from time to time in the open market of any Outstanding Series 2021 Bonds, whether or not then subject to redemption (irrespective of the maturity or number of such Series 2021 Bonds).

Section 4.4 **Rate Covenant.**

(a) The City hereby covenants that it shall prescribe, revise and collect such rates, fees and charges for the services and facilities of the Enterprise which, after allowances for contingencies and error in the estimates, shall produce Enterprise Revenues sufficient in each Fiscal Year to (i) provide Net Revenues equal to at least 1.25 times the sum of the Installment Payments coming due and payable during such Fiscal Year, all payments required with respect to Parity Lien Debt, and amounts required to replenish the Series 2021 Reserve Fund, as required by Section 5.06 of the Indenture, and (ii) provide Net Revenues at least equal to the sum of all debt obligations due and payable from Enterprise Revenues during such Fiscal Year.

(b) If, in any Fiscal Year rates, fees and charges for the services and facilities of the Enterprise which, after allowances for contingencies and error in the estimates, shall produce Enterprise Revenues insufficient in each Fiscal Year to provide Net Revenues equal to the amounts required in paragraph (a) above, the City covenants and agrees to employ an independent consultant to make recommendations as to a revision of the rates, fees and charges of the Enterprise or the methods of operation of the Enterprise that will result in the provision of Net Revenues in the amount specified in said paragraph (a). Copies of the recommendations of such consultant shall be filed with the Trustee.

(c) The City covenants and agrees that it shall, promptly upon its receipt of such recommendations from such consultant, subject to applicable requirements or restrictions imposed by law, and subject to a good faith determination of the City Council that such recommendations, in whole or in part, are in the best interests of the City, revise its rates, fees and charges or its methods of operation or collections and shall take such other action as shall be in conformity with such recommendations. In the event the City fails to comply with such recommendations, subject to the applicable requirements or restrictions imposed by law and to the determination of the City Council that such recommendations are in the best interests of the City, the Authority or its assignee may, in addition to the rights and remedies elsewhere set forth herein, and shall, upon the written request of the Owners of a majority in principal amount of the Series 2021 Bonds then Outstanding, and being indemnified to its satisfaction therefor, institute and prosecute an action or proceeding in a court of competent jurisdiction to compel the City to comply with such recommendations and requirements of this paragraph (c). If the City complies in all material respects with the reasonable recommendations of the consultant in respect to said rates, fees, charges and methods of operation or

collection, the City will be deemed to have complied with the covenants contained in this Section 4.4 notwithstanding that Net Revenues shall be less than the amount required under this Section 4.4 for such Fiscal Year; provided, however, that such rates, fees, charges and methods of operation or collection shall produce Net Revenues equal to at least 100 percent of (i) the Installment Payments coming due and payable during such Fiscal Year, (ii) all payments required with respect to Parity Lien Debt, (iii) amounts required for replenishment of the Series 2021 Reserve Fund and (iv) debt service payments due and payable from Enterprise Revenues during such Fiscal Year; provided further, that this sentence shall not be construed as in any way excusing the City from taking any action or performing any duty required under this Series 2021 Installment Sale Agreement or be construed as constituting a waiver of any other Installment Default Event.

Section 4.5 Limitations on Additional Obligations Secured by Net Revenues.

(a) *No Obligations Superior to Installment Payments.* In order to protect further the availability of and security for the Installment Payments and any Parity Lien Debt, the City hereby agrees that the City shall not, so long as any Series 2021 Bonds are Outstanding, issue or incur any obligation payable from the Net Revenues on a basis superior to the Installment Payments and any Parity Lien Debt.

(b) *Parity Lien Debt.* The City further covenants that, except for obligations issued or incurred to prepay the Installment Payments in full pursuant to the provisions of Section 10.1, the City shall not issue or incur any Parity Lien Debt unless it has obtained the prior written consent of the Owners of a majority of the principal amount of Series 2021 Bonds Outstanding and subject to the following specific conditions which are hereby made conditions precedent to the issuance and delivery of Parity Lien Debt issued in accordance with the provisions of this Section 4.5:

(i) No Installment Default Event shall have occurred and be continuing under, and the City shall otherwise be in compliance with all covenants set forth in, this Series 2021 Installment Sale Agreement.

(ii) The Net Revenues for the then current Fiscal Year shall be at least equal to (A) an amount equal to 125% of the sum of the maximum Installment Payments coming due and payable in any future Fiscal Year and the Maximum Annual Debt Service on any Parity Lien Debt (including the proposed Parity Lien Debt), excepting therefrom the Maximum Annual Debt Service on the principal amount of any Parity Lien Debt or portions thereof issued to refund the obligations of this Series 2021 Installment Sale Agreement or to refund any Parity Lien Debt in whole or in part; and (B) an amount equal to the Maximum Annual Debt Service on all debt obligations payable from Enterprise Revenues.

(iii) The Parity Lien Debt shall provide that:

(A) Interest on such Parity Lien Debt shall be payable on March 1 and September 1 in each year in which interest is payable on such Parity Lien Debt except the first 12-month period, during which interest may be payable on any March 1 or September 1;

(B) Principal of such Parity Lien Debt shall be payable on September 1 in any year in which such principal is payable; and

(C) Money shall be deposited in a reserve account from the proceeds of the sale of such Parity Lien Debt in an amount that, when added to the amount in the Series 2021 Reserve Fund, is equal to the sum of the Installment Reserve Requirement and the reserve requirement for such Parity Lien Debt.

(iv) The City shall deliver to the Trustee a Certificate of the City certifying that the conditions precedent to the issuance of such Parity Lien Debt set forth in this Section 4.5 have been satisfied.

Section 4.6 Additional Payments. In addition to the Installment Payments, the City shall pay from Net Revenues all costs and expenses incurred by the Authority to comply with the provisions of the Indenture and this Series 2021 Installment Sale Agreement, including, without limitation, all Series 2021 Costs of Issuance (to the extent not paid from amounts on deposit in the Series 2021 Costs of Issuance Fund), compensation due to the Trustee for its fees, costs and expenses incurred under the Indenture and all costs and expenses of attorneys, auditors, engineers and accountants engaged by the Authority or the City in connection with the Indenture or this Series 2021 Installment Sale Agreement.

ARTICLE V MAINTENANCE OF ENTERPRISE; TAXES; INSURANCE; AND OTHER MATTERS

Section 5.1 Maintenance of Enterprise, Utilities, Taxes and Assessments.

(a) *Operation.* The City covenants to operate the Enterprise in an efficient and economical manner and operate, maintain and preserve the Enterprise in good repair and working order. The Authority shall have no responsibility for such operation, maintenance and repair.

(b) *Taxes and Assessments.* The City shall also pay or cause to be paid all taxes and assessments of any type or nature charged to the Authority or the City or levied, assessed or charged against the Enterprise or the respective interests or estates therein; provided that with respect to special assessments or other governmental charges that may lawfully be paid in installments over a period of years, the City shall be obligated to pay only such installments as are required to be paid during the Term of this Series 2021 Installment Sale Agreement as and when the same become due. The City shall not be required to pay any federal, state or local income, inheritance, estate, succession, transfer, gift, franchise, gross receipts, profit, excess profit, capital stock, corporate or other similar tax payable by the Authority, its successors or assigns, unless such tax is made in lieu of or as a substitute for any real estate or other tax upon property.

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

Section 5.2 Modification of Enterprise. The City shall, at its own expense, have the right to make additions, modifications and improvements to the Enterprise. Such additions, modifications and improvements shall not in any way damage the Enterprise or cause it to be used for purposes other than those authorized under the provisions of state and federal law, or in any way which would impair the tax-exempt status of the interest component of the Installment Payments; and the Enterprise, upon completion of any additions, modifications and improvements made in accordance with the provisions of this Section 5.2, shall have a value at least equal to the value of the Enterprise immediately prior to the making of such additions, modifications and improvements.

Section 5.3 Public Liability and Property Damage Insurance. The City shall maintain or cause to be maintained, throughout the Term of this Series 2021 Installment Sale Agreement, insurance policies, including a standard comprehensive general liability insurance policy or policies, in protection of

the City, its officers, agents and employees, and the Authority, its officers, agents, and employees, and the Trustee. Said policy or policies shall provide for indemnification of said parties against direct or contingent loss or liability for damages for bodily and personal injury, death or property damage occasioned by reason of the construction or operation and maintenance of the Enterprise (but only if such insurance is available at reasonable cost). Said policy or policies shall provide coverage in the liability limits customarily maintained by the City. Such liability insurance may be maintained as part of or in conjunction with any other liability insurance coverage carried by the City, and may be maintained in the form of insurance maintained through a joint exercise of powers authority created for such purpose or in the form of self-insurance by the City. The Net Proceeds of such liability insurance shall be applied toward extinguishment or satisfaction of the liability with respect to which the insurance proceeds shall have been paid.

Section 5.4 Fire and Extended Coverage Insurance. The City shall procure and maintain, or cause to be procured and maintained throughout the Term of this Series 2021 Installment Sale Agreement, insurance against loss or damage to any structures constituting any part of the Enterprise (excluding water storage reservoirs, transmission and distribution pipelines and other underground facilities) by fire and lightning, with extended coverage insurance. A maximum deductible amount of \$100,000 for any one loss shall be allowable. Such insurance shall be in an amount equal to 100 percent of the replacement cost of the Enterprise (excluding water storage reservoirs, transmission and distribution pipelines and other underground facilities). Such insurance may be maintained as part of or in conjunction with any other fire and extended coverage insurance carried or required to be carried by the City, and may be maintained in the form of insurance maintained through a joint exercise of powers authority created for such purpose or in the form of self-insurance by the City. If the City shall maintain self-insurance, the City shall provide to the Trustee a statement of compliance by an independent insurance consultant or the City's risk manager on an annual basis as described in Section 5.5. The Net Proceeds of such insurance shall be applied as provided in Section 6.2(a).

Section 5.5 Insurance Proceeds; Form of Policies. All proceeds of the insurance required under Sections 5.3 and 5.4 shall be payable to the Trustee for the benefit of the Owners of the Series 2021 Bonds. The City shall pay or cause to be paid when due the premiums for all insurance policies required by this Series 2021 Installment Sale Agreement. All such policies shall provide that the Trustee shall be given 30 days' prior notice of each expiration thereof, and any intended cancellation thereof or reduction of the coverage provided thereby. Neither the Authority nor the Trustee shall be responsible for the sufficiency of any insurance herein required or for obtaining such insurance, and the Authority or Trustee shall be fully protected in accepting payment on account of such insurance or any adjustment, compromise or settlement of any loss agreed to by the City. The City shall cause to be delivered to the Trustee annually, not later than the end of each Fiscal Year, a Certificate of an Authorized Representative of the City stating that the insurance policies required by this Series 2021 Installment Sale Agreement are in full force and effect. The Trustee may conclusively rely upon each such Certificate as evidence of compliance with the insurance requirements under this Series 2021 Installment Sale Agreement.

Section 5.6 Advances. If the City fails to perform any of its obligations under this Article V, the Authority may, but shall not be obligated to, take such action as may be necessary to cure such failure, including the advancement of money, and the City shall be obligated to repay all such advances as soon as possible, with interest thereon at the rate of interest with respect to the Series 2021 Bonds from the date of the advance to the date of repayment.

Section 5.7 Installation of City's Equipment. The City may at any time and from time to time, in its sole discretion and at its own expense, install or permit to be installed items of equipment or personal property in or upon the Enterprise. All such items shall remain the sole property of the City, in which neither the Authority nor the Trustee shall have any interest, and may be modified or removed by the City at any time, provided that the City shall repair and restore any and all damage to the Enterprise

resulting from the installation, modification or removal of any such items. Nothing in this Series 2021 Installment Sale Agreement shall prevent the City from purchasing items to be installed pursuant to this Section 5.7 under a conditional sale or lease purchase contract, or subject to a vendor's lien or security agreement, as security for the unpaid portion of the purchase price thereof.

Section 5.8 Restrictions on Dispositions and Encumbrances. The City covenants that the Enterprise will not be mortgaged or otherwise encumbered, sold, leased (except as otherwise permitted under Section 8.2), pledged, any charge placed thereon or disposed of as a whole. The Enterprise Revenues and any other funds pledged or otherwise made available to secure payment of the principal of and interest on the Series 2021 Bonds and Parity Lien Debt shall not be mortgaged, encumbered, sold, leased, pledged, any charge placed thereon, or disposed of or used except as authorized by the terms of this Series 2021 Installment Sale Agreement and the Indenture. The City further covenants that it will not enter into any agreement which impairs the operation of the Enterprise or any part of it necessary to provide adequate Net Revenues to make the Installment Payments or would otherwise impair the rights of the Owners of the Series 2021 Bonds with respect to the Net Revenues. If any substantial part of the Enterprise is sold, the payment therefor shall either be used for the acquisition and/or construction of improvements and extensions of the Enterprise or shall be placed in funds appropriate for the prepayment of Installment Payments in order to call and redeem Series 2021 Bonds Outstanding and Parity Lien Debt in the manner provided for in the Indenture and any subsequent indenture or resolution.

Section 5.9 Continuing Disclosure. The City covenants and agrees that it will comply with and carry out all of the provisions of and its respective obligations under the Continuing Disclosure Agreement. Notwithstanding any other provision of this Series 2021 Installment Sale Agreement, failure of the City to comply with the Continuing Disclosure Agreement shall not be considered an Installment Default Event; however, any Owner or Beneficial Owner of the Series 2021 Bonds may, take such actions as may be necessary and appropriate to compel performance, including seeking mandate or specific performance by court order.

ARTICLE VI DAMAGE, DESTRUCTION AND EMINENT DOMAIN; USE OF NET PROCEEDS

Section 6.1 Eminent Domain. If the entire Enterprise shall be taken permanently under the power of eminent domain (or sold to a government agency threatening to exercise the power of eminent domain), the Term of this Series 2021 Installment Sale Agreement shall continue until all Series 2021 Bonds, including the interest thereon, are paid in full. If less than the entire Enterprise shall be taken permanently, or if the entire Enterprise, or any part thereof, shall be taken temporarily, under the power of eminent domain, this Series 2021 Installment Sale Agreement shall continue in full force and effect and shall not be terminated by virtue of such taking, and the parties waive the benefit of any law to the contrary. In such event, if any Series 2021 Bonds then Outstanding are redeemed with the Net Proceeds of the eminent domain award, the amount of the Installment Payments shall be proportionately reduced, such that the resulting Installment Payments are in an amount equal to the amount necessary to pay principal of and interest on the Series 2021 Bonds which are then outstanding as the same become due and payable.

Section 6.2 Application of Net Proceeds.

(a) *From Insurance Award.* The Net Proceeds of any insurance award resulting from any damage to or destruction of the Enterprise by fire or other casualty shall be deposited by the Trustee in the Series 2021 Revenue Fund promptly upon receipt thereof and, if the Authorized Representative of the City notifies the Trustee in writing of the City's determination that the replacement, repair, restoration, modification or improvement of the Enterprise is not economically feasible or in the best interest of the City, together with a certificate of an independent engineer and/or independent financial consultant to the

effect that such action will not have a material adverse effect on the operation by the City of the Enterprise, and that the rate covenant of the City set forth in Section 4.4, based on projections of said engineer or financial consultant, will continue to be satisfied following such action, then such Net Proceeds shall be promptly transferred by the Trustee to the Series 2021 Revenue Fund and to be applied as provided in Section 10.3. The City covenants that it will commence such replacement, repair, restoration, modification or improvement or indicate that such replacement, repair, restoration, modification or improvement is not economically feasible within 180 days after receipt of such Net Proceeds. All such Net Proceeds deposited in the Series 2021 Revenue Fund and not so transferred shall be applied to the prompt replacement, repair, restoration, modification or improvement of the Enterprise by the City, upon receipt by the Trustee of a requisition or requisitions acceptable to the Trustee signed by an Authorized Representative of the City stating with respect to each payment to be made (i) the requisition number; (ii) the name and address of the person, firm or corporation to whom payment is due; (iii) the amount to be paid; and (iv) that each obligation mentioned therein has been properly incurred, is a proper charge against the Series 2021 Revenue Fund, and has not been the basis of any previous withdrawal, and specifying in reasonable detail the nature of each such obligation. Each such requisition shall be accompanied by a bill or a statement of account for each obligation mentioned therein. Any balance of the Net Proceeds of any insurance award remaining after the replacement, repair, restoration, modification or improvement of the Enterprise has been completed shall be transferred to or retained in the Series 2021 Revenue Fund.

(b) *From Eminent Domain Award.* The Net Proceeds of any eminent domain award or settlement resulting from any event described in Section 6.1 shall be applied to the prepayment of Installment Payments as provided in Section 10.3.

ARTICLE VII DISCLAIMER OF WARRANTIES; ACCESS

Section 7.1 Disclaimer of Warranties. NEITHER THE AUTHORITY, NOR THE TRUSTEE AS ASSIGNEE OF THE AUTHORITY, MAKES ANY WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE VALUE, DESIGN, CONDITION, MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OF THE ENTERPRISE OR ANY PART THEREOF OR AS TO THE FITNESS OF THE ENTERPRISE FOR THE USE CONTEMPLATED BY THE CITY OF THE ENTERPRISE OR ANY PART THEREOF, OR ANY OTHER REPRESENTATION OR WARRANTY WITH RESPECT TO THE ENTERPRISE OR ANY PART THEREOF. IN NO EVENT SHALL THE AUTHORITY OR THE TRUSTEE BE LIABLE FOR INCIDENTAL, INDIRECT, SPECIAL OR CONSEQUENTIAL DAMAGES IN CONNECTION WITH OR ARISING OUT OF THIS SERIES 2021 INSTALLMENT SALE AGREEMENT OR THE INDENTURE FOR THE EXISTENCE, FURNISHING, FUNCTIONING OR THE CITY'S USE OF THE ENTERPRISE.

Section 7.2 Access to the Enterprise and Records. The City agrees that the Authority and any Authorized Representative of the Authority, and the Authority's successors or assigns, shall have the right at all reasonable times to enter upon and to examine and inspect the Enterprise and to examine and inspect the books and records of the City pertaining to the Enterprise and to make copies thereof and to take memoranda thereof. The City further agrees that the Authority, any Authorized Representative of the Authority, and the Authority's successors or assigns shall have such rights of access to the Enterprise as may be reasonably necessary to cause the proper maintenance of the Enterprise in the event of failure by the City to perform its obligations hereunder.

Section 7.3 Release and Indemnification Covenants. The City shall and hereby agrees to indemnify and save harmless the Authority and its successors and assigns (including the Trustee) from and against any and all claims, losses, damages, penalties and liabilities, including legal fees and expenses,

arising out of (a) the use, maintenance, condition, management, disposition or sale of the Enterprise, or from any work or thing done on the Enterprise by the City; (b) any breach or default on the part of the City in the performance of any of its obligations under this Series 2021 Installment Sale Agreement; (c) any act or negligence of the City or of any of its agents, contractors, servants, employees or licensees with respect to the Enterprise; (d) any act or negligence of any assignee or sublessee of the City with respect to the Enterprise; or (e) the construction of the Enterprise or the authorization of payment of the Costs of Issuance by the City or the Authority. No indemnification is made under this Section 7.3, or Section 9.4, or elsewhere in this Series 2021 Installment Sale Agreement for willful misconduct, negligence, or breach of duty under this Series 2021 Installment Sale Agreement by the Authority, its officers, employees, successors or assigns. The indemnity provided for in this Section 7.3 shall survive termination of this Series 2021 Installment Sale Agreement.

ARTICLE VIII ASSIGNMENT, SALE OR AMENDMENT

Section 8.1 Assignment by the Authority. The Authority's right, title and interest in and to this Series 2021 Installment Sale Agreement, including the right to receive and enforce payment of the Installment Payments to be made by the City under this Series 2021 Installment Sale Agreement, have been assigned to the Trustee, subject to certain exceptions, pursuant to the Indenture, to which assignment the City hereby consents.

Section 8.2 Assignment, Sale or Disposition by the City. This Series 2021 Installment Sale Agreement may not be assigned by the City except as expressly permitted under Section 5.8, and the City may not sell, substitute or otherwise convey the Enterprise during the Term of this Series 2021 Installment Sale Agreement or as long as any Series 2021 Bonds remain Outstanding. The City may lease the Enterprise, or any portion thereof, subject to all of the following conditions:

(a) This Series 2021 Installment Sale Agreement and the obligation of the City to make Installment Payments hereunder shall remain obligations of the City;

(b) The City shall, within 30 days after the delivery thereof, furnish or cause to be furnished to the Authority and the Trustee a true and complete copy of the documents accomplishing such lease;

(c) No such lease by the City shall cause the Enterprise to be used for a purpose other than a governmental or proprietary function authorized under the provisions of the Constitution and laws of the State; and

(d) No such lease shall cause the interest component of the Installment Payments to become subject to federal or State personal income taxes.

Section 8.3 Amendment of Series 2021 Installment Sale Agreement. Without the prior written consent of the Trustee, which consent may be based solely on an Opinion of Counsel, the City shall not alter, modify or cancel or agree or consent to alter, modify or cancel this Series 2021 Installment Sale Agreement, exception only as such alteration or modification is permitted under the provisions of Article X of the Indenture.

ARTICLE IX INSTALLMENT DEFAULT EVENTS AND REMEDIES

Section 9.1 Installment Default Events Defined. The following shall be "Installment Default Events" under this Series 2021 Installment Sale Agreement, and the terms "event of default" and "default"

shall mean, whenever they are used in this Series 2021 Installment Sale Agreement, any one or more of the following events:

(a) Failure by the City to pay any Installment Payment by the applicable Installment Payment Date or failure to make any other payment required to be paid hereunder at the time specified herein; or

(b) Failure by the City to observe and perform any covenant, condition or agreement on its part to be observed or performed in this Series 2021 Installment Sale Agreement or the Indenture, other than as referred to in clause (a) of this Section 9.1, for a period of 60 days after written notice specifying such failure and requesting that it be remedied has been given to the City by the Authority, the Trustee or the Owners of not less than 25% in aggregate principal amount of Series 2021 Bonds then Outstanding; provided, however, if the failure stated in the notice cannot be corrected within the applicable period, the Authority, the Trustee or such Owners, as applicable, shall not unreasonably withhold their consent to an extension of such time if corrective action is instituted by the City within the applicable period and diligently pursued until the default is corrected; or

(c) The filing by the City of a petition or answer seeking arrangement or reorganization under the federal bankruptcy laws or any other applicable law of the United States of America or any state therein, or the approval by a court of competent jurisdiction of a petition filed with or without the consent of the City seeking arrangement or reorganization under the federal bankruptcy laws or any other applicable law of the United States of America or any state therein, or, under the provisions of any other law for the relief or aid of debtors, any court of competent jurisdiction assumes custody or control of the City or of the whole or any substantial part of its property; or

(d) An event of default occurs and is continuing with respect to any Parity Lien Debt.

Section 9.2 Remedies on Default. Whenever any Installment Default Event referred to in Section 9.1 shall have happened and be continuing, each of the Authority or the Trustee, shall have the right, at its option and without any further demand or notice:

(a) to declare all principal components of the unpaid Installment Payments, together with accrued interest at the rate or rates specified in the respective Outstanding Series 2021 Bonds from the immediately preceding Installment Payment Date on which payment was made, to be immediately due and payable, whereupon the same shall become due and payable; and

(b) to take whatever action at law or in equity may appear necessary or desirable to collect the Installment Payments then due or thereafter to become due during the Term of this Series 2021 Installment Sale Agreement, or enforce performance and observance of any obligation, agreement or covenant of the City under this Series 2021 Installment Sale Agreement.

Section 9.3 No Remedy Exclusive. No remedy herein conferred upon or reserved to the Authority is intended to be exclusive and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Series 2021 Installment Sale Agreement or now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right or power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Authority to exercise any remedy reserved to it in this Article IX, it shall not be necessary to give any notice, other than such notice as may be required in this Article IX or by law.

Section 9.4 Prosecution and Defense of Suits. The City shall promptly, upon request of the Authority or its assignee, from time to time take or cause to be taken such action as may be necessary or

proper to remedy or cure any defect in or cloud upon the title to the Enterprise whether now existing or hereafter developing and shall prosecute all such suits, actions and other proceedings as may be appropriate for such purpose and, to the extent permitted by law, shall indemnify or cause to be indemnified the Authority and its assignee for all loss, cost, damage and expense, including attorneys' fees and expenses, which they or any of them may incur by reason of any such defect, cloud, suit, action or proceedings. To the extent permitted by law, the City shall defend, or cause to be defended, against every suit, action or proceeding at any time brought against the Authority or its assignee upon any claim arising out of the receipt, application or disbursement of any of the Net Revenues or involving the rights or duties of the Authority or its assignee under this Series 2021 Installment Sale Agreement or the Indenture; provided, that the Authority and its assignee at their election may appear in and defend any such suit, action or proceeding. The City shall indemnify or cause to be indemnified the Authority and its assignee against any and all liability claimed or asserted by any person, arising out of such receipt, application or disbursement. Notwithstanding any contrary provision hereof, this covenant shall remain in full force and effect, even though all Installment Payments have been fully paid and satisfied, until a date which is two years following the payment of the last of the Installment Payments.

Section 9.5 Agreement to Pay Attorneys' Fees and Expenses. In the event either party to this Series 2021 Installment Sale Agreement should default under any of the provisions hereof and the nondefaulting party should employ attorneys or incur other expenses for the collection of moneys or the enforcement or performance or observance of any obligation or agreement on the part of the defaulting party herein contained, the defaulting party agrees that it will on demand therefor pay to the nondefaulting party the reasonable fees of such attorneys and such other expenses so incurred by the nondefaulting party.

Section 9.6 No Additional Waiver Implied by One Waiver. In the event any agreement contained in this Series 2021 Installment Sale Agreement should be breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.

Section 9.7 Application of the Proceeds. The Trustee, as assignee of the Authority, shall apply all amounts received under this Article IX (other than amounts received as indemnification) as more specifically set forth in the Indenture.

Section 9.8 Liability Limited to Net Revenues. Notwithstanding any provision of this Series 2021 Installment Sale Agreement, the City's liability to pay the Installment Payments and other amounts hereunder shall be limited solely to Net Revenues as provided in Sections 4.2 and 4.3. In the event that the Net Revenues shall be insufficient at any time to pay an Installment Payment in full, the City shall not be liable to pay or prepay such Installment Payment other than from the Net Revenues.

Section 9.9 Trustee and Owners to Exercise Rights. Such rights and remedies as are given to the Authority under this Article IX have been assigned by the Authority to the Trustee under the Indenture, to which assignment the City hereby consents. Such rights and remedies shall be exercised by the Trustee for the benefit of the Owners of the Series 2021 Bonds as provided in the Indenture.

Section 9.10 Pro Rata Application of Net Revenues. If, at any time, there is a deficiency in Net Revenues available to pay the Installment Payments, any amounts due with respect to Parity Lien Debt, amounts required to replenish the Series 2021 Reserve Fund, or amounts required to replenish any reserve fund established for Parity Lien Debt, available Net Revenues shall be applied on a pro rata basis to the payment of such Installment Payments, to the payment of amounts due with respect to Parity Lien Debt, to the replenishment of the Series 2021 Reserve Fund and to the replenishment of any reserve fund established for Parity Lien Debt.

ARTICLE X
PREPAYMENT OF INSTALLMENT PAYMENTS

Section 10.1 Prepayment. The City shall have the right to prepay the Installment Payments, but only in the manner, at the times and in all respects in accordance with the provisions of this Article X.

Section 10.2 Optional Prepayment. Subject to the terms and conditions of this Section 10.2, the Authority hereby grants an option to the City to prepay the Installment Payments in full, by paying the total unpaid principal component of the Installment Payments as set forth in Exhibit B, or in part, but not in an amount of less than \$5,000 or any integral multiple of \$5,000, at any one time. Said option may be exercised with respect to Installment Payments corresponding to principal payments of the Series 2021 Bonds payable on and after September 1, 20[YEAR] (Installment Payments due on or after August 15, 20[YEAR]), in full or in part, on or after September 1, 20[YEAR]. Said option may be exercised only (a) with the prior written consent of the Owners of a majority of the principal amount of Series 2021 Bonds then Outstanding or (b) by effecting an optional redemption of the Series 2021 Bonds in a corresponding principal amount and by the City giving written notice to the Authority and the Trustee of the exercise of such option at least 45 days prior to the applicable Installment Payment Date. Such option shall be exercised in the event of prepayment in full, by depositing cash or security as provided in Section 10.5 in the amount which will be sufficient to pay the total unpaid principal component of the Installment Payments as set forth in Exhibit B on said Installment Payment Date, together with any Installment Payments then due but unpaid, or, in the event of prepayment in part, by depositing an amount which will be sufficient to pay the amount desired to be prepaid together with any Installment Payments then due but unpaid, plus accrued interest. In any event, said deposit shall be accompanied by an amount equal to the sum of the principal amount to be redeemed plus accrued interest thereon to the prepayment date, without a prepayment premium. In the event of prepayment in part, the partial prepayment shall be applied by the Authority or its assignee against Installment Payments, and the City shall prepare or cause to be prepared and provide to the Trustee a revised schedule of Installment Payments reflecting said partial prepayment.

Section 10.3 Mandatory Prepayment from Net Proceeds of Insurance or Condemnation. The City shall be obligated to prepay the Installment Payments in whole or in part from and to the extent of any Net Proceeds of any insurance or condemnation award theretofore deposited in the Series 2021 Revenue Fund for such purpose pursuant to the provisions of Article VI or pursuant to the Indenture. The City and the Authority hereby agree that such Net Proceeds shall be credited toward the City's obligations under this Section 10.3. Except in the case of such prepayment of the Installment Payments in full, such payment shall be in addition to the Installment Payment required to be paid by the City on the applicable Interest Payment Date.

Section 10.4 Credit for Amounts on Deposit. In the event the City elects or is required to prepay the Installment Payments in full under this Article X, such that the Indenture shall be discharged by its terms as a result of such prepayment and prepayment of other Revenues under the Indenture, all amounts then on deposit in the Series 2021 Revenue Fund and the Series 2021 Reserve Fund shall be credited toward the amounts required to be prepaid.

Section 10.5 Security Deposit. Notwithstanding any other provision of this Series 2021 Installment Sale Agreement, the City may, on any date, secure the payment of the Installment Payments by a deposit with the Trustee, as escrow holder under an escrow deposit and trust agreement as referenced in Section 7.04 of the Indenture, of:

(a) in the case of a security deposit relating to all Installment Payments, either (i) an amount which, together with amounts on deposit in the Series 2021 Revenue Fund and the Series 2021 Reserve Fund, is sufficient to pay or redeem all Outstanding Series 2021 Bonds, or (ii) Government Obligations,

together with cash, if required, in such amount as will, in the opinion of counsel whose opinion is acceptable to underwriters in the marketing of tax-exempt obligations and of an Independent Certified Public Accountant, together with interest to accrue thereon and, if required, all of a portion of moneys or Government Obligations then on deposit in the Series 2021 Revenue Fund and the Series 2021 Reserve Fund, be fully sufficient to pay the principal of and interest on all Series 2021 Bonds Outstanding when due; or

(b) in the case of a security deposit relating to a portion of the Installment Payments, both (i) a certificate executed by an Authorized Representative of the City designating the portion of the Installment Payments and the Outstanding Series 2021 Bonds to which the deposit pertains, and (ii) cash or Government Obligations, in such amount as will, together with interest to be received thereon, if any, and an allocable portion of amounts on deposit in the Series 2021 Revenue Fund and the Series 2021 Reserve Fund, be fully sufficient in the opinion of an Independent Certified Public Accountant, to pay the portion of the Installment Payments and the Outstanding Series 2021 Bonds designated in said certificate.

In the event of a deposit pursuant to this Section 10.5, all obligations of the City under this Series 2021 Installment Sale Agreement pertaining to the portion of the Enterprise for which the deposit has been made shall cease and terminate, excepting only the obligation of the City to make, or cause to be made, all Installment Payments, or the portion of Installment Payments to which the deposit pertains, from the deposit made by the City pursuant to this Section 10.5. Said deposit shall be deemed to be and shall constitute a special fund for the payment of Installment Payments and principal of and interest on the Series 2021 Bonds in accordance with the provisions of this Series 2021 Installment Sale Agreement; and further provided that any security deposit relating to the Enterprise shall not affect the covenant of the City contained in Section 4.4 in the event such security deposit is insufficient to pay or prepay all Installment Payments relating to the Enterprise when and as the same become due and payable. Upon said deposit, the Authority shall execute or cause to be executed any and all documents necessary to release the security provided hereby to the extent of such deposit.

ARTICLE XI MISCELLANEOUS

Section 11.1 Notices. All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed to have been received 48 hours after deposit in the United States mail with postage fully prepaid:

Address of the City:	City of Avenal 919 Skyline Boulevard Avenal, CA 93204 Attn: City Manager
Address of the Authority:	Avenal Public Financing Authority 919 Skyline Boulevard Avenal, CA 93204 Attn: City Manager
Address of the Trustee:	U.S. Bank National Association [NAME] [Corporate Trust Services] [Mail Station: [STATION]] [One California Street, Suite 2100] [San Francisco, CA 94111]

The Authority, the City and the Trustee, by notice given hereunder, may designate different addresses to which subsequent notices, certificates or other communications will be sent.

Section 11.2 Binding Effect. This Series 2021 Installment Sale Agreement shall inure to the benefit of and shall be binding upon the Authority and the City and their respective successors and assigns.

Section 11.3 Applicable Law. This Series 2021 Installment Sale Agreement shall be governed by and construed in accordance with the laws of the State.

Section 11.4 Severability. In the event any provision of this Series 2021 Installment Sale Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 11.5 Net Contract. This Series 2021 Installment Sale Agreement shall be deemed and construed to be a “net contract,” and the City hereby agrees that the Installment Payments shall be an absolute net return to the Authority, free and clear of any expenses, charges or set-offs whatsoever.

Section 11.6 Further Assurances and Corrective Instruments. The Authority and the City agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may reasonably be required for correcting any inadequate or incorrect description of the Enterprise or for carrying out of the expressed intention of this Series 2021 Installment Sale Agreement.

Section 11.7 Execution in Counterparts. This Series 2021 Installment Sale Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 11.8 Authority and City Representatives. Whenever under the provisions of this Series 2021 Installment Sale Agreement the approval of the Authority or the City is required, or the Authority or the City is required to take some action at the request of the other, such approval or such request shall be given for the Authority by an Authorized Representative of the Authority and for the City by an Authorized Representative of the City, and any party hereto shall be authorized to rely upon any such approval or request.

Section 11.9 Captions. The captions or headings in this Series 2021 Installment Sale Agreement are for convenience only and in no way define, limit or describe the scope or intent of any provision, Article or Section of this Series 2021 Installment Sale Agreement.

IN WITNESS WHEREOF, the Authority has caused this Series 2021 Installment Sale Agreement to be executed in its name by its duly authorized officers, and the City has caused this Series 2021 Installment Sale Agreement to be executed in its name by its duly authorized officers, as of the date first above written.

AVENAL PUBLIC FINANCING AUTHORITY

By: _____
Chairman

ATTEST:

Secretary

CITY OF AVENAL

By: _____

Antony V. López
City Manager

ATTEST:

City Clerk

EXHIBIT A
DESCRIPTION OF THE ENTERPRISE

The entire waterworks system owned and operated by the City of Avenal, as such system exists as of the date hereof, with all improvements and extensions of said system later constructed or acquired.

EXHIBIT B
SCHEDULE OF INSTALLMENT PAYMENTS

Installment Payment Date	Principal	Interest	Annual Total
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ESCROW AGREEMENT

THIS ESCROW AGREEMENT, dated as of November 1, 2021, is made by and between: (a) the AVENAL PUBLIC FINANCE AUTHORITY (the "Authority"), a joint exercise of powers authority organized and existing under the laws of the State of California (the "State"), specifically the provisions of Articles 1 through 4 (commencing with Section 6500) of Chapter 5, Division 7, Title 1 of the Government Code of the State (the "Act"), and of that certain Joint Exercise of Powers Agreement, dated March 30, 1989, by and between City of Avenal (the "City") and the former Redevelopment the Agency of the City of Avenal (the "Former Agency"), the rights and obligations of the Former Agency thereunder having since, by virtue of the enactment of statutory provisions codified under Parts 1.8 (commencing with Section 34161) and 1.85 (commencing with Section 34170) of Division 24 of the Health and Safety Code, been transferred to and assumed by the Successor Agency to the Redevelopment the Agency of the City of Avenal (the "Agency"); and (b) U.S. BANK NATIONAL ASSOCIATION, a national banking association duly organized and existing under the laws of the United States of America, as escrow agent (the "Escrow Agent"), with reference to the following recitals:

WHEREAS, pursuant to the Indenture of Trust, dated as of September 1, 2005 (the "Series 2005 Indenture"), by and between the Authority and U.S. Bank National Association, as trustee (the "Series 2005 Trustee"), the Authority has previously issued its 2005 Refunding Revenue Bonds, which are currently outstanding in the amount of \$[5,195,000] (the "2005 Bonds");

WHEREAS, Article 11, of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code of the State of California, as amended (the "Refunding Law") authorizes the issuance of refunding bonds for the purpose of paying or retiring bonds previously issued, and the Authority has determined that in order to achieve a net debt service savings, the Authority desires to refund and retire the 2005 Bonds by authorizing and issuing the Authority's Refunding Revenue Bonds, Series 2021 (the "Series 2021 Bonds");

WHEREAS, on the Closing Date with respect to the Series 2021 Bonds (being November __, 2021, the "Closing Date") the Authority will issue the Series 2021 Bonds in the aggregate principal amount of \$[4,900,000] for the purpose, among others, of providing funds, along with other funds held in the funds and accounts established under the Series 2005 Indenture, in an amount sufficient to assure the timely payment, directly or indirectly, of the principal of and interest on the 2005 Bonds to and including their optional redemption on the Closing Date, without any redemption premium;

WHEREAS, the Series 2005 Indenture provides that if the Authority shall have deposited with the Series 2005 Trustee money sufficient in the opinion of an independent certified public accountant to pay the principal and all unpaid interest accrued on the 2005 Bonds, together with redemption premiums, if any, on any date prior to the maturity thereof, and if certain notices required under the Series 2005 Indenture shall have been given, and upon compliance with certain other conditions in the Series 2005 Indenture, the 2005 Bonds shall be deemed to have been paid and all covenants, agreements and other obligations of the Authority to the owners of the 2005 Bonds shall cease, terminate, become void and be discharged and satisfied;

WHEREAS, on the Closing Date the Authority has made the deposit of money as described in the preceding paragraph by taking action to cause to be delivered to the Escrow Agent certain funds which, together with other funds held in the funds and accounts established under the Series 2005 Indenture, has been calculated by an independent certified public accountant to be sufficient to pay when due all principal of and interest on the 2005 Bonds as set forth herein;

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants herein set forth, the Authority and the Escrow Agent agree as follows:

1. The Escrow Agent hereby acknowledges receipt of true and correct copies of the Series 2005 Indenture. The Escrow Agent further acknowledges that reference herein to or citation herein of any provision of the Series 2005 Indenture shall be deemed to incorporate the same as part hereof in the same manner and with the same effect as if fully set forth herein.

2. The Escrow Agent acknowledges receipt from the Authority of its written request in the form attached hereto as Exhibit A that the Escrow Agent, acting in the capacity of the Series 2005 Trustee, forthwith execute and deliver proper instruments acknowledging satisfaction of and discharge of the 2005 Bonds and giving notice of optional redemption of the 2005 Bonds as required under the Series 2005 Indenture, such notice of redemption to be substantially in the form attached hereto as Exhibit B.

3. There is hereby created and established with the Escrow Agent a special and irrevocable escrow fund designated the "Series 2005 Escrow Fund" (the "Escrow Fund") to be held in the custody of the Escrow Agent separate and apart from other funds of the Authority or the Escrow Agent.

4. The Authority hereby deposits with the Escrow Agent, in trust, into the Escrow Fund, the sum of \$[GROSS AMOUNT] (of which \$[EXISTING AMOUNT] is from the balance on deposit with respect to the 2005 Bonds). The Authority acknowledges that \$[GROSS AMOUNT] has been calculated by an independent certified public accountant as providing moneys sufficient to pay the principal of and interest due and payable on the 2005 Bonds to and including their optional redemption on the Closing Date.

5. The Escrow Agent hereby certifies that it has deposited \$[GROSS AMOUNT] to the credit of the Escrow Fund.

6. The Authority hereby directs that \$[GROSS AMOUNT] deposited in the Escrow Fund shall be held in cash, uninvested.

7. The Escrow Agent acknowledges receipt of certain calculations prepared by an independent certified public accountant to the effect that cash on deposit in the Escrow Fund shall be necessary and sufficient to pay the principal of and interest on the 2005 Bonds through and including their optional redemption on the Closing Date.

8. The Escrow Agent may consult with independent counsel, chosen by it with reasonable care, and will not be liable for action taken or not taken in good faith in reasonable reliance upon the written advice or opinion of such counsel. The Escrow Agent shall have only the duties set forth herein or referred to in the Series 2005 Indenture with no liability in connection with any act or omission to act hereunder, except for its own negligence or willful misconduct or breach of this Agreement, and no liability for payments on the 2005 Bonds except from the funds herein pledged for that purpose. The provisions of the Series 2005 Indenture pertaining to the rights (including, without limitation, any and all rights to indemnification) and duties of the Series 2005 Trustee under the Indenture shall be applicable to the rights and duties of the Escrow Agent with respect to this Agreement.

9. The Escrow Agent makes no representation as to the sufficiency of the amount of cash deposited in the Escrow Fund for the payments required to be made hereunder or the validity of this Agreement with respect to the Authority or the accuracy of any calculations provided to the Escrow Agent hereunder. The statements contained in the recitals of this Agreement shall be taken as statements of the Authority, and the Escrow Agent shall not be responsible for the correctness thereof.

10. On the Closing Date, the Escrow Agent is irrevocably instructed to transfer, from available moneys in the Escrow Fund, to itself as Series 2005 Trustee that amount necessary to pay the principal of and interest on the 2005 Bonds on their redemption date (being the Closing Date).

11. The Escrow Agent shall hold funds in the Escrow Fund irrevocably in trust for the benefit of the owners of the 2005 Bonds until the 2005 Bonds and interest thereon are paid on the Closing Date. The owners of the 2005 Bonds shall have an express lien on such funds on deposit in the Escrow Fund until used and applied in accordance with this Agreement.

12. After all transfers for the payment of the principal of and interest on the 2005 Bonds pursuant to Section 10, any remaining moneys in the Escrow Fund, after payment of all fees and expenses of the Escrow Agent, shall be transferred to the Authority.

13. The Escrow Agent shall not have any lien whatsoever upon any of the moneys in the Escrow Fund for the payment of fees and expenses for services rendered. No provision of this Agreement shall require the Escrow Agent to risk or expend its own funds or otherwise incur any financial liability in the performance of its duties hereunder.

14. This Agreement shall terminate when all transfers required to be made by the Escrow Agent under the provisions hereof shall have been made.

15. This Agreement may be executed in several counterparts, all or any of which shall be regarded for all purposes as one original and shall constitute but one and the same instrument.

16. The Authority agrees to pay the reasonable fees and expenses of the Escrow Agent (including the reasonable fees and expenses of its counsel) in connection with the performance of its duties under this Agreement and any additional duties under the Series 2005 Indenture.

17. This Agreement may be amended from time to time by written agreement of the parties hereto for the purposes of (a) the insertion of unintentionally omitted material, or the correction of mistakes or the clarification of ambiguities; (b) the pledging of additional security for the benefit of the owners of the 2005 Bonds; or (c) the deposit of additional cash to the Escrow Fund; provide that no amendment described in this section shall adversely affect the interests of the owners of the 2005 Bonds. No such amendment shall be effective unless the Escrow Agent shall have received an opinion of Procopio, Cory, Hargreaves & Savitch LLP or other nationally recognized bond counsel to the effect that such amendment will not cause interest on the 2005 Bonds to be included in gross income for federal income tax purposes and that such amendment complies with the provisions of this Section 17.

18. This Agreement is governed by and construed in accordance with the laws of the State of California.

IN WITNESS WHEREOF, each of the parties hereto has caused this Agreement to be executed by its duly authorized officer as of the date first above written.

AVENAL PUBLIC FINANCING AUTHORITY

By: _____
Executive Director

U.S. BANK NATIONAL ASSOCIATION, as Escrow Agent

By: _____
Authorized Officer

Exhibit A

CERTIFICATE AND REQUEST OF
THE AVENAL PUBLIC FINANCING AUTHORITY
RELATING TO DEFEASANCE AND REDEMPTION OF
AVENAL PUBLIC FINANCING AUTHORITY 2005 REFUNDING REVENUE BONDS

To: U.S. Bank National Association, as Trustee

In accordance with the provisions of the Indenture of Trust, dated as of September 1, 2005 (the “2005 Indenture”), by and between the Avenal Public Financing Authority (the “Authority”) and U.S. Bank National Association, as trustee (the “Trustee”):

- (a) The Authority intends to discharge its obligations related to the Authority’s 2005 Refunding Revenue Bonds, in the current outstanding principal amount of \$[5,195,000] (the “2005 Bonds”).
- (b) The undersigned hereby certifies that he/she is of the opinion that all conditions precedent to the defeasance and discharge of the Authority’s indebtedness evidenced by the 2005 Bonds have been met.
- (c) The Authority hereby authorizes, directs and irrevocable instructs U.S. Bank National Association, as the Trustee (i) to execute and deliver to the Authority all such instruments as may be necessary or desirable to evidence the defeasance of the 2005 Bonds, (ii) to take all action necessary to pay when due the outstanding principal of and interest on the 2005 Bonds in accordance with the provisions of the Escrow Agreement, dated as of November 1, 2021 (the “Escrow Agreement”), by and between the Authority and U.S. Bank National Association, as Escrow Agent thereunder, and in accordance with the 2005 Indenture, including the giving of conditional notice of redemption in accordance with the 2005 Indenture at such time and in such manner as is necessary to effectuate the full redemption of the 2005 Bonds on the Closing Date (as such term is defined in the Indenture of Trust, dated as of November 1, 2021, by and between the Authority and U.S. Bank National Association, as trustee thereunder; and (iii) to transfer to the Escrow Fund established under the Escrow Agreement the sum of \$[2021 PROCEEDS] from the proceeds of the issuance of the Authority’s Refunding Revenue Bonds, Series 2021, and the balance on deposit in the funds and accounts established under the 2005 Indenture with respect to the 2005 Bonds.

Dated: October __, 2021

AVENAL PUBLIC FINANCING AUTHORITY

By _____
Authorized Officer

Exhibit B

Avenal Public Financing Authority
2005 Refunding Revenue Bonds

NOTICE OF CONDITIONAL REDEMPTION

Dated October __, 2021

NOTICE IS HEREBY GIVEN by U.S. Bank National Association, as trustee (the "Trustee") pursuant to the terms of the Indenture of Trust, dated as of September 1, 2005 (the "Indenture"), by and between the Avenal Public Financing Authority and the Trustee, that all of the outstanding bonds of the above-captioned issue, each dated September 22, 2005, as described more fully below (the "Bonds") and currently outstanding in the aggregate principal amount of \$[5,195,000] been irrevocably selected for redemption on November __, 2021 (the "Redemption Date") at a redemption price of 100% of the principal amount of the Bonds, plus interest accrued to the Redemption Date, without premium (the "Redemption Price"). Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Indenture.

THE REDEMPTION OF THE BONDS ON THE REDEMPTION DATE IS CONDITIONED UPON THE RECEIPT BY THE TRUSTEE ON OR BEFORE THE REDEMPTION DATE OF MONEYS SUFFICIENT TO PAY THE REDEMPTION PRICE ON THE REDEMPTION DATE AND IS ALSO SUBJECT TO RESCISSION NO LATER THAN FIVE (5) BUSINESS DAYS (AS DEFINED IN THE INDENTURE) BEFORE THE REDEMPTION DATE. NO EVENT OF DEFAULT (AS DEFINED IN THE INDENTURE) WILL RESULT FROM THE FAILURE TO HAVE MONEY AVAILABLE TO PAY THE REDEMPTION PRICE OF THE BONDS ON THE REDEMPTION DATE.

Maturity Date (September 1)	Principal Amount	Interest Rate	CUSIP*
2022	\$ 425,000	4.500%	053559 AU4
2025	\$1,395,000	5.000%	053559 AX8
2030	\$1,350,000	5.000%	053559 AY6
2036	\$1,615,000	5.000%	053559 AZ3

If the Trustee has not received moneys sufficient to pay the Redemption Price of the Bonds on or before the Redemption Date, said redemption shall not be made and the Trustee shall give notice of the cancellation of this Notice of Conditional Redemption and cancellation of the redemption of the Bonds. If the Trustee on or before the Redemption Date has received moneys sufficient to pay the Redemption Price of the Bonds on the Redemption Date, said redemption shall be made without further notice from the Trustee.

Subject to the Trustee's receipt of sufficient funds to pay the Redemption Price of the Bonds on or before the Redemption Date, on the Redemption Date there will become due and payable the Redemption Price, and from and after the Redemption Date interest on the Bonds shall cease to accrue. For payment of the Redemption Price, holders of the Bonds are required to surrender their Bonds to:

Delivery Instructions

U.S. Bank National Association
Global Corporate Trust
111 Fillmore Ave E
St. Paul, MN 55107

Bondholders presenting their bonds in person for same day payment **must** surrender their bond(s) by 1:00 PM CST on the Redemption Date, and a check will be available for pick up after 2:00 PM CST. Checks not picked up by 4:30 PM CST will be mailed to the bondholder by first class mail. If payment of the Redemption Price is to be made to the registered owner of the Bond, no endorsement of the Bond is required to collect the Redemption Price.

For a list of redemption requirements please visit our website at www.usbank.com/corporatetrust and click on the “Bondholder Information” link for redemption instructions. Bondholders may also contact our Bondholder Communications team at **1-800-934-6802** Monday through Friday from 8 AM to 6 PM CST.

By: U.S. Bank National Association,
as Trustee

Dated: October __, 2021

IMPORTANT NOTICE

Federal law requires the Paying Agent to withhold taxes at the applicable rate from the payment if an IRS Form W-9 or applicable IRS Form W-8 is not provided. Please visit www.irs.gov for additional information on the tax forms and instructions.

*The Trustee shall not be held responsible for the selection or use of the CUSIP numbers, nor is any representation made as to the correctness of any CUSIP notice indicated in this Notice of Conditional Redemption.

CONVEYANCE AGREEMENT

THIS CONVEYANCE AGREEMENT, dated as of November 1, 2021 (this “Conveyance Agreement”), is made by and between the CITY OF AVENAL, a municipal corporation and general law city organized and existing under the laws of the State of California (the “City”), as Transferor, and the AVENAL PUBLIC FINANCING AUTHORITY, a joint exercise of powers authority (the “Authority”) organized and existing under the laws of the State of California (the “State”), as Transferee, with reference to the following recitals:

WHEREAS, the City and the former Redevelopment the Agency of the City of Avenal (the “Former Agency”), the rights and obligations of the Former Agency thereunder having since, by virtue of the enactment of statutory provisions codified under Parts 1.8 (commencing with Section 34161) and 1.85 (commencing with Section 34170) of Division 24 of the Health and Safety Code, been transferred to and assumed by the Successor Agency to the Redevelopment the Agency of the City of Avenal (the “Agency”), have financed and refinanced the acquisition, construction and completion of a waterworks system and improvements thereto (the “Enterprise”) and improvements and facilities in the City which are of benefit to or appurtenant to the operation of the Enterprise, in that curbs and gutters, storm drains and similar facilities have been designed and constructed to reduce the incidence and impact of flooding within the City and the resulting impairment of the safe, sanitary and reliable operation of the Enterprise; and

WHEREAS, to refinance the acquisition, construction and improvement of the Enterprise, the Authority issued its 2005 Refunding Revenue Bonds (the “2005 Bonds”); and

WHEREAS, the Authority and the Agency propose to refinance the 2005 Bonds and other Agency obligations as contemplated in the Second Amended and Restated Loan Agreement, dated as of November 1, 2021 (the “Loan Agreement”), by and between the Authority, as lender, and the Agency, as borrower; and

WHEREAS, in order to refinance the 2005 Bonds, the Authority proposes to issue its not to exceed \$[4,900,000] aggregate principal amount of Avenal Public Financing Authority Refunding Revenue Bonds, Series 2021 (the “Series 2021 Bonds”), pursuant to the Indenture of Trust, dated as of November 1, 2021 (the “Indenture”), by and between the Authority and U.S. Bank National Association, as trustee (the “Trustee”); and

WHEREAS, the City desires to pledge to the Authority as additional security for the Series 2021 Bonds certain amounts received as collections of water rates and charges and amounts in the City’s enterprise fund for its water utility (the “Net Revenues”); and

WHEREAS, to effectuate such pledge and in consideration of the Authority’s assistance in the financing and refinancing and pursuant to the Joint Exercise of Powers Agreement effective as of March 30, 1989, by and between the City and the Former Agency, the City has determined to contribute and convey to the Authority its rights and interests in the Enterprise pursuant to this Conveyance Agreement, and then to purchase the Enterprise back from the Authority pursuant to the Second Amended and Restated Installment Sale Agreement, dated as of November 1, 2021 (the “Installment Sale Agreement”), by making installment payments from available Net Revenues.

NOW, THEREFORE, in consideration of the above premises and of the mutual covenants hereinafter contained and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the City and the Authority agree as follows.

1. Conveyance of Enterprise. The City hereby conveys and contributes the Enterprise to the Authority, and the Authority hereby accepts the Enterprise from the City, upon the terms and conditions set forth in this Conveyance Agreement. Notwithstanding any other provision of this Conveyance Agreement or of the Installment Sale Agreement, it is the express intention of the City and the Authority that this Conveyance Agreement and the obligations of the City and the Authority hereunder shall be and remain separate and distinct from their respective obligations under the Installment Sale Agreement, and that no merger of title or interest shall occur or be deemed to occur as a result of the position of (a) the City as purchaser under the Installment Sale Agreement and as transferor under this Conveyance Agreement and (b) the Authority as seller under the Installment Sale Agreement and as transferee under this Conveyance Agreement.

2. Title. The Authority and the City agree that the legal and equitable title to the Enterprise shall immediately be deemed transferred to and vested in the Authority and then transferred and vested in the City upon execution of the Installment Sale Agreement.

3. Limitation on Liability of the Authority. Notwithstanding anything to the contrary contained in this Conveyance Agreement, the Authority shall not be obligated to make any payments or advance any moneys or be liable for any other costs or expenses in connection with the transfer and contribution of the Enterprise by the City. The Authority shall not be directly or indirectly or contingently or morally obligated to use any other moneys or assets of the Authority or the Trustee for the conveyance of the Enterprise hereunder.

4. Prohibited Uses. The Authority shall not use the Enterprise or allow the Enterprise to be used by a person not a “governmental unit” within the meaning of section 145 of the Internal Revenue Code of 1986, as amended (the “Code”), in such manner or to such extent as would result in the inclusion in gross income for federal income tax purposes of interest payable on the Series 2021 Bonds.

5. Liens. The Authority shall not, directly or indirectly, create, incur, assume or suffer to exist any mortgage, pledge, lien, charge, encumbrance or claim on or with respect to the Enterprise, other than the respective right of the Authority, the City and the Trustee as herein provided and Permitted Encumbrances (as such term is defined in the Installment Sale Agreement). Except as expressly provided herein, the Authority, at its own expense, shall promptly take such action as may be necessary to duly discharge or remove any such mortgage, pledge, lien, charge, encumbrance or claim, for which it is responsible, if the same shall arise at any time. The Authority shall reimburse the City for any expense incurred by the City in order to discharge or remove any such mortgage, pledge, lien, charge, encumbrance or claim. The City shall not pledge conveyance amounts derived from the Enterprise and from its other rights under this Conveyance Agreement, and shall not mortgage or encumber the Enterprise, except as provided under the terms of this Conveyance Agreement, the Installment Sale Agreement and the Indenture.

6. Continued Existence. The City and the Authority covenant to maintain their existence as a municipal corporation and joint exercise of powers authority, respectively, duly existing under the laws of the State.

7. Notices. All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed to have been received as of the earlier of the transmission thereof by Electronic Means (as such term is defined in the Indenture) or 72 hours after deposit in the United States mail, first class, with postage fully prepaid:

If to the City: City Manager
City of Avenal
919 Skyline Boulevard
Avenal, California 93204
alopez@cityofavenal.us

If to the Authority: Avenal Public Financing Authority
919 Skyline Boulevard
Avenal, California 93204
alopez@cityofavenal.us

The Authority and the City, by notice given hereunder, may designate different addresses to which notices, certificates or other communications are to be sent.

8. Binding Effect; Parties in Interest. This Conveyance Agreement shall inure to the benefit of and shall be binding upon the Authority and the City and their respective successors and assigns. Nothing in this Conveyance Agreement expressed or implied is intended to or shall be construed to confer upon, or to give or grant to, any person or entity, other than the City, the Authority, the Trustee and the Owners (as such term is defined in the Indenture) of the Series 2021 Bonds, any right, remedy or claim under or by reason of this Conveyance Agreement or any covenant, condition or stipulation hereof, and all covenants, stipulations, promises and agreements in this Conveyance Agreement shall be for the sole and exclusive benefit of the City, the Authority, the Trustee and the Owners of the Series 2021 Bonds.

9. Severability. If any provision of this Conveyance Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

10. Further Assurances and Corrective Instruments. The Authority and the City agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may reasonably be required for correcting any inadequate or incorrect description of the Enterprise hereby conveyed or for carrying out the expressed intent of this Conveyance Agreement.

11. Execution in Counterparts. This Conveyance Agreement may be executed in several counterparts, all or any of which shall be regarded for all purposes as one original and shall constitute but one and the same instrument.

12. Applicable Law. This Agreement is governed by and construed in accordance with the laws of the State of California.

13. Authority and City Representatives. Whenever under the provisions of this Conveyance Agreement the approval of the Authority or the City is required, or the Authority or the City is required to take some action at the request of the other, such approval or request shall be given on behalf of the Authority by an Authority Representative (as such term is defined in the Indenture) and on behalf of the City by a City Representative (as such term is defined in the Indenture).

14. Captions. The captions and headings in this Conveyance agreement in no way define, limit or described the scope or intent of any provision of this Agreement. They are for convenience only.

[signature blocks on the following page]

IN WITNESS WHEREOF, each of the Authority and the City has caused this Conveyance Agreement to be executed by its duly authorized officers as of the date first above written.

AVENAL PUBLIC FINANCING AUTHORITY,
as Transferee

By: _____
Chairman

CITY OF AVENAL,
as Transferee

By: _____
City Manager

Attest:

City Clerk

Resolution No. OB210004.1
Meeting Date: July 21, 2021

A RESOLUTION OF THE COUNTY OF KINGS COUNTYWIDE OVERSIGHT BOARD APPROVING THE AMENDMENT OF AN ENFORCEABLE OBLIGATION OF THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF AVENAL PURSUANT TO THE PROVISIONS OF SECTION 34177.5 OF THE HEALTH AND SAFETY CODE IN CONNECTION WITH THE ISSUANCE, SALE AND DELIVERY BY THE AVENAL PUBLIC FINANCING AUTHORITY OF ITS NOT TO EXCEED \$5,525,000 AGGREGATE PRINCIPAL AMOUNT OF AVENAL PUBLIC FINANCING AUTHORITY REFUNDING REVENUE BONDS, SERIES 2021, FOR THE REFINANCING OF CERTAIN PUBLIC IMPROVEMENTS AND FACILITIES, AND APPROVING AGREEMENTS IN CONNECTION WITH THE ISSUANCE, SALE AND DELIVERY OF SAID BONDS AND OTHER ACTIONS RELATED THERETO

WHEREAS, the Redevelopment Agency of the City of Avenal (“Original Agency”) was a redevelopment agency in the City of Avenal (“City”), duly created pursuant to the California Community Redevelopment Law (Part 1 (commencing with Section 33000) of Division 24 of the California Health and Safety Code) (“Redevelopment Law”); and

WHEREAS, the Original Agency was responsible for the administration of redevelopment activities within the City, including within and for the Avenal Redevelopment Project for the City of Avenal (“Redevelopment Project”) established pursuant to the Redevelopment Plan approved by Ordinance No. 85-07 adopted by the City Council of the City at a meeting held July 11, 1985 (“Redevelopment Plan”); and

WHEREAS, Assembly Bill No. X1 26 (2011-2012 1st Ex. Sess.) (“AB 26”) was signed by the Governor of California on June 28, 2011, making certain changes to the Redevelopment Law and adding Part 1.8 (commencing with Section 34161) and Part 1.85 (commencing with Section 34170) to Division 24 of the California Health and Safety Code; and

WHEREAS, pursuant to AB 26, as modified by the California Supreme Court on December 29, 2011 by its decision in *California Redevelopment Association v. Matosantos*, all California redevelopment agencies, including the Original Agency, were dissolved effective February 1, 2012, and successor agencies were designated and vested with the responsibility of paying, performing, and enforcing the enforceable obligations of the former redevelopment agencies and expeditiously winding down the business and fiscal affairs of the former redevelopment agencies; and

WHEREAS, the City Council of the City adopted Resolution No. 2013-11 at a meeting held January 26, 2013, pursuant to AB 26, electing for the City to serve as the successor agency to the Original Agency upon the dissolution of the Original Agency effective February 1, 2012 (“Successor Agency to the Redevelopment Agency of the City of Avenal”, hereinafter referred to as the “Successor Agency”), the Successor Agency being a separate legal entity from the City; and

WHEREAS, AB 26 has since been amended by various assembly and senate bills enacted by the Legislature and signed by the Governor (AB 26, as amended, and as may be amended, is hereinafter referred to as the “Dissolution Law”); and

WHEREAS, in 2018, the County of Kings Countywide Oversight Board (“Oversight Board”) was established pursuant to Health and Safety Code Section 34179(j) of the Dissolution Law. Pursuant to the Dissolution Law, the Oversight Board reviews actions of the Successor Agency and possesses fiduciary responsibilities to holders of enforceable obligations and taxing entities that benefit from distributions of property taxes and other revenues; and

WHEREAS, Health and Safety Code Section 34177.5 of the Dissolution Law authorizes the Successor Agency to undertake proceedings for the refinancing or refunding of outstanding debt obligations of the Original Agency for debt service savings, subject to the conditions precedent contained in Section 34177.5 and subject to the approval by the Oversight Board as provided in Health and Safety Code Section 34180 of the Dissolution Law; and

WHEREAS, on September 22, 2005, the Avenal Public Financing Authority (the “Authority”) issued its \$9,660,000 aggregate principal amount of 2005 Refunding Revenue Bonds (“Series 2005 Bonds”), and in connection therewith, the Original Agency entered into a First Amended and Restated Loan Agreement, dated as of September 1, 2005, by and between the Authority and the Original Agency (the “2005 Loan Agreement”). The purpose for the Series 2005 Bonds was to refund the Authority’s 1997 Refunding Revenue Bonds and a related Loan Agreement by and between the Authority and the Original Agency. Payments due on the 2005 Loan Agreement are payable from tax increment revenues derived from the Redevelopment Project; and

WHEREAS, the Authority proposes to refund the Series 2005 Bonds through the issuance of not to exceed \$5,525,000 aggregate principal amount of its Refunding Revenue Bonds, Series 2021, pursuant to an Indenture of Trust, anticipated to be dated as of November 1, 2021, by and between the Authority and U.S. Bank National Association, as trustee, in part for the purpose of refunding and refinancing the 2005 Loan Agreement through a Second Amended and Restated Loan Agreement, anticipated to be dated as of November 1, 2021 (the “Series 2021 Loan Agreement”), by and between the Authority and the Successor Agency; and

WHEREAS, to achieve debt service savings, the Successor Agency desires to refund and refinance its outstanding obligations under the 2005 Loan Agreement by entering into the Series 2021 Loan Agreement under and pursuant to the Redevelopment Law and the Dissolution Law, the Constitution, and other applicable laws of the State of California, and under, pursuant to and subject to the conditions and limitations of Health and Safety Code Section 34177.5 of the Dissolution Law; and

WHEREAS, on July 8, 2021, the Successor Agency approved Resolution No. 2021-04 (SA) (the “Successor Agency Resolution”) authorizing and approving the form of the Series 2021 Loan Agreement and approving other documents and related actions in connection therewith. A copy of the Successor Agency Resolution has been provided to the Oversight Board and is on file with the Secretary of the Successor Agency; and

WHEREAS, to determine compliance with the savings parameters of Health and Safety Code Section 34177.5 of the Dissolution Law (“Savings Parameters”), the Successor Agency has caused its municipal advisor, Del Rio Advisors, LLC (“Municipal Advisor”), to prepare an initial analysis of the potential savings (“Debt Service Savings Analysis”), a copy of which analysis has been provided to the Oversight Board and is on file with the Secretary of the Successor Agency; and

WHEREAS, following approval by the Oversight Board of the Series 2021 Loan Agreement and related actions and following submission of the Successor Agency Resolution and this Resolution, as approved by the Oversight Board, and related documents to the California Department of Finance (“Department of Finance”) for the Department of Finance’s review and approval of the Oversight Board actions, the Successor Agency will, with the assistance of its disclosure and bond counsel, Procopio, Cory, Hargreaves & Savitch LLP, its Municipal Advisor, and other professionals, cause to be prepared required documents for the refinancing and refunding of the Series 2005 Bonds and the 2005 Loan Agreement, and the issuance of the Series 2021 Bonds and the execution and delivery of the Series 2021 Loan Agreement, including, but not limited to, a form of Official Statement for the Series 2021 Bonds, the Series 2021 Loan Agreement and other matters and material information relating to the Successor Agency, the City, the Authority, the Series 2021 Bonds and the Series 2021 Loan Agreement, the preliminary form of the Official Statement will be submitted to the Successor Agency for approval for distribution by InspereX LLC, as underwriter of the Series 2021 Bonds (“Underwriter”), to persons and institutions interested in purchasing the Series 2021 Bonds; and

WHEREAS, the Oversight Board desires the Successor Agency to take advantage of the current low interest rate environment in order to minimize the Successor Agency’s total interest costs on outstanding debt by refinancing/refunding the 2005 Loan Agreement in conjunction with the refunding of the Series 2005 Bonds at a

comparatively lower borrowing cost than the current remaining average borrowing cost of the Series 2005 Bonds and the 2005 Loan Agreement; and

WHEREAS, the Oversight Board has completed its review of the refunding proceedings and wishes at this time to give its approval to the foregoing; and

WHEREAS, all of the prerequisites with respect to the approval of this Resolution have been met.

NOW, THEREFORE, BE IT RESOLVED by the County of Kings Countywide Oversight Board, as follows:

Section 1. The Oversight Board determines that the proposed execution and delivery of the Series 2021 Loan Agreement will be of benefit to the taxing entities for the reasons set forth in the Recitals above and in the staff report and documents accompanying this Resolution.

Section 2. The Oversight Board determines that there are significant potential savings available to the Successor Agency and to applicable taxing entities in compliance with the Savings Parameters by the issuance by the Authority of the Series 2021 Bonds and the execution and delivery by the Successor Agency of the Series 2021 Loan Agreement to refund and refinance the 2005 Loan Agreement, all as evidenced by the Debt Service Savings Analysis provided to the Oversight Board, which Debt Service Savings Analysis is hereby approved.

Section 3. In accordance with Health and Safety Code Sections 34177.5 and 34180 of the Dissolution Law, the Oversight Board hereby authorizes and approves:

(a) The Successor Agency's execution and delivery of the Series 2021 Loan Agreement in the aggregate principal amount of not to exceed \$1,500,000 under and pursuant to the Redevelopment Law, the Dissolution Law, the Constitution and other applicable laws of the State of California, in connection with the Authority's issuance of the Series 2021 Bonds, provided that the Series 2021 Loan Agreement is in compliance with the conditions and limitations of Health and Safety Code Section 34177.5 of the Dissolution Law at the time of execution and delivery; and

(b) The Successor Agency's execution and delivery of the Series 2021 Loan Agreement, provided that there is compliance with the Savings Parameters. If such Savings Parameters cannot be met with respect to the whole of the Series 2021 Loan Agreement, then the Oversight Board approves the execution and delivery of the Series 2021 Loan Agreement in such aggregate principal amount determined to comply with the Savings Parameters.

Section 4. The Oversight Board hereby approves the Series 2021 Loan Agreement to be entered into by and between the Successor Agency and the Authority in connection with the issuance of the Series 2021 Bonds, substantially in the form provided to the Oversight Board and on file with the Secretary of the Successor Agency. The Executive Director of the Successor Agency or the Finance Officer of the Successor Agency (each an “Authorized Officer”), each acting alone, or the designee of either, is hereby authorized execute and deliver the Series 2021 Loan Agreement, together with such changes or modifications to the form of the Series 2021 Loan Agreement deemed necessary and as approved by the Authorized Officers and legal counsel to the Successor Agency.

Section 5. The Oversight Board hereby makes the following determinations upon which the Successor Agency shall rely in undertaking the refunding and refinancing of the 2005 Loan Agreement in connection with the refunding of the Series 2005 Bonds and the issuance of the Series 2021 Bonds:

(a) The Successor Agency is authorized, as provided in Health and Safety Code Sections 34177.5(a) and (f) of the Dissolution Law, to recover the Successor Agency’s pro rata share of the costs related to the issuance of the Series 2021 Bonds and the execution and delivery of the Series 2021 Loan Agreement from the proceeds of the Series 2021 Bonds, including reimbursing the Successor Agency, the City and the Authority for administrative staff time spent with respect to such pro rata share of such costs; and

(b) The application of proceeds of the Series 2021 Bonds by or on behalf of the Successor Agency to the refunding and refinancing of the 2005 Loan Agreement, as well as the payment by the Successor Agency of its pro rata share costs of issuance of the Series 2021 Bonds and the execution and delivery of the Series 2021 Loan Agreement, as provided in Health and Safety Code Sections 34177.5(a) and (f) of the Dissolution Law, shall be implemented by the Successor Agency promptly upon sale and delivery of the Series 2021 Bonds, notwithstanding Health and Safety Code Section 34177.3 or any other provision of law to the contrary, without any further approval of the Oversight Board and without the approval of the Department of Finance or any other person or entity other than the Successor Agency; and

(c) The Successor Agency shall be entitled to receive its full Administrative Cost Allowance under Health and Safety Code Sections 34171(b) and 34183(a)(3) of the Dissolution Law without any deductions with respect to the continuing costs related to the Series 2021 Loan Agreement, such as the Successor Agency’s pro rata share of trustee’s fees, auditing and fiscal consultant fees and continuing disclosure and rating agency costs (collectively, “Continuing Costs of Issuance”), and such Continuing Costs of Issuance shall be enforceable obligations under the Dissolution Law payable from property tax revenues pursuant to Health and Safety Code Sections 34171(d)(1) and 34183(a)(2) of the Dissolution Law. In

addition, and as provided by Health and Safety Code Section 34177.5(f) of the Dissolution Law, if the Successor Agency is unable to complete the execution and delivery of the Series 2021 Loan Agreement for any reason, the Successor Agency shall, nevertheless, be entitled to recover its pro rata share of costs incurred with respect to the refunding proceedings for the Series 2005 Bonds, the issuance of the Series 2021 Bonds and the costs incurred with respect to the refunding and refinancing of the 2005 Loan Agreement from such property tax revenues pursuant to Sections 34171(d) and 34183(a)(2) without reduction in its Administrative Cost Allowance.

Section 7. The Oversight Board hereby authorizes and directs the Successor Agency and the Authorized Officers and any and all other officers of the Successor Agency, for and in the name and on behalf of the Successor Agency, to do any and all things and take any and all actions, which they, or any of them, may deem necessary or advisable in obtaining the review and approval by the Department of Finance of the Oversight Board's actions for the Successor Agency's execution and delivery of the Series 2021 Loan Agreement and related actions, and in the issuance, sale and delivery of the Series 2021 Bonds and in the refunding of the Series 2005 Bonds and the refunding and refinancing of the 2005 Loan Agreement, and to take such other actions and execute such other documents as are necessary to effectuate the intent of this Resolution on behalf of the Successor Agency. Such Oversight Board approval provided by this section hereby includes, but is not limited to, authorizing the Successor Agency to approve and execute a preliminary and final Official Statement for the Series 2021 Bonds for distribution by the Underwriter and a Purchase Agreement for the purchase of the Series 2021 Bonds by the Underwriter. Whenever in this Resolution any officer of the Successor Agency is directed to execute or countersign any document or take any action, such execution, countersigning or action may be taken on behalf of such officer by any person designated by such officer to act on his or her behalf in the case such officer is absent or unavailable. It is the Oversight Board's intent that the approvals provided by this Resolution and anticipated by the Department of Finance of the Successor Agency's execution and delivery of the Series 2021 Loan Agreement and related actions include their respective approval of the documents and actions of the Successor Agency in connection with the issuance of the Series 2021 Bonds, the refunding of the Series 2005 Bonds and the refunding and refinancing of the 2005 Loan Agreement under the Dissolution Law and that no further Oversight Board or Department of Finance approvals for such actions are required.

Section 8. The Successor Agency is hereby directed to transmit to the Department of Finance a copy of this Resolution duly executed by the Oversight Board and the accompanying documents presented to the Oversight Board.

Section 9. This Resolution shall take effect upon the date of its adoption; provided, however, that the Successor Agency will not execute and deliver the Series 2021 Loan Agreement until either these Oversight Board actions are deemed effective pursuant to the

Dissolution Law or such Oversight Board actions have been approved by the Department of Finance if review of these Oversight Board actions is requested by the Department of Finance in accordance with the Dissolution Law.

PASSED, APPROVED, AND ADOPTED the County of Kings Countywide Oversight Board the 21st day of July, 2021.

Chair, Oversight Board

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