

BOND INDENTURE

By and Between

COUNTY OF SAN BERNARDINO

And

**U.S. NATIONAL BANK ASSOCIATION
as Trustee**

In Connection with

\$ _____
**COUNTY OF SAN BERNARDINO
ASSESSMENT DISTRICT NO. 2018-1 (SNOWDROP ROAD)
LIMITED OBLIGATION IMPROVEMENT BONDS
2021 SERIES A**

Dated as of April 1, 2021

BOND INDENTURE

This Bond Indenture, dated as of April 1, 2021 (the “Bond Indenture ”), is made and entered into by the County of San Bernardino (the “County”), a public body corporate and politic, duly established and existing under the laws of the State of California (the “State”), and U.S. Bank National Association, as Trustee (the “Trustee”) in connection with the issuance of bonds for the County of San Bernardino Assessment District No. 2018-1 (Snowdrop Road) (the “Assessment District”).

WITNESSETH:

WHEREAS, the Board of Supervisors of the County of San Bernardino (the “Board of Supervisors”) has taken proceedings under the Municipal Improvement Act of 1913, Division 12 of the California Streets and Highways Code (the “1913 Act”), for the formation of the Assessment District and has confirmed an assessment for the purpose of acquiring and constructing certain improvements which specially benefit the parcels within the Assessment District, which assessment and a related diagram were recorded with the Superintendent of Streets, and a notice of assessment, as prescribed in Streets and Highways Code Section 3114, has been recorded with the County Recorder of the County of San Bernardino, whereupon the assessment attached as a lien upon the property assessed within the Assessment District as provided in Streets and Highways Code Section 3115; and

WHEREAS, it is necessary and desirable that the County sell a first series of bonds (the “Series A Bonds”) pursuant to the Improvement Bond Act of 1915, Division 10 of the California Streets and Highways Code (the “1915 Act”), to be issued to represent the unpaid assessments;

WHEREAS, it is contemplated that one or more additional series of bonds will be issued and will be secured on a parity with the Series A Bonds to represent a portion of the unpaid assessments and any supplemental assessments that might be levied pursuant to the 1913 Act on parcels within the Assessment District;

In consideration of the mutual covenants herein contained and for other valuable consideration, the parties hereto do hereby agree as follows:

ARTICLE I

DEFINITIONS

Section 101. Definitions. Unless the context otherwise requires, the following terms shall have the following meanings:

“Administrative Expense Fund” means the County of San Bernardino Assessment District No. 2018-1 (Snowdrop Road) Administrative Expense Fund established with the Treasurer.

“Administrative Expense Requirement” means an amount, not in excess of the aggregate maximum annual assessment for Administrative Expenses permitted to be levied within the Assessment District as set forth in the Engineer’s Report, to be specified each year by the Superintendent of Streets to be used for Administrative Expenses.

“Administrative Expenses” means the ordinary and necessary fees and expenses for determination of the Assessment and administering the levy and collection of the Assessment and servicing, calling and redeeming the Bonds, including any or all of the following: the fees and expenses of the Trustee (including any fees and expenses of its counsel), the expenses of the County in carrying out its duties hereunder (including, but not limited to, annual audits and costs incurred in the levying and collection of the Assessment) including the fees and expenses of its counsel and all other costs and expenses of the County or the Trustee incurred in connection with the discharge of their respective duties hereunder and, in the case of the County, in any way related to the administration of the Assessment District.

“Assessment” or “Assessments” means the special assessments levied in the Assessment District in accordance with the 1913 Act and the Resolution of Formation to finance the acquisition and construction of the Improvements, exclusive of any assessments levied to pay Administrative Expenses and for the operation and maintenance of the Improvements, together with the net proceeds derived from any foreclosure proceedings and interest and penalties thereon.

“Assessment District” means County of San Bernardino Assessment District No. 2018-1 (Snowdrop Road).

“Assessment Fund” means the County of San Bernardino Assessment District No. 2018-1 (Snowdrop Road) Assessment Fund established with the Trustee pursuant to Section 501 hereof.

“Assessment Installment” means the annual portion of the Assessment levied to pay the principal of and interest on the Bonds which does not include assessments levied by the County to pay Administrative Expenses.

“Authorized Denomination” means \$250,000 or any integral multiple of \$5,000 in excess thereof; provided that one Bond may be issued in other than an integral multiple of \$5,000.

“Authorized Investments” means, subject to applicable law, (1) Federal Securities; (2) an Investment Agreement, acceptable to, and approved in writing by, the Treasurer; (3) taxable government money market portfolios rated in one of the two highest rating categories by Standard & Poor’s Rating Services restricted to obligations with average maturities of one year or less, insured or fully guaranteed as to the principal and interest thereon by the full faith and credit of the United States of America or by repurchase agreements collateralized by such obligations including money market funds for which the Trustee and affiliates provide investment advisory or other management services; (4) tax-exempt obligations, including tax exempt money market funds, rated at least “A” or higher by Standard & Poor’s Rating Services and Moody’s Investors Service; (5) commercial paper of “prime” quality of the highest ranking or of the highest letter and numerical rating as provided for by Moody’s Investors Service and Standard & Poor’s Rating Services, limited to issuing corporations that are organized and operating within the United States and having total assets in excess of five hundred million dollars (\$500,000,000) and having an “A” or higher rating for such corporation’s debt, other than commercial paper, as provided for by Moody’s Investors Service and Standard & Poor’s Rating Services and which may not exceed 180 days maturity nor represent more than 10% of the outstanding paper of an issuing corporation; (6) notes, bonds or other obligations which are at all times secured by a perfected first security interest in securities of the types listed by Section 53651 of the California Government Code as eligible securities for the purpose of securing local agency deposits or which are listed as an Authorized Investment under any of the clauses (1) through (5) of this definition (except those described in this clause (6)) and which have a market value, determined at least weekly, at least

equal to 102% of the amount of principal and accrued interest on such obligation, which shall be placed by delivery into the custody of a trust company or the trust department of a bank which is not affiliated with the issuer of the secured obligation and which bank shall be responsible for making any market value determinations, and the security interest shall be perfected in accordance with the requirements of the Uniform Commercial Code or federal regulations applicable to the types of securities in which the security interest is granted; (7) the State of California Local Agency Investment Fund; (8) time or demand deposits (including those of the Trustee or its affiliates) fully insured by the Federal Deposit Insurance Corporation or with institutions rated in one of the two highest rating categories by Moody's Investors Service or Standard & Poor's Rating Services; (9) repurchase agreements secured by Federal Securities; (10) the County of San Bernardino Pooled Investment Fund; and (11) any other investment in which funds of the County may be legally invested.

"Authorized Representative of the County" means the Director of Department of Public Works, Special Districts, the Treasurer or any other person or persons designated by the Board of Supervisors of the County and authorized to act on behalf of the County by a written certificate signed on behalf of the County by the Chairman of the Board of Supervisors of the County and containing the specimen signature of each such person.

"Board of Supervisors" means the Board of Supervisors of County of San Bernardino.

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

"Bond Indenture" means this Bond Indenture, together with any Supplemental Bond Indenture approved pursuant to Article VIII hereof.

"Bond Register" means the books which the Trustee shall keep or cause to be kept pursuant to Section 304, on which the registration and transfer of the Bonds shall be recorded.

"Bond Year" means the one year period or shorter period ending each year on September 1, or such other date as may be specified by the County in the Tax Certificate.

"Bondowner" or "Owner" means the person or persons in whose name or names any Bond is registered as shown on the Bond Register.

"Bonds" means the Series A Bonds and any Parity Bonds issued pursuant to this Bond Indenture.

"Business Day" means any day of the year in New York, New York, San Francisco, California, or Los Angeles, California other than a Saturday, Sunday, a day on which the New York Stock Exchange is closed or any day on which the Trustee is not open for business.

"Clerk" means the Clerk of the Board of Supervisors of the County and his or her designee.

"Closing Date" means the date of delivery of a series of Bonds by the County and payment therefor by the original purchaser thereof.

"Code" means the Internal Revenue Code of 1986, as amended.

“County” means County of San Bernardino, a public body corporate and politic, duly established and existing under the laws of the State of California.

“Costs of Issuance Fund” means the County of San Bernardino Assessment District No. 2018-1 (Snowdrop Road) Costs of Issuance Fund established with the Trustee pursuant to Section 501 hereof.

“Engineer’s Report” means the report concerning the Assessment District prepared by Albert A. Webb Associates, Assessment Engineers, as approved by the County on March 13, 2018 and on file with the Superintendent of Streets.

“Federal Securities” means (a) non-callable direct obligations of the United States of America (“Treasuries”), (b) evidence of ownership of proportionate interests in future interest and principal payments on Treasuries held by a bank or trust company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor and the underlying Treasuries are not available to any person claiming through the custodian or to whom the custodian may be obligated.

“Fiscal Year” means the twelve-month period terminating on June 30 of each year, or any other annual accounting period hereafter selected and designated by the County as its Fiscal Year in accordance with applicable law.

“Governmental Authority” means any governmental or quasi-governmental entity, including any court, department, commission, board, bureau, agency, administration, central bank, service, district or other instrumentality of any governmental entity or other entity exercising executive, legislative, judicial, taxing, regulatory, fiscal, monetary or administrative powers or functions of or pertaining to government, or any arbitrator, mediator or other person with authority to bind a party at law.

“Improvements” means the street improvements and appurtenant work, as described in the Engineer’s Report.

“Improvement Fund” means the County of San Bernardino Assessment District No. 2018-1 (Snowdrop Road) Improvement Fund established with the Treasurer.

“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 County and who, or each of whom:

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

“Interest Payment Date” means each March 2 and September 2, commencing September 2, 2021.

“Investment Agreement” means one or more agreements entered into between the Trustee, for the benefit of the County, and an entity or entities whose long term uninsured, unsecured and unguaranteed debt or claims-paying ability is rated as of the date of the Investment Agreement in either of the two highest categories (without regard to gradations of plus and minus within such categories) by Standard & Poor’s Rating Services or Moody’s Investors Service, or an agreement between the Trustee, for the benefit of the County, and an entity which is rated as of the date of the Investment Agreement in either of the two highest categories (without regard to gradations of plus and minus within such categories) by Standard & Poor’s Rating Services or Moody’s Investors Service.

“Material Adverse Effect” means an event or occurrence which adversely affects in a material manner (a) the assets, liabilities, condition (financial or otherwise), business, facilities or operations of the District, (b) the ability of the District to carry out its business in the manner conducted as of the date of this Indenture or to meet or perform its obligations under this Indenture on a timely basis, (c) the validity or enforceability of this Indenture, or (d) the exclusion of interest with respect to the Bonds from gross income for federal income tax purposes or the exemption of such interest for state income tax purposes.

“Material Litigation” means any action, suit, proceeding, inquiry or investigation against the District in any court or before any arbitrator of any kind or before or by any Governmental Authority, of which the District has notice or knowledge and which, (i) if determined adversely to the District, may have a Material Adverse Effect, (ii) seeks to restrain or enjoin any of the transactions contemplated hereby, or (iii) may adversely affect (A) the exclusion of interest with respect to the Bonds from gross income for federal income tax purposes or the exemption of such interest for state income tax purposes or (B) the ability of the District to perform its obligations under this Indenture.

“1913 Act” means the Municipal Improvement Act of 1913, being Division 12 (commencing with Section 10000) of the California Streets and Highways Code.

“1915 Act” means the Improvement Bond Act of 1915, being Division 10 (commencing with Section 8500) of the California Streets and Highways Code.

“Notice of Assessment” means the Notice of Assessment recorded in the Office of the County Recorder of the County of San Bernardino on March 22, 2018, as Document No. 2018—0100941.

“Outstanding Bonds” or “Outstanding” means all Bonds theretofore issued by the County, except:

- (1) Bonds theretofore canceled or surrendered for cancellation in accordance with Section 1201 hereof;
- (2) Bonds for the payment or redemption of which moneys shall have been deposited in trust (whether upon or prior to the maturity or the redemption date of such Bonds), provided that, if such Bonds are to be redeemed prior to the maturity thereof, notice of such redemption shall have been given as provided in this Bond Indenture ; and
- (3) Bonds defeased pursuant to Sections 1101(b) or (c) hereof.

“Parity Bonds” means any additional Bonds other than the Series A Bonds issued pursuant to this Bond Indenture and any Supplemental Bond Indenture.

“Rebate Fund” means the fund by that name established pursuant to Section 501 hereof in which there are established the accounts described in Section 501 hereof.

“Rebate Regulations” means any final, temporary or proposed Regulations promulgated under Section 148(f) of the Code.

“Rebate Requirement” has the meaning ascribed to it in the Tax Certificate for a series of Bonds.

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

“Redemption Fund” means the County of San Bernardino Assessment District No. 2018-1 (Snowdrop Road) Redemption Fund established with the Trustee pursuant to Section 501 hereof.

“Reserve Fund” means the County of San Bernardino Assessment District No. 2018-1 (Snowdrop Road) Reserve Fund established with the Trustee pursuant to Section 501 hereof.

“Resolution of Formation” means Resolution No. 2018-20 adopted by the Board of Supervisors on March 13, 2018, forming the Assessment District and confirming the levy of the Assessments in accordance with the Engineer’s Report presented at such meeting.

“Resolution of Intention” means Resolution No. 2018-003, adopted by the Board of Supervisors of the County on January 9, 2018, stating the County’s intention, among other things, to levy the Assessments and issue the Bonds.

“Resolution of Issuance” means Resolution No. _____, adopted by the Board of Supervisors of the County on _____, 2021, authorizing the issuance of the Bonds and approving the terms and provisions of this Bond Indenture.

“Series A Bonds” means the County of San Bernardino Assessment District No. 2018-1 (Snowdrop Road) Limited Obligation Improvement Bonds 2021 Series A.

“Series A Bonds Reserve Requirement” means, on each September 2nd (the calculation date), [50%] of the maximum annual debt service on the Outstanding Bonds.

“Six-Month Period” means the period of time beginning on the Delivery Date of Bonds, as applicable, and ending six consecutive months thereafter, and each six-month period thereafter until the latest maturity date of the Bonds (and any obligations that refund an issue of the Bonds).

“Superintendent of Streets” means the Director of Department of Public Works, Special Districts of the County, or his or her designee.

“Supplemental Bond Indenture” or “Supplement” means any supplemental agreement entered into in accordance with Article VIII amending or supplementing this Bond Indenture.

“Tax Certificate” means the Tax Certificate delivered upon the issuance of the Series A Bonds and each series of Parity Bonds, as applicable.

“Treasurer” means the San Bernardino County Auditor-Controller/Treasurer/Tax Collector, or his or her designee.

“Trustee” means U.S. Bank National Association, a national banking association duly organized and existing under and by virtue of the laws of the United States of America, or any other bank or trust company which may at any time be substituted in its place as provided in Sections 902 and 903 and any successor thereto.

“Yield on the Bonds” has the meaning as described in the Tax Certificate for a series of Bonds.

Section 102. 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 hereof.

Section 103. Equality of Bonds; Pledge of Assessments; No Obligation to Cure Deficiency. Pursuant to the 1913 Act, the 1915 Act and this Bond Indenture, the Bonds shall be equally payable from the Assessments without priority for number, issue date, date of sale, date of execution or date of delivery, and the payment of the interest on and principal of the Bonds and any premiums upon the redemption thereof shall be exclusively paid from the Assessments and moneys on deposit in the Assessment Fund, Redemption Fund and the Reserve Fund which are hereby set aside for, and irrevocably pledged to, the payment of the Bonds. The Assessments, the amounts in the foregoing funds, and any interest earned on such funds shall constitute a trust fund held for the benefit of the Owners of the Bonds to be applied to the payment of the interest on, premium, if any, and principal of the Bonds and so long as any of the Bonds remain Outstanding and shall not be used for any other purpose, except as permitted by the 1913 Act, the 1915 Act, this Bond Indenture or any Supplemental Bond Indenture.

Nothing in this Bond Indenture or any Supplemental Bond Indenture shall preclude the redemption prior to maturity of any Bonds subject to call and redemption and payment of said Bonds from proceeds of refunding bonds issued under the Refunding Act of 1984 for 1915 Improvement Act Bonds (Streets and Highways Code Section 9500 *et seq.*) or under any other law of the State of California.

ARTICLE II

AUTHORIZATION AND ISSUANCE OF BONDS

Section 201. Assessments. The Assessments remaining unpaid, and the aggregate principal amount thereof, have been determined by the Treasurer and the Treasurer has filed a list of

said Assessments in the office of the Superintendent of Streets. For a particular description of the lots or parcels of land bearing the respective assessment numbers set forth in the unpaid list and upon which Assessments remain unpaid, reference is hereby made to the Notice of Assessment and to the diagram recorded in the office of the Superintendent of Streets after confirmation of the Assessments by the Board of Supervisors through the adoption of the Resolution of Formation, the several lots or parcels of land represented by said assessment numbers being so numbered and designated upon the diagram and Assessments as so confirmed and recorded.

Collection of the remaining Assessments shall cease in the event sufficient moneys are available to pay or redeem the Bonds as provided in Section 505.

Section 202. Type and Nature of Bonds; Limited Liability. Notwithstanding anything contained herein, in the Bonds, in the 1915 Act, any other provision of law, or in any of the resolutions adopted in connection with the proceedings for the Assessment District to the contrary, all Bonds authorized pursuant to this Bond Indenture shall be a special obligation of the County, and the County shall not under any circumstances (including, without limitation, after any installment of principal or interest of any Assessment levied on any lot or parcel in the Assessment District becomes delinquent or after the County acquires title to any such lot or parcel whether through foreclosure or otherwise) be obligated to pay principal, premium, if any, or interest on the Bonds from any source whatsoever other than the Redemption Fund (including any transfers thereto from the Improvement Fund, the Assessment Fund and Reserve Fund). Neither the County, the Board of Supervisors, the officers or employees of the County, any person or entity acting for or on behalf of the County in connection with the issuance of the Bonds or in connection with the formation or operation of the Assessment District, nor any persons executing the Bonds, shall be liable personally on the Bonds or be subject to any personal liability for the Bonds or any personal liability or accountability whatsoever by reason of or in connection with the issuance of the Bonds or by reason of any act or acts or the failure or omission to take any act or acts (including, without limitation, a negligent act or omission) in connection with or related to the formation or operation of the Assessment District.

Section 203. Authorization and Purpose of Bonds. The Bonds shall be designated "County of San Bernardino Assessment District No. 2018-1 (Snowdrop Road) Limited Obligation Improvement Bonds ____ Series ____" and the year issued and by a letter with the first series being designated as "Series A" and subsequent series following in order. The Bonds shall be issued by the County under and pursuant to the 1915 Act and under and pursuant to this Indenture as supplemented by one or more Supplemental Bond Indentures in the aggregate principal amount equal to the aggregate amount of the unpaid Assessments determined by the Treasurer pursuant to Section 201. The designation of the Bonds shall include, in addition to the name "County of San Bernardino Assessment District No. 2018-1 (Snowdrop Road) Limited Obligation Improvement Bonds ____ Series ____," such further appropriate particular designation added to or incorporated in the title for the Bonds as the County may determine or as shall be required by the 1915 Act; and each Bond shall bear upon its face the designation so determined. The Bonds may contain or have endorsed thereon such other descriptive provisions, specifications and words not inconsistent with the provisions hereof as may be desirable or necessary to comply with custom or the rules of any securities exchange or commission or brokerage board or otherwise as may be determined by the County prior to the delivery thereof.

The primary purpose for which the Bonds are to be issued is to provide funds to pay the cost of the Improvements heretofore ordered by the Board of Supervisors.

ARTICLE III

TERMS AND PROVISIONS OF THE SERIES A BONDS

Section 301. Terms of Bonds.

(a) The interest on and principal of and redemption premiums, if any, on the Series A Bonds shall be payable in lawful money of the United States of America at the office of the Trustee designated by the Trustee. Interest on the Series A Bonds shall be calculated on the basis of a 360-day year consisting of twelve 30-day months.

The Series A Bonds shall not be rated, shall not have a CUSIP number, shall not be issued pursuant to an offering document, and shall be registered in the name of the Owner.

(b) All Series A Bonds initially shall be issued as a single Series A Bond registered in the name of Western Alliance Business Trust, a wholly-owned affiliate of Western Alliance Bank, an Arizona corporation. Notwithstanding the provisions in Section 301(d) below or any other provision herein or in the Series A Bonds to the contrary, so long as any Series A Bonds are owned by Western Alliance Business Trust, a wholly-owned affiliate of Western Alliance Bank, an Arizona corporation, all principal and interest payments with respect to such Series A Bonds shall be made by wire transfer using the following wiring instructions (unless the Trustee shall receive subsequent wiring instructions from Western Alliance Business Trust, a wholly-owned affiliate of Western Alliance Bank, an Arizona corporation):

Receiving Bank:	Western Alliance Bank
ABA #:	122105980
Acct. Name:	Western Alliance Business Trust
Acct #:	[4110482828]
Beneficiary Info:	[Loan Name] [Loan Number] ATTN: Note Department

If the Owner of any Series A Bond is not Western Alliance Business Trust, a wholly-owned affiliate of Western Alliance Bank, an Arizona corporation, then such Owner shall provide written direction regarding wire transfer for payment of the principal of and interest on such Series A Bond to the Trustee within 5 Business Days of becoming an Owner.

(c) The County and the Trustee may treat and consider the person in whose name a Bond is registered in the Bond Register as the holder and absolute owner of such Bond for the purpose of payment of principal, premium, if any, and interest on such Bond, for the purpose of giving notices of redemption and other matters with respect to such Bond, for the purpose of registering transfers with respect to such Bond, and for all other purposes whatsoever. The Trustee shall pay all principal of, premium, if any, and interest on the Bonds only to or upon the order of the respective Owners or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the County's obligations with respect to payment of principal of, premium, if any, and interest on the Bonds to the extent of the sum or sums so paid. No person other than an Owner shall receive a certificated Bond evidencing the obligation of the County to make payments of principal, premium, if any, and interest pursuant to this Bond Indenture and any Supplemental Bond Indentures.

(d) Each Bond shall bear interest from the Interest Payment Date next preceding its date of authentication and registration, unless (i) its date of authentication is after a Record Date and on or before the immediately succeeding Interest Payment Date, in which event the Bond shall bear interest from such Interest Payment Date or (ii) its date of authentication is before the close of business on the first Record Date, in which event the Bond shall bear interest from its dated date; provided, that if at the time of authentication of any Bond interest is then in default on the Outstanding Bonds, such Bonds shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment on the Outstanding Bonds.

Payment of interest on the Bonds due on or before the maturity or prior redemption thereof shall be made only to the person whose name appears in the Bond Register as the registered owner thereof at the close of business on the Record Date, such interest to be paid by check mailed by first class mail on the Interest Payment Date to such registered owner at his address as it appears on such books or at such other address as he may have filed with the Trustee for that purpose; provided, however, that, in the case of a registered owner of \$1,000,000 or more in aggregate principal amount of Bonds, upon written request of such registered owner to the Trustee at least 15 days prior to an Interest Payment Date, such payment may be made by wire transfer to an account within the United States designated by such owner. Payment of the principal of and redemption premiums, if any, on the Bonds shall be made by check or wire transfer as described above only to the person whose name appears in the Bond Register as the registered owner thereof, such principal and redemption premiums, if any, to be paid only on the surrender of the Bonds at the office of the Trustee at maturity or on redemption prior to maturity; provided that for so long as there is only one Owner of the Bonds and the Bonds are not in book-entry form, payment shall be made by the Trustee to the registered owner without surrender of the Bonds to the Trustee and in lieu of surrendering the same for a new Bond, the Owner shall endorse on such Bond a record of partial payment of the principal of such Bond.

(e) The Bonds shall recite, in substance, that the interest on and principal of and redemption premiums, if any, on the Bonds are payable solely from the levy of the Assessments, that the Bonds are limited obligations of the County and that the County will not obligate itself to advance available funds from its treasury to cure any deficiency in the Redemption Fund.

(f) From and after the issuance of each series of Bonds, the findings and determinations of the Board of Supervisors shall be conclusive evidence of the existence of the facts so found and determined in any action or proceeding in any court in which the validity of such Bonds is at issue; and no bona fide purchaser of any of such Bonds shall be required to independently establish the existence of any fact or the performance of any condition or the taking of any proceeding required prior to such issuance or the application of the purchase price paid for such Bonds. The recital contained in each series of Bonds that the Bonds are issued under and pursuant to the 1915 Act and under and pursuant hereto shall be conclusive evidence of their validity and of the regularity of their issuance and all Bonds shall be incontestable from and after their issuance. Bonds shall be deemed to be issued, within the meaning hereof, whenever the definitive Bonds (or any temporary Bonds exchangeable therefor) for each series have been delivered to the purchaser thereof and the purchase price thereof received.

Section 302. Execution and Authentication. The Bonds shall be signed on behalf of the County by the manual or facsimile signature of the Treasurer of the County and by the manual or facsimile signature of the Clerk in their capacity as officers of the County, and the seal of the County (or a facsimile thereof) may be impressed, imprinted, engraved or otherwise reproduced thereon, and

attested by the signature of the Clerk. In case any one or more of the officers who shall have signed or sealed any of the Bonds shall cease to be such officer before the Bonds so signed and sealed have been authenticated and delivered by the Trustee (including new Bonds delivered pursuant to the provisions hereof with reference to the transfer and exchange of Bonds or to lost, stolen, destroyed or mutilated Bonds), such Bonds shall nevertheless be valid and may be issued as if the person who signed or sealed such Bonds had not ceased to hold such office.

Only such Bonds as shall bear thereon such certificate of authentication in the form set forth in Section 604 hereof shall be entitled to any right or benefit under this Bond Indenture , and no Bond shall be valid or obligatory for any purpose until such certificate of authentication shall have been manually executed by the Trustee.

Section 303. Registration, Exchange or Transfer. The registration of any Bond may, in accordance with its terms, be transferred upon the Bond Register by the person in whose name it is registered, in person or by his or her duly authorized attorney, upon surrender of such Bond for cancellation at the aforesaid office of the Trustee, accompanied by delivery of a written instrument of transfer in a form acceptable to the Trustee and duly executed by the Bondowner or his or her duly authorized attorney. A Bondowner of Series A Bonds may only transfer the Series A Bonds to a new Bondowner if the new Bondowner has delivered a letter (in the form attached as Exhibit B hereto) to the County and the Trustee. For purposes of such a transfer, the County and the Trustee may rely upon all new Bondowner representations as set forth in the letter, which include, but are not limited to, that such Bondowner is a “qualified institutional buyer” as defined in Rule 144A of the Securities Act of 1933, as amended.

Bonds may be exchanged at the aforesaid office of the Trustee for a like aggregate principal amount of Bonds of other authorized denominations as specified in Section 602 hereof and of the same series and maturity. The Trustee will not charge the Owner for any new Bond issued upon any exchange or transfer, but shall require the Owner requesting such exchange or transfer to pay any tax or other governmental charge required to be paid with respect to such exchange or transfer. The cost of printing any Bonds and any services rendered or any expenses incurred by the Trustee in connection with any exchange or transfer shall be paid by the County as Administrative Expenses. Whenever any Bond or Bonds shall be surrendered for registration of transfer or exchange, the County shall execute, and the Trustee shall authenticate and deliver, a new Bond or Bonds of the same maturity for a like aggregate principal amount; provided, that the Trustee shall not be required to register transfers or make exchanges of Bonds (a) 15 days prior to the date established by the Trustee for selection of Bonds for redemption, or (b) with respect to a Bond after such Bond has been selected for redemption.

Section 304. Bond Register. The Trustee will keep or cause to be kept, at its corporate trust office, sufficient books for the registration and transfer of the Bonds which shall at all times upon reasonable prior notice be open to inspection by the County; and, upon presentation for such purpose, the Trustee shall, under such reasonable regulations as it may prescribe, register or transfer or cause to be transferred on said Bond Register, Bonds as herein provided.

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

Section 305. Mutilated, Lost, Destroyed or Stolen Bonds. If any Bond shall become mutilated, the County shall execute, and the Trustee shall authenticate and deliver, a new Bond of like tenor, date, maturity and principal amount in exchange and substitution for the Bond so mutilated, but only upon surrender to the Trustee of the Bond so mutilated. Every mutilated Bond so surrendered to the Trustee shall be handled in accordance with Section 1201 of this Bond Indenture. If any Bond shall be lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the Trustee; and, if such evidence is satisfactory to the Trustee and, if indemnity satisfactory to the Trustee shall be given, the County, at the expense of the Bondowner, shall execute and the Trustee shall authenticate and deliver, a new Bond of like tenor and maturity, numbered and dated as such Trustee shall determine in lieu of and in substitution for the Bond so lost, destroyed or stolen. Any Bond issued in lieu of any Bond alleged to be lost, destroyed or stolen shall be equally and proportionately entitled to the benefits hereof with all other Bonds issued hereunder. The Trustee shall not treat both the original Bond and any replacement Bond as being Outstanding Bonds for the purpose of determining the principal amount of Bonds which may be executed, authenticated and delivered or for the purpose of determining any percentage of Bonds Outstanding hereunder, but both the original and replacement bond shall be treated as one and the same. Notwithstanding any other provision of this Section, in lieu of delivering a new Bond to replace a Bond which has been mutilated, lost, destroyed or stolen, and which has matured or is about to mature, the Trustee may make payment with respect to such Bond upon receipt of indemnity satisfactory to it and the County.

Section 306. Form of Bonds; Temporary Bonds. At the option of the County, the definitive Bonds may be typewritten, and the Bonds and the certificate of authentication shall be substantially in the form provided in Section 604.

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

ARTICLE IV

REDEMPTION OF BONDS

Section 401. Provisions for the Redemption of Series A Bonds.

(a) **Mandatory Redemption from Assessment Prepayments.** Whenever, as of an Interest Payment Date, there are sufficient funds in the Prepayment Account of the Redemption Fund from the proceeds of prepayments of Assessments, the Series A Bonds shall be called for redemption as provided in Part 11.1 of the 1915 Act. The Series A Bonds, or any portion of the principal thereof, in the principal amount of \$5,000 or any integral multiple thereof, may be redeemed and paid in advance of maturity on any Interest Payment Date by giving notice to the Owner thereof as provided in Section 403 below and by paying the principal amount thereof, plus interest to the date of

redemption, unless sooner surrendered, in which event said interest will be paid to the date of payment, at the following redemption prices (expressed as percentages of the principal amount of the Series A Bonds to be redeemed):

<i>Redemption Date</i>	<i>Price</i>
Interest Payment Dates through March 2, 2029	103%
September 2, 2029 or March 2, 2030	102
September 2, 2030 or March 2, 2031	101
September 2, 2031 and any Interest Payment Date thereafter	100

(b) Optional Redemption of Series A Bonds from Other Funds, Excluding Assessment Prepayments. The Series A Bonds are subject to redemption prior to their stated maturity dates on any Interest Payment Date on and after September 2, 2028 from any source of funds other than prepayment of Assessments, at a redemption price equal to the principal amount thereof to be redeemed, together with accrued interest to the date of redemption at the following redemption prices (expressed as a percentage of the principal amount of Series A Bonds to be redeemed):

<i>Redemption Date</i>	<i>Price</i>
September 2, 2028 and March 2, 2029	103%
September 2, 2029 or March 2, 2030	102
September 2, 2030 or March 2, 2031	101
September 2, 2031 and any Interest Payment Date thereafter	100

(c) Mandatory Sinking Fund Redemption of Series A Bonds. The Series A Bonds shall be subject to mandatory sinking fund redemption prior to maturity, in part, on September 2, 2022 and on each September 2 thereafter, from sinking fund payments, at a redemption price equal to the principal amount of Series A Bonds to be redeemed, together with accrued interest to the date of redemption, without premium, as follows:

2038 Term Series A Bonds

<i>Redemption Date (September 2)</i>	<i>Redemption Amount</i>
2022	
2023	
2024	
2025	
2026	
2027	
2028	
2029	
2030	
2031	
2032	
2033	
2034	
2035	
2036	
2037	
2038	
2039	
2040	
2041	
2042	
2043	

If during the Fiscal Year immediately preceding one of the redemption dates specified above the District purchases Series A Bonds, at least 45 days prior to the redemption date an Authorized Representative of the County shall notify the Trustee, in writing, as to the principal amount purchased and the amount of Series A Bonds so purchased shall be credited, to the extent of the full principal amount thereof, to reduce such upcoming mandatory sinking fund payment for the Bonds so purchased. All Series A Bonds purchased pursuant to this subsection shall be cancelled pursuant to Section 1201 hereof.

In the event of a partial redemption of the Series A Bonds pursuant to Section 401(a) or (b) above, each of the remaining mandatory sinking fund payments for the Series A Bonds will be reduced by the Trustee, as nearly as practicable, on a pro rata basis in \$5,000 increments or any integral multiple thereof, as directed in writing by an Authorized Representative of the County.

(d) The redemption terms of any Parity Bonds shall be included in the Supplemental Bond Indenture pursuant to which such Parity Bonds are issued.

Section 402. Selection of Bonds for Redemption. If less than all of the Outstanding Bonds are to be redeemed, the Bonds to be redeemed shall be selected by the Trustee by lot. The Trustee shall send notice to each Bondowner of the revised mandatory sinking fund payments for the Bonds established in accordance with Section 401(c) above or the applicable Supplemental Bond Indenture.

Section 403. Notice of Redemption. When Bonds are to be called for redemption under Section 401 and the Trustee has received the required notice from the County, the Trustee shall give notice, in the name of the County, of the redemption of such Bonds; provided, however, so long as there is only one registered Owner of Bonds, notice of a mandatory sinking fund redemption need not be given to such Owner. Such notice of redemption shall (a) specify the serial numbers of the Bonds selected for redemption, (b) state the date fixed for redemption and for surrender of the Bonds to be redeemed; (c) state the redemption price; (d) state the place or places where the Bonds are to be surrendered for redemption; and (d) in the case of Bonds to be redeemed only in part, state the portion of such Bond which is to be redeemed. Such notice shall further state that on the date fixed for redemption, there shall become due and payable on each Bond or portion thereof called for redemption, the principal thereof, together with any premium, and interest accrued to the redemption date, and that from and after such date, interest thereon shall cease to accrue and be payable. At least thirty (30) days but no more than sixty (60) days prior to the redemption date, the Trustee shall mail a copy of such notice, by registered or certified mail, postage prepaid, to the Owners of the Bonds to be redeemed at the address appearing on the Bond Register. The actual receipt by the Owner of any Bond of notice of such redemption shall not be a condition precedent thereto, and failure to receive such notice shall not affect the validity of the proceedings for the redemption of such Bonds, or the cessation of interest on the redemption date. A certificate by the Trustee that notice of such redemption has been given as herein provided shall be conclusive as against all parties.

A notice of redemption for a redemption pursuant to Section 401(b) above or pursuant to the applicable optional redemption provision in a Supplemental Bond Indenture may be conditioned upon receipt by the County of sufficient funds to effect the redemption. If sufficient funds are not on deposit with the Trustee on the redemption date, the redemption shall not occur and the Bonds shall remain Outstanding hereunder. If any redemption is cancelled due to a lack of sufficient funds, the Trustee shall mail a notice to the Owners stating that such redemption was cancelled and did not occur.

The Trustee shall take the following additional actions with respect to such notice of redemption provided that neither the failure to take such actions nor any defect in the action taken shall affect the validity of the proceedings for such redemption. On the date on which the notice to redemption is mailed to the Owners of the Bonds pursuant to the provisions above, such notice of redemption shall be given by electronic means to any Owner who has provided an electronic mail address to the Trustee.

Section 404. Partial Redemption of Bonds. Upon surrender of any Bond to be redeemed in part only, the County shall execute and the Trustee shall authenticate and deliver to the Owner, at the expense of the County, a new Bond or Bonds of Authorized Denominations equal in aggregate principal amount to the unredeemed portion of the same interest rate and the same maturity; provided, however, surrender of bonds is not required for payment to Owners in connection with a mandatory sinking fund redemption, other than for the final payment on such Bonds.

Section 405. Effect of Notice and Availability of Redemption Money. Notice of redemption having been duly given, as provided in Section 403, and the amount necessary for the redemption having been made available for that purpose and being available therefor on the date fixed for such redemption:

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

(b) upon presentation and surrender thereof at the corporate trust office of the Trustee, the redemption price of such Bonds shall be paid to the Owners thereof; provided, however, surrender of bonds is not required for payment to Owners in connection with a mandatory sinking fund redemption, other than for the final payment on such Bonds;

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

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

ARTICLE V

CREATION OF FUNDS AND ACCOUNTS; APPLICATION OF PROCEEDS AND ASSESSMENTS

Section 501. Funds and Accounts. There are hereby created and established the following funds and accounts, which funds and accounts the County agrees and covenants to maintain with the Trustee so long as any Bonds are Outstanding hereunder:

(a) the County of San Bernardino Assessment District No. 2018-1 (Snowdrop Road) Costs of Issuance Fund (the “Costs of Issuance Fund”);

(b) the County of San Bernardino Assessment District No. 2018-1 (Snowdrop Road) Assessment Fund (the “Assessment Fund”);

(c) the County of San Bernardino Assessment District No. 2018-1 (Snowdrop Road) Redemption Fund (the “Redemption Fund”), in which there shall be established and created a Principal Account, an Interest Account and a Prepayment Account;

(d) the County of San Bernardino Assessment District No. 2018-1 (Snowdrop Road) Reserve Fund (the “Reserve Fund”); and

(e) the County of San Bernardino Assessment District No. 2018-1 (Snowdrop Road) Rebate Fund (the “Rebate Fund”).

The County covenants and agrees to establish with the Treasurer the County of San Bernardino Assessment District No. 2018-1 (Snowdrop Road) Improvement Fund (the “Improvement Fund”) and the County of San Bernardino Assessment District No. 2018-1 (Snowdrop Road) Administrative Expense Fund (the “Administrative Expense Fund”).

All moneys in the funds and accounts established hereunder (other than the Rebate Fund) shall be held by the Trustee for the equal benefit of all Bondowners and shall be accounted for separately and apart from all other accounts, funds, money or other resources of the County held by the Trustee and shall be allocated, applied and disbursed solely to the uses and purposes hereinafter set forth in this Article.

The Trustee may establish such additional funds, accounts or subaccounts of the funds or accounts listed above as it deems necessary or prudent to further its duties pursuant to this Bond Indenture or any Supplemental Bond Indenture and shall establish any additional funds, accounts or subaccounts which the County directs it to establish.

Section 502. Costs of Issuance Fund. The Trustee shall deposit into the Costs of Issuance Fund the amounts specified in Section 605. The Trustee shall pay the costs of issuing the Bonds from the Costs of Issuance Fund as set forth in written requisitions submitted by an Authorized Representative of the County from time to time which requests shall be substantially in the form set forth in Exhibit A hereto. At the written direction of an Authorized Representative of the County, the Trustee shall transfer any remaining balance on the Costs of Issuance Fund to the Treasurer for deposit in the Improvement Fund and the Trustee shall close the Costs of Issuance Fund.

Section 503. Assessment Fund. Upon receipt of Assessment Installments, the Treasurer shall transfer the Assessment Installments to the Trustee for deposit to the Assessment Fund. On or prior to the first day of March and September of each year commencing March 1, 2022, the Trustee is to then transfer moneys on deposit in the Assessment Fund in the amounts set forth in the following clauses, in the following order of priority, to:

- (a) the Interest Account of the Redemption Fund, an amount sufficient to make the Interest Payment on the next succeeding Interest Payment Date for the Bonds;
- (b) the Principal Account of the Redemption Fund, the amount needed to make the Principal Payment due on the following September 2 on the Outstanding Bonds;
- (c) the Reserve Fund, the amount needed to restore the Reserve Fund to the Reserve Requirement; and
- (d) the Rebate Fund, the amount, if any, as specified in a written direction of the County.

Any moneys remaining in the Assessment Fund after the deposits described above shall be transferred by the Trustee, at the written direction of an Authorized Representative of the County, and to the extent that there are sufficient moneys on deposit therein, to the Prepayment Account of the Redemption Fund with amounts deposited to the Prepayment Account being used to redeem Bonds as provided herein. To the extent that the amounts in the Assessment Fund are insufficient to redeem Bonds in the amount of \$5,000 or an integral multiple thereof, such amounts shall be used by the Trustee, at the written direction of an Authorized Representative of the County, as a credit against each of the unpaid Assessments in amounts equal to each parcel's share or portion thereof, of the total amount of Assessment.

Upon provision for payment or redemption of all Bonds and after payment of any amounts due to the Trustee and the Owners, all moneys remaining in the Assessment Fund shall be paid to the County.

Section 504. Redemption Fund. The principal of and interest on the Bonds until maturity shall be paid by the Trustee from the Redemption Fund. At the maturity of the Bonds, and after all

principal and interest then due on any Outstanding Bonds has been paid or provided for, moneys in the Redemption Fund shall be transferred to the County.

(a) Interest Account. On September 2, 2021, the Trustee shall pay the interest due on the Bonds from proceeds of the Bonds deposited to the Interest Account as set forth in Section 605. On or prior to the first day of March or September of each year thereafter, commencing March 1, 2022, the Trustee shall transfer to the Interest Account of the Redemption Fund from the Assessment Fund an amount such that the balance in the Interest Account one day prior to each Interest Payment Date shall be equal to the installment of interest due on the Bonds on such Interest Payment Date. Moneys in the Interest Account shall be used for the payment of interest on the Bonds as the same becomes due.

(b) Principal Account. On or prior to the first day of September of each year, commencing September 1, 2022, the Trustee shall transfer to the Principal Account of the Redemption Fund from the Assessment Fund an amount up to the principal payment due on the Bonds on the following September 2. Moneys in the Principal Account shall be used to pay the principal of the Bonds as the same become due at maturity.

(c) Prepayment Account. Upon receiving any prepayment of an Assessment, the County shall transfer such prepayment to the Trustee for application in accordance with Section 8767 of the Act such that any delinquent principal, interest and penalties prepaid are deposited first in the Reserve Fund to the extent necessary to replenish any amount withdrawn from the Reserve Fund as a result of the delinquency on the parcel for which the Assessment is being prepaid, and second in the Redemption Fund. Upon receipt of written instructions from the County, the Trustee shall transfer that portion, if any, of the prepayment representing accrued interest owing on the Bonds to the Interest Account of the Redemption Fund and that portion representing principal due on the Bonds on the next principal payment date to the Principal Account of the Redemption Fund.

After making such deposits, the remainder of any such prepayment shall be deposited in the Prepayment Account, and together with any moneys transferred from the Reserve Fund pursuant to Section 505 to the Prepayment Account, shall be used to redeem Bonds pursuant to Section 401(a) on the next Interest Payment Date for which proper notice pursuant to Section 403 can be given by the Trustee. If less than all of the prepayment of an Assessment, together with the money transferred from the Reserve Fund, can be used to redeem Bonds in increments of \$5,000, the remaining portion of the prepayment is to be retained in the Prepayment Account and when there is sufficient money to redeem Bonds in the amount of \$5,000 or an integral multiple thereof, shall be used to redeem Bonds pursuant to Section 401(a) and in accordance with any similar redemption provision in any Supplemental Bond Indentures upon receipt by the Trustee of written direction of an Authorized Representative of the County.

Money received from the County from funds other than the prepayment of Assessments, including any surplus amount in the Improvement Fund transferred to the Trustee in accordance with Section 10427(d) of the 1913 Act, shall be deposited in the Prepayment Account and used to redeem Bonds as provided in Section 401(b) hereof and to redeem Parity Bonds in accordance with any similar redemption provision in any Supplemental Bond Indentures.

(d) Surplus Transfer. Any amounts remaining in the Redemption Fund, other than in the Prepayment Account, on September 15 of each year, after all principal and interest payments due on the prior September 2 have been paid, shall be transferred to the Assessment Fund. If, after

all of the Bonds have been redeemed and canceled or paid and canceled, there are moneys remaining in any account of the Redemption Fund, said moneys shall be transferred to the Assessment Fund.

Section 505. Reserve Fund. The Trustee shall initially deposit into the Series A Bonds Reserve Account of the Reserve Fund the amount specified in Section 605. Thereafter, the Trustee shall transfer sufficient funds from the Assessment Fund as provided in Section 503 in order to maintain the Series A Bonds Reserve Requirement in the Series A Bonds Reserve Account of the Reserve Fund at all times. On or before each February 15 and August 15, the Trustee shall determine whether the amount on deposit in the Series A Bonds Reserve Account of the Reserve Fund equals the Series A Bonds Reserve Requirement.

Moneys in the Series A Bonds Reserve Account of the Reserve Fund shall be used solely for the purpose of paying the principal of and interest on the Series A Bonds when due in the event that the moneys in the Redemption Fund are insufficient therefor or to redeem Series A Bonds in the event of a prepayment of an Assessment securing the Series A Bonds as set forth in the following paragraph. The Trustee shall withdraw moneys as necessary from the Series A Bonds Reserve Account of the Reserve Fund for deposit in the Redemption Fund for the redemption of Series A Bonds on or before the first day of March and September of each year.

In the event an Assessment is prepaid in whole or in part, the Assessment being prepaid shall be reduced by the amount transferred from the applicable account within the Reserve Fund pursuant to this paragraph to the Prepayment Account of the Redemption Fund and used to redeem the applicable series of Bonds. The amount transferred shall be that portion of the balance then in the Reserve Fund equal to the proportion that the Assessment prepaid bears to the total of all Assessments remaining unpaid as of such date. An Authorized Representative of the County shall notify the Trustee, in writing, of the amount to be transferred.

In the event that moneys comprising the Reserve Fund and the moneys in the Redemption Fund, and the Assessment Fund are sufficient to retire all of the Outstanding Bonds plus accrued interest thereon, such moneys in the Reserve Fund and the Assessment Fund shall be transferred to the Redemption Fund for the payment of the Bonds.

All amounts remaining in the Series A Bonds Reserve Account of the Reserve Fund in the year in which the last Assessment Installments become due and payable shall be credited toward said Assessment Installments as set forth below:

On or prior to July 1st of the Fiscal Year next preceding the Fiscal Year in which the last unpaid Assessment Installment securing the Series A Bonds Reserve Account of the Bonds becomes due and payable, the County shall determine the amount remaining in the Series A Bonds Reserve Account of the Reserve Fund, and shall declare such amount to be surplus and direct the Trustee as to the transfer of such amount in order that it may be credited in the manner set forth in Section 10427.1 of the 1913 Act; provided that if all or any part of such Assessments remain unpaid and are payable in installments, the amount apportioned to each parcel shall be credited against the last of such unpaid Assessment Installments and, if the amount apportioned to each parcel exceeds the amount of said last installment, then such excess shall be credited against the next to last of such Assessment Installments.

Notwithstanding any provisions herein to the contrary, moneys in the Series A Bonds Reserve Account of the Reserve Fund in excess of the Series A Bonds Reserve Requirement shall be

withdrawn from the Series A Bonds Reserve Account of the Reserve Fund by the Trustee on or before each February 15 and August 15, and shall be transferred to the Rebate Fund in an amount directed in writing by an Authorized Representative of the County received at least one Business Day prior to each February 15 and August 15 and shall be used as provided in Section 506. The County may, but is not obligated to, direct such a transfer to the Rebate Fund. Following any such transfer, or in the absence of written direction from the County, all amounts shall be transferred to the Assessment Fund and shall be used as provided in Section 503.

Section 506. Rebate Fund.

(a) The Trustee shall establish and maintain a fund separate from any other fund established and maintained hereunder designated as the Rebate Fund and shall establish separate Rebate Accounts therein for the Series A Bonds and each series of Parity Bonds and if directed in a Certificate of the County shall establish an Alternative Penalty Account for a series of Bonds. All money at any time deposited in any Rebate Account or Alternative Penalty Account of the Rebate Fund for a series of Bonds shall be held by the Trustee in trust, for payment to the United States Treasury. All amounts on deposit in the Rebate Fund with respect to a series of Bonds shall be governed by this Section 506 and the Tax Certificate for such series, unless the County obtains an opinion of Bond Counsel that the exclusion from gross income for federal income tax purposes of interest payments on the Bonds will not be adversely affected if such requirements are not satisfied.

(i) Rebate Account. The following requirements shall be satisfied with respect to the Rebate Account for each series of Bonds:

(A) Annual Computation. Within 55 days of the end of the fifth Bond Year and each fifth Bond Year thereafter, the County shall calculate or cause to be calculated the amount of rebatable arbitrage for the Bonds in accordance with Section 148(f)(2) of the Code and Section 1.148-3 of the Rebate Regulations (taking into account any applicable exceptions with respect to the computation of the rebatable arbitrage described in the Tax Certificate (e.g., the temporary investments exceptions of Section 148(f)(4)(B) and (C) of the Code), and taking into account whether the election pursuant to Section 148(f)(4)(C)(vii) of the Code (the “1½% Penalty”) has been made), for this purpose treating the last day of the applicable Bond Year as a computation date, within the meaning of Section 1.148-1(b) of the Rebate Regulations (the “Rebatable Arbitrage”). The County shall obtain expert advice as to the amount of the Rebatable Arbitrage to comply with this Section.

(B) Annual Transfer. Within 55 days of the end of each Bond Year for which Rebatable Arbitrage must be calculated as required by the Tax Certificate, upon the written direction of an Authorized Representative of the County, an amount shall be deposited to the applicable Rebate Account by the Trustee from any funds so designated by the County if and to the extent required, so that the balance in the Rebate Account shall equal the amount of Rebatable Arbitrage so calculated by or on behalf of the County in accordance with (i)(A) above. In the event that immediately following any transfer required by the previous sentence, or the date on which the County determines that no transfer is required for such Bond Year, the amount then on deposit to the credit of the applicable Rebate Account exceeds the amount required to be on deposit therein, upon written instructions from an Authorized Representative of the County, the Trustee shall withdraw the excess from the Rebate Account and then credit the excess to the Assessment Fund.

(C) Payment to the Treasury. The Trustee shall pay, as directed in writing by an Authorized Representative of the County, to the United States Treasury, out of amounts in the Rebate Account,

(1) Not later than 60 days after the end of (A) the fifth Bond Year for the Bonds, and (B) each applicable fifth Bond Year thereafter, an amount equal to at least 90% of the Rebateable Arbitrage calculated as of the end of such Bond Year for the Bonds; and

(2) Not later than 60 days after the payment or redemption of all of the Bonds, an amount equal to 100% of the Rebateable Arbitrage calculated as of the end of such applicable Bond Year, and any income attributable to the Rebateable Arbitrage, computed in accordance with Section 148(f) of the Code.

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

(ii) Alternative Penalty Account. The following requirements shall be satisfied with respect to the Alternative Penalty Account for a series of Bonds:

(A) Six-Month Computation. If the 1½% Penalty has been elected for a series of Bonds, within 85 days of each particular Six-Month Period, the County shall determine or cause to be determined whether the 1½% Penalty is payable (and the amount of such penalty) as of the close of the applicable Six-Month Period. The County shall obtain expert advice in making such determinations.

(B) Six-Month Transfer. Within 85 days of the close of each Six-Month Period, the Trustee, at the written direction of an Authorized Representative of the County, shall deposit an amount in the Alternative Penalty Account from any source of funds held by the Trustee pursuant to this Bond Indenture and designated by the County in such written directions or provided to it by the County, if and to the extent required, so that the balance in the Alternative Penalty Account equals the amount of 1½% Penalty due and payable to the United States Treasury determined as provided in Subsection (a)(ii)(A) above. In the event that immediately following any transfer provided for in the previous sentence, or the date on which the County determines that no transfer is required for such Bond Year, the amount then on deposit in the Alternative Penalty Account exceeds the amount required to be on deposit therein to make the payments required by Subsection (a)(ii)(C) below, the Trustee, at the written direction of an Authorized Representative of the County, may withdraw the excess from the Alternative Penalty Account and credit the excess to the Assessment Fund.

(C) Payment to the Treasury. The Trustee shall pay, as directed in writing by an Authorized Representative of the County, to the United States Treasury, out of amounts in the applicable Alternative Penalty Account for a series of Bonds, not later than 90 days after the close of each Six-Month Period the 1½% Penalty, if applicable and payable, computed with respect to the

Bonds in accordance with Section 148(f)(4) of the Code. In the event that, prior to the time of any payment required to be made from the Alternative Penalty Account, the amount in the Alternative Penalty Account is not sufficient to make such payment when such payment is due, the County shall calculate the amount of such deficiency and direct the Trustee, in writing, to deposit an amount equal to such deficiency into the Alternative Penalty Account from any funds held by the Trustee pursuant to this Bond Indenture and designated by the County in such written directions prior to the time such payment is due. Each payment required to be made pursuant to this Subsection (a)(ii)(C) shall be made to the Internal Revenue Service, Ogden, Utah 84201 on or before the date on which such payment is due, and shall be accompanied by Internal Revenue Service Form 8038-T or shall be made in such other manner as provided under the Code.

(b) Disposition of Unexpended Funds. Any funds remaining in the Accounts of the Rebate Fund with respect to a series of the Bonds after redemption and payment of such series and after making the payments described in Subsection (a)(i)(C) or (a)(ii)(C) (whichever is applicable), shall be withdrawn by the Trustee at the written direction of an Authorized Representative of the County and utilized in any manner by the County.

(c) Survival of Defeasance and Final Payment. Notwithstanding anything in this Section or this Bond Indenture to the contrary, the obligation to comply with the requirements of this Section shall survive the defeasance and final payment of the Bonds with respect to which an account has been created in the Rebate Fund.

(d) Amendment Without Consent of Owners. This Section 506 may be deleted or amended in any manner without the consent of the Owners, provided that prior to such event there is delivered to the County and the Owners an opinion of Bond Counsel to the effect that such deletion or amendment will not adversely affect the exclusion from gross income for federal income tax purposes of interest on the Bonds.

Section 507. Investments. Moneys held in any of the funds and accounts under this Bond Indenture shall be invested at the written direction of an Authorized Representative of the County only in Authorized Investments which shall be deemed at all times to be a part of such funds and accounts. The Trustee shall provide monthly statements or reports, by the fifteenth day of each month, of the principal balances and investment earnings thereon in each fund and account maintained by the Trustee hereunder.

Authorized Investments shall be purchased at such prices as directed by an Authorized Representative of the County in written directions (or telephonic directions confirmed in writing) delivered to the Trustee. Directions as to the purchase of all Authorized Investments shall be subject to the limitations hereinafter in this Section set forth and such additional limitations or requirements consistent with the foregoing as may be established by the Treasurer.

Moneys in all funds and accounts except for the Reserve Fund shall be invested in Authorized Investments maturing, or with respect to which payments of principal and interest are scheduled or otherwise payable, not later than the date on which the Treasurer has estimated that such moneys will be required by the Trustee for the purposes specified in this Bond Indenture. Moneys in the Reserve Fund shall be invested in Authorized Investments, not less than 50% of which must mature within one year of the date of purchase and all of which must mature within two years of the date of purchase; however, if an Authorized Investment may be sold at par on the Business Day prior to each Interest Payment Date, all or a portion of the amount of the Reserve Fund may be invested in such Authorized

Investments with maturities longer than two years of the date of purchase. Authorized Investments purchased under a repurchase agreement may be deemed to mature on the date or dates on which the Trustee may deliver such Authorized Investments for repurchase under such agreement.

All interest, profits and other income received from the investment of moneys in any fund or account established pursuant to this Bond Indenture shall be retained therein, except as transfers from such funds or accounts are authorized in this Bond Indenture. For investment purposes only, the Trustee may commingle the funds and accounts established hereunder, and administered by the Trustee, but shall account for each separately.

Notwithstanding anything to the contrary contained in this Section, an amount of interest received with respect to any Authorized Investment equal to the amount of accrued interest, if any, paid as part of the purchase price of such Authorized Investment shall be credited to the fund or account for the credit of which such Authorized Investment was acquired.

For the purpose of determining the amount in any fund or account other than the Reserve Fund, all Authorized Investments credited to such fund or account shall be valued at the lower of the cost or the market value thereof, exclusive of accrued interest. Amounts in the Reserve Fund shall be valued at their market value at least semi-annually on or before February 15 and August 15 (or more frequently as may be requested by the Treasurer, but in no event more often than monthly). In making any such valuation, the Trustee may utilize nationally recognized securities valuation or pricing services available to it through its accounting system. The Trustee may rely on such valuations and shall not be responsible for the accuracy thereof.

The Trustee, or any of its affiliates, may act as principal or agent in the making or disposing of any investment or as a sponsor, depository, manager for or advisor to any issuer of Authorized Investments. The Trustee shall sell, or present for redemption, any Authorized Investment so purchased whenever it shall be necessary to provide moneys to meet any required payment, transfer, withdrawal or disbursement from the fund or account to which such Authorized Investment is credited, and, subject to the provisions of Section 904, the Trustee shall not be liable or responsible for any loss resulting from such investment, or any other investment made at the direction of the County or otherwise made in accordance with this Bond Indenture .

In the absence of written investment direction from the Treasurer received at least two Business Days prior to the maturity of an Authorized Investment, the Trustee shall invest solely in Authorized Investments set forth in subsection (3) of the definition thereof.

The Trustee shall be entitled to rely conclusively upon the written instructions of the County directing investments in Authorized Investments as to the fact that each such investment is permitted by the laws of the State of California and is an Authorized Investment as required by this Bond Indenture and shall not be required to make further investigation with respect thereto. With respect to any restrictions set forth in the list of Authorized Investments which embody legal conclusions (e.g., the existence, validity and perfection of security interests in collateral), the Trustee shall be entitled to rely conclusively on an opinion of counsel or upon a representation of the provider of such Authorized Investment obtained at the County's expense.

Except as specifically provided in this Bond Indenture, the Trustee shall not be liable to pay interest on any moneys received by it, but shall be liable only to account to the County for earnings derived from funds that have been invested.

The County acknowledges that regulations of the Comptroller of the Currency grant the County the right to receive brokerage confirmation of security transactions to be effected by the Trustee hereunder as they occur. The County specifically waives the right to receive such notification to the extent permitted by applicable law and agrees that it will instead receive periodic cash transaction statements which shall include detail for the investment transactions effected by the Trustee hereunder; provided, however, that the County retains its right to receive brokerage confirmation on any investment transaction requested by the County.

Section 508. Delinquency Resulting in Ultimate or Temporary Loss on Bonds. If a temporary deficiency occurs in the Redemption Fund with which to pay Bonds that have then matured, past due interest or the principal and interest on Bonds coming due during the current year, but it does not appear to the Treasurer that there will be an Ultimate Loss (as defined below) to the Bondowners, the Treasurer shall cause the Trustee to pay the principal of Bonds which have matured as presented and make interest payments on the Bonds when due, as long as there are available funds in the Redemption Fund, in the following order of priority:

- (1) All matured interest payments shall be made before the principal of any Bonds is paid.
- (2) Within a single maturity, interest on lower-numbered Bonds shall be paid before interest on higher-numbered Bonds.
- (3) The principal of Bonds shall be paid in the order in which the Bonds are presented for payment. Any Bond which is presented but not paid shall be assigned a serial number according to the order of presentment and shall be returned to the Bondowner.

When funds become available for the payment of any Bond which was not paid upon presentment, the Treasurer shall cause the Trustee to notify the registered owner of such Bond by registered mail to present the Bond for payment. If the Bond is not presented for payment within ten days after the mailing of the notice, interest shall cease to run on the Bond.

If it appears to the Treasurer that there is a danger of an Ultimate Loss (as defined below) accruing to the Bondowners for any reason, he or she is required pursuant to the 1915 Act to withhold payment on all matured Bonds and interest on all Bonds and report the facts to the Board of Supervisors so that the Board of Supervisors may take proper action to equitably protect all Bondowners.

Upon the receipt of such notification from the Treasurer, the Board of Supervisors shall fix a date for a hearing upon such notice. At the hearing the Board of Supervisors must determine whether in its judgment there will ultimately be insufficient money in the Redemption Fund to pay the principal of the unpaid Bonds and interest thereon. If the Board of Supervisors determines that in its judgment there will ultimately be a shortage in the Redemption Fund to pay the principal of the unpaid Bonds and interest thereon (an "Ultimate Loss"), the Board of Supervisors shall direct the Treasurer to pay to the Owners of all Outstanding and unpaid Bonds such proportion thereof as the amount of funds on hand in the Redemption Fund bears to the total amount of the unpaid principal of the Bonds and interest which has accrued or will accrue thereon. Similar proportionate payments shall thereafter be made periodically as moneys come into the Redemption Fund.

Upon the determination by the Board of Supervisors that an Ultimate Loss will occur, the Treasurer shall cause the Trustee to notify all Bondowners to surrender their Bonds to the Treasurer

for cancellation. Upon cancellation of the Bonds, the Bondowner shall be credited with the principal amount of the Bond so canceled. The Treasurer shall then pay by warrant the proportionate amount of principal and accrued interest due on the Bonds of each Bondowner as may be available from time to time out of the money in the Redemption Fund. Interest shall cease on principal payments made from the date of such payment, but interest shall continue to accrue on the unpaid principal at the rate specified on the Bonds until payment thereof is made. No premiums shall be paid on payments of principal on Bonds made in advance of the maturity date thereon.

If a Bond is not surrendered for registration and payment, the Treasurer shall cause the Trustee to give notice to the Bondowner by registered mail, at the Bondowner's last address as shown on the registration books, of the amount available for payment. Interest on such amount shall cease as of ten days from the date of mailing of such notice.

If the Board of Supervisors determines that in its judgment there will not be an Ultimate Loss, it shall direct the Treasurer to pay matured Bonds and interest as long as there is available money in the Redemption Fund. The priority of payments will be as set forth in the first paragraph hereof.

ARTICLE VI

ISSUANCE OF BONDS

Section 601. Authorization and Designation of Bonds. The County has reviewed all proceedings heretofore taken relative to the authorization of the Bonds and has found, as a result of such review, and hereby finds and determines, that all acts, conditions and things required by law to exist, happen and be performed precedent to and in the issuance of the Bonds do exist, have happened and have been performed in due time, form and manner as required by the 1915 Act, and that the County is now authorized, pursuant to each and every requirement of the 1915 Act and hereof, to issue the Bonds upon the security of the Assessments in the aggregate principal amount set forth in Section 602 hereof and in any Supplemental Indentures, and in the form and manner provided herein, which Bonds shall be entitled to the benefit, protection and security of the provisions hereof.

Section 602. Denominations of Bonds. The Series A Bonds shall be issued as a single bond in the full outstanding principal amount of \$_____. The denominations of any Parity Bonds shall be as set forth in the applicable Supplemental Bond Indenture for such series.

Section 603. Interest Payment Date of Bonds. The Series A Bonds shall be dated their Closing Date and shall mature on September 2, 2043 and shall bear interest at the rate of ____% per annum. The maturity date of and interest rate on any Parity Bonds shall be as set forth in the applicable Supplemental Bond Indenture for such series.

Section 604. Form of Series A Bonds. The Series A Bonds shall be in substantially the following form, the blanks to be filled in with appropriate words and figures, conforming to the terms of this Bond Indenture:

[FORM OF SERIES A BOND]

R-__

\$_____

**THE REGISTERED OWNER OF THIS BOND
ACKNOWLEDGES AND AGREES THAT THIS BOND MAY
ONLY BE TRANSFERRED UPON SATISFACTION OF THE
REQUIREMENTS IN THE BOND INDENTURE, INCLUDING
THE DELIVERY TO THE TRUSTEE OF AN INVESTOR
LETTER IN THE FORM REQUIRED BY THE INDENTURE.
ANY TRANSFER OF THIS BOND IN VIOLATION OF THE
TRANSFER RESTRICTIONS CONTAINED IN THE BOND
INDENTURE SHALL BE VOID AND OF NO EFFECT.**

**UNITED STATES OF AMERICA
STATE OF CALIFORNIA
COUNTY OF SAN BERNARDINO**

**COUNTY OF SAN BERNARDINO
ASSESSMENT DISTRICT NO. 2018-1 (SNOWDROP ROAD)
LIMITED OBLIGATION IMPROVEMENT BOND
2021 SERIES A**

<i>INTEREST RATE</i>	<i>MATURITY DATE</i>	<i>DATE</i>
_____%	September 2, ____	_____, 2021

REGISTERED OWNER:

PRINCIPAL AMOUNT: _____ AND 00/100 DOLLARS

Under and by virtue of the Improvement Bond Act of 1915, Division 10 (commencing with Section 8500) of the California Streets and Highways Code (the "Act") and Resolution No. _____ (the "Resolution of Issuance") adopted by the Board of Supervisors of the County of San Bernardino (the "District") on the ____ day of _____, 2021, the County will, out of the redemption fund for the payment of the bonds issued upon the unpaid portion of assessments made for the acquisition, work, and improvements more fully described in proceedings taken pursuant to Resolution No. 2018-003 (the "Resolution of Intention") adopted by the Board of Supervisors of the County on the 9th day of January, 2018, pay to the registered owner stated above, on the maturity date stated above, the principal sum stated above in lawful money of the United States of America, all as provided for in a Bond Indenture dated as of April 1, 2021 (the "Bond Indenture"), by and between U.S. Bank National Association, as Trustee (the "Trustee") and the County. In like manner, the County will pay interest on this bond from the Interest Payment Date (as defined below) next preceding the date on which this bond is authenticated, unless (i) its date of authentication is after the fifteenth day of the month preceding an Interest Payment Date (the "Record Date") and on or before the immediately succeeding Interest Payment Date, in which event the bond shall bear interest from such Interest Payment Date or (ii) its date of authentication is before the close of business on the first Record Date, in which event

the bond shall bear interest from the date of this bond; provided, however, that if at the time of authentication of this bond, interest is in default, interest on this bond shall be payable from the last Interest Payment Date to which the interest has been paid or made available for payment. Such interest shall be payable on March 2 and September 2 of each year, commencing September 2, 2021 (each, an “Interest Payment Date”).

Both the principal hereof and redemption premium hereon, if any, are payable at the office of the Trustee, and the interest hereon is payable by check mailed by first class mail, postage prepaid, on the Interest Payment Date to the owner hereof at the owner’s address as it appears on the records of the Trustee or at such address as may have been filed with the Trustee for that purpose, at the close of business on the applicable Record Date; provided, however, that at the written request of an owner of \$1,000,000 or more in aggregate principal amount of bonds, as provided in the Bond Indenture or filed with the Trustee prior to any Record Date, interest on such bonds will be paid to such owner on such succeeding Interest Payment Date by wire transfer of immediately available funds to an account within the United States of America designated in such written request.

This bond will continue to bear interest after maturity at the rate above stated provided it is presented at maturity and payment hereof is refused upon the sole ground that there are not sufficient moneys in said redemption fund with which to pay the same. If it is not presented at maturity, interest hereon will run only until maturity.

This bond is one of several annual maturities of bonds (the “Bonds”) of like date, tenor and effect, but differing in amounts, maturities and interest rates issued by the County under the Act and the Bond Indenture for the purpose of providing means for paying for the improvements described in the proceedings; and it is secured by the moneys in the redemption fund and by the unpaid portion of certain assessments made for the payment of those improvements, and, including principal and interest, is payable exclusively out of said fund.

This bond, or any portion of the principal hereof, in the principal amount of \$5,000 or any integral multiple thereof, may be redeemed and paid in advance of maturity on any Interest Payment Date from the proceeds of prepayment of Assessments in the manner provided in Part 11.1 of the Act in any year by giving notice to the owner hereof as provided in the Bond Indenture and by paying the principal amount thereof, plus interest to the date of redemption, unless sooner surrendered, in which event said interest will be paid to the date of payment, at the following redemption prices (expressed as a percentage of the principal amount of the bond to be redeemed):

<i>Redemption Date</i>	<i>Price</i>
Interest Payment Dates through March 2, 2029	103%
September 2, 2029 or March 2, 2030	102
September 2, 2030 or March 2, 2031	101
September 2, 2031 and any Interest Payment Date thereafter	100

This bond is subject to redemption prior to its stated maturity date on any Interest Payment Date on and after September 2, 2028, from any source of funds other than prepayment of assessments at a redemption price equal to the principal amount thereof to be redeemed, together with accrued interest to the date of redemption at the following redemption prices (expressed as a percentage of the principal amount of the bond to be redeemed):

<i>Redemption Date</i>	<i>Price</i>
September 2, 2028 and March 2, 2029	103%
September 2, 2029 or March 2, 2030	102
September 2, 2030 or March 2, 2031	101
September 2, 2031 and any Interest Payment Date thereafter	100

The Bonds shall be subject to mandatory sinking fund redemption prior to maturity in part, on September 2, 2022, and on each September 2 thereafter, from mandatory sinking fund payments in accordance with the schedule of mandatory sinking fund payments set forth in the Bond Indenture, at a redemption price equal to the principal amount of Bonds to be redeemed, together with accrued interest to the date of redemption, without premium.

Bonds of a maturity shall be selected for mandatory sinking fund redemption by lot.

This bond is transferable by the registered owner hereof, in person or by the owner's attorney duly authorized in writing, at the office of the Trustee, subject to the terms and conditions provided in the Bond Indenture, including the required delivery of an investor letter and payment of certain charges, if any, upon surrender and cancellation of this bond. Upon such transfer a new registered bond or bonds of any authorized denomination or denominations, of the same maturity, for the same aggregate principal amount, will be issued to the transferee in exchange herefor.

Bonds shall be registered only in the name of an individual (including joint owners), a corporation, limited liability company, a partnership, a trust or other legal entity validly existing and authorized to own the Bonds.

Neither the County nor the Trustee shall be required to make such exchanges or to register such transfers of bonds (a) during the 15 days prior to any Interest Payment Date or the date established by the Trustee for selection of Bonds for redemption, or (b) with respect to a bond after such bond has been selected for redemption.

The County and the Trustee may treat the owner hereof, as shown on the bond register kept by the Trustee, as the absolute owner for all purposes; and the County and the Trustee shall not be affected by any notice to the contrary.

The Bond Indenture is incorporated by reference herein and by acceptance hereof the registered owner assents to said terms and conditions.

This bond is subject to refunding pursuant to the procedures of the Refunding Act of 1984 for 1915 Improvement Act Bonds.

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

THE COUNTY HAS DECLARED AND DETERMINED IN THE RESOLUTION OF INTENTION THAT PURSUANT TO SECTION 8769 OF THE IMPROVEMENT BOND ACT OF 1915 IT WILL NOT OBLIGATE ITSELF TO ADVANCE AVAILABLE FUNDS FROM THE COUNTY TREASURY TO CURE ANY DEFICIENCY WHICH MAY OCCUR IN THE REDEMPTION FUND.

NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE COUNTY OF SAN BERNARDINO, THE STATE OF CALIFORNIA OR ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE BONDS. THE BONDS ARE SPECIAL OBLIGATIONS OF THE COUNTY OF SAN BERNARDINO PAYABLE SOLELY FROM THE SOURCES DESCRIBED IN THE BOND INDENTURE.

[Remainder of this page left intentionally blank]

IN WITNESS WHEREOF, the County of San Bernardino has caused this bond to be signed in manual or facsimile form by the Treasurer of said County and attested to by the Clerk of the Board of Supervisors of said County, all as of the ____ day of _____, 2021.

COUNTY OF SAN BERNARDINO

San Bernardino County Auditor-
Controller/Treasurer/Tax Collector

ATTEST:

Lynna Monell, Clerk of the Board of Supervisors

[FORM OF CERTIFICATE OF AUTHENTICATION AND REGISTRATION]

This is one of the bonds described in the within-mentioned Bond Indenture, which bond has been authenticated and registered on _____, 2021.

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

By: _____
Authorized Signatory

[FORM OF LEGAL OPINION]

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

Clerk of the Board of Supervisors of County of
San Bernardino

[FORM OF ASSIGNMENT]

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

TAX I.D. #: _____
the within bond and do(es) hereby irrevocably constitute and appoint

attorney to transfer the same on the register of the Trustee with full power of substitution in the premises.

Date: _____

SIGNATURE GUARANTEED:

Signature(s) must be guaranteed by an eligible
guarantor institution

NOTE: The signature(s) to this Assignment must correspond with the name(s) as written on the face of the within bond in every particular, without alteration or enlargement or any change whatsoever and the signature(s) must be guaranteed by an eligible guarantor.

Section 605. Application of Proceeds of the Sale of Series A Bonds. Proceeds from the sale of the Series A Bonds shall be used as follows:

(i) \$_____ of the proceeds of the Series A Bonds shall be deposited by the Trustee into the Series A Bonds Reserve Account of the Reserve Fund equaling the Series A Reserve Requirement;

(ii) \$_____ of the proceeds of the Series A Bonds shall be deposited by the Trustee in the Interest Account of the Redemption Fund;

(iii) \$_____ of the proceeds of the Series A Bonds shall be deposited by the Trustee in the Costs of Issuance Fund;

(iv) the remainder thereof shall be deposited by the Treasurer in the Improvement Fund.

The proceeds of each series of Parity Bonds shall be applied as set forth in the Supplemental Bond Indenture for such series.

ARTICLE VII

COVENANTS AND WARRANTY

Section 701. Warranty.

(a) Security. The County shall preserve and protect the security of the Bonds and the rights of the Owners against all claims and demands of all persons.

(b) Financial Condition. As of the date the Bonds were issued, since the most current date of the information, financial or otherwise, supplied by the County to the Owner:

(i) There has been no change in the assets, liabilities, financial position or results of operations of the County which might reasonably be anticipated to cause a Material Adverse Effect;

(ii) The County has not incurred any obligations or liabilities which might reasonably be anticipated to cause a Material Adverse Effect;

(iii) Other than as disclosed to the Owner, there is no Material Litigation.

(c) Accuracy of Information. All information, reports and other papers and data furnished by the County to the Owner were, at the time the same were so furnished, complete and accurate in all material respects and insofar as necessary to give the Owner a true and accurate knowledge of the subject matter and were provided in expectation of the Owner's reliance thereon in entering into the transactions contemplated by this Indenture. No fact is known to the County which has had or, so far as the County can now reasonably foresee, may in the future have a Material Adverse Effect, which has not been set forth in any information, reports, papers and data or otherwise disclosed in writing to the Owner prior to the issuance of the Bonds. Any financial, budget and other projections furnished to the Owner by the County or its or their agents were prepared in good faith on the basis of the assumptions stated therein, which assumptions were fair and reasonable in light of the

conditions existing at the time of delivery of such financial, budget or other projections, and represented, and as of the date of this representation, represent the County's best estimate of the future financial performance of the Assessment District. No document furnished nor any representation, warranty or other written statement made to the Owner in connection with the negotiation, preparation or execution of this Bond Indenture contains or will contain any untrue statement of a material fact or omits or will omit to state (as of the date made or furnished) any material fact necessary in order to make the statements contained herein not misleading.

Section 702. Covenants. So long as any of the Bonds are Outstanding and unpaid, the County makes the following covenants with the Owners under the provisions of the 1913 Act, the 1915 Act and this Bond Indenture (to be performed by the County or its proper officers, agents or employees), which covenants are necessary, convenient and desirable to secure the Bonds and tend to make them more marketable; provided, however, that said covenants do not require the County to expend any funds or moneys other than the Assessments:

(a) Punctual Payment; Covenant Against Encumbrances. The County covenants that it will receive all Assessment Installments in trust and will, consistent with Section 503 hereof, deposit the Assessment Installments with the Trustee and the County shall have no beneficial right or interest in the amounts so deposited except as provided by this Bond Indenture. All such Assessment Installments, whether received by the County in trust or deposited with the Trustee, all as herein provided, shall nevertheless be disbursed, allocated and applied solely to the uses and purposes herein set forth, and shall be accounted for separately and apart from all other money, funds, accounts or other resources of the County.

The County covenants that it will duly and punctually pay or cause to be paid the principal of and interest on every Bond issued hereunder, together with the premium, if any, thereon on the date, at the place and in the manner set forth in the Bonds and in accordance with this Bond Indenture to the extent Assessments and interest earnings transferred to the Redemption Fund are available therefor, and that the payments into the Redemption Fund and the Reserve Fund will be made, all in strict conformity with the terms of the Bonds and this Bond Indenture, and that it will faithfully observe and perform all of the conditions, covenants and requirements of this Bond Indenture and all Supplements and of the Bonds issued hereunder. If at any time the total balance in the Redemption Fund, the Assessment Fund and the Reserve Fund is sufficient to redeem all Outstanding Bonds pursuant to Section 401 hereof, the Treasurer may direct the Trustee to effect such redemption on the earliest date on which all Outstanding Bonds may be redeemed.

The County will not mortgage or otherwise encumber, pledge or place any charge upon any of the Assessment Installments, and will not issue any obligation or security superior to the Bonds, payable in whole or in part from the unpaid Assessments.

(b) Covenant to Levy. The County will cause the Assessment Installments required to pay the principal of and interest on the Bonds when due to be placed on the tax bills of the owners of the parcels assessed and covenants to levy assessments, as permitted by law and the Resolution of Formation, to satisfy the Administrative Expense Requirement.

(c) Commence Foreclosure Proceedings. The County will commence judicial foreclosure proceedings by each September 1 against (i) all parcels with delinquent Assessment Installments from the prior fiscal year, and (ii) against all parcels owned by any single owner with delinquent Assessment Installments in the aggregate amount (including prior years) of \$10,000 or more;

provided, however, the County shall not be required to commence foreclosure against parcels with aggregate delinquent Assessment Installments of less than \$10,000 with respect to any fiscal year in which the total delinquent Assessment Installments in such fiscal year were less than 5% of the total Assessment Installments levied in such fiscal year.

(d) Books and Accounts. The County will cause the Trustee to keep proper books of record and accounts, separate from all other records and accounts of the County, in which complete and correct entries shall be made of all transactions made by the Trustee hereunder. Such books of record and accounts shall at all times during business hours and upon reasonable prior notice be subject to the inspection of the County or of the Owners of not less than ten percent (10%) of the principal amount of the Bonds then Outstanding or their representatives authorized in writing.

(e) Tax Covenants. Notwithstanding any other provision of this Bond Indenture, absent an opinion of Bond Counsel that the exclusion from gross income of interest on the Bonds will not be adversely affected for federal income tax purposes by reason of the County's failure to do so, the County covenants to comply with all applicable requirements of the Code, necessary to preserve such exclusion from gross income and specifically covenants, without limiting the generality of the foregoing, as follows:

Private Activity. The County will not take or omit to take any action or make any use of the proceeds of the Bonds or of any other moneys or property which would cause the Bonds to be "private activity bonds" within the meaning of Section 141 of the Code.

Arbitrage. The County will make no use of the proceeds of the Bonds or of any other amounts or property, regardless of the source, or take or omit to take any action which would cause the Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code.

Federal Guarantee. The County will make no use of the proceeds of the Bonds or take or omit to take any action that would cause the Bonds to be "federally guaranteed" within the meaning of Section 149(b) of the Code.

Information Reporting. The County will take or cause to be taken all necessary action to comply with the informational reporting requirement of Section 149(e) of the Code.

Hedge Bonds. The County will make no use of the proceeds of the Bonds or any other amounts or property, regardless of the source, or take any action or refrain from taking any action that would cause the Bonds to be considered "hedge bonds" within the meaning of Section 149(g) of the Code unless the County takes all necessary action to assure compliance with the requirements of Section 149(g) of the Code to maintain the exclusion from gross income for federal income tax purposes of interest on the Bonds.

Compliance with Tax Certificate. The County will take no action inconsistent with its expectations stated in the Tax Certificate for each series of Bonds and will comply with the covenants and requirements stated therein and incorporated by reference herein. Without limiting the generality of the foregoing, the County agrees that there shall be paid from time to time all amounts required to be rebated to the United States pursuant to Section 148(f) of the Code and any temporary, proposed or final Treasury Regulations as may be applicable to the Bonds from time to time. In particular, the County shall direct the Trustee to transfer to the applicable account of the Rebate Fund amounts

sufficient to pay and shall instruct the Trustee to pay to the United States Treasury any amounts required to be paid as set forth in Section 506 hereof.

(f) Collection of the Administrative Expense Requirements. The County covenants that it will collect annually an amount specified by the Superintendent of Streets to be the Administrative Expense Requirement, which amount will be expressed as a percentage of the annual levy of Assessment Installments, to pay for Administrative Expenses. The Administrative Expense Requirement so collected shall not exceed the amount specified in the Engineer's Report.

(g) Financial Reporting. So long as the Series A Bonds remain Outstanding, the County shall provide the Owners with: (1) not later than the last day of the ninth month following the end of each Fiscal Year, commencing with the Fiscal Year ending June 30, 2021 (the "Annual Report Filing Date"), an annual report (the "Annual Report"). The Annual Report shall contain audited financial statements of the County for the preceding Fiscal Year. If the audited financial statements of the County are prepared but not available prior to the Annual Report Filing Date, the County shall, when the audited financial statements are available, provide in a timely manner an electronic copy to the Owners. The Annual Report shall contain the annual financial information with respect to the County and the Assessment District, including the following: (i) the principal amount of Series A Bonds outstanding as of the September 3 preceding the filing of the Annual Report, (ii) the balance in each fund under the Bond Indenture and in the Improvement Fund as of the September 3 preceding the filing of the Annual Report, (iii) any change proceedings taken with respect to the Assessment District and a description of any parcels for which the Assessments have been prepaid in whole or in part, including the amount prepaid, since the date of the last Annual Report, (iv) a table representing the number of parcels, secured assessed values (land and structure values) and direct debt value to lien ratios for the Assessment District, (v) a table setting forth for the five most recent fiscal years in which the Assessment Installments were levied, the amount of Assessment Installments levied in each fiscal year and the percentage delinquent as of June 30 of such fiscal year and as of the March 1 preceding the date of the Annual Report, (vi) a statement as to any parcel in the Assessment District for which the delinquent Assessment Installments exceed \$10,000 stating: the identity of the parcel, the identity of the owner(s) of the parcel and the aggregate amount of delinquent taxes and assessments, including accrued penalties and interest, and (vii) a statement as to the status of any foreclosure actions being pursued by the County with respect to delinquent Assessment Installments; and (2) notice of any default of any debt obligation of the County and any Material Litigation or other governmental proceedings which may affect the pledge of the Assessment Installments to the payment of principal of and interest on the Series A Bonds as provided hereunder.

(h) Notices and Information. The County shall provide to the Owners:

(1) Written notice of any event, action or failure to take any action which constitutes an event of default under this Bond Indenture, together with a detailed statement by an Authorized Representative of the County or by an Authorized Representative of the City of the steps being taken by the County to cure the effect of such event of default;

(2) Prompt written notice of any Material Litigation, following the date of an event having a Material Adverse Effect, or any investigation, inquiry or similar proceeding by any Governmental Authority with respect to any matter that relates to or could impact any Assessment Installments; and

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

(j) Issuance of Parity Bonds. Parity Bonds may only be issued by the County if such Parity Bonds are [secured by Assessments that do not otherwise secure the Series A Bonds]. Notwithstanding the foregoing, Parity Bonds may also be issued by the County pursuant to the Refunding Act of 1984 for 1915 Improvement Act Bonds, Division 11.5 (commencing with Section 9500) of the California Streets and Highways Code.

ARTICLE VIII

AMENDMENTS TO AGREEMENT

Section 801. Amendments Not Requiring Bondowner Consent. The County may from time to time, and at any time, without notice to or consent of any of the Bondowners, adopt a Supplemental Bond Indenture for any of the following purposes:

(a) to cure any ambiguity or to correct or supplement any provisions herein provided that such action shall not materially adversely affect the interests of the Bondowners;

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

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

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

(e) to modify, alter, amend or supplement this Bond Indenture in any other respect which is not materially adverse to the Bondowners.

Section 802. Amendments Requiring Bondowner Consent. Exclusive of the Supplemental Bond Indentures described in Section 801, the Owners of not less than a majority in aggregate principal amount of the Bonds then Outstanding shall have the right to consent to and approve such Supplemental Bond Indentures as shall be deemed necessary or desirable by the County for the purpose of waiving, modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in this Bond Indenture ; provided, however, that nothing herein shall permit, or be construed as permitting, (a) an extension of the maturity date of the principal, or the payment date of interest on, any Bond, (b) a reduction in the principal amount of, or redemption premium on, any Bond or the rate of interest thereon, (c) a preference or priority of any Bond or Bonds

over any other Bond or Bonds, or (d) a reduction in the aggregate principal amount of the Bonds the Owners of which are required to consent to such Supplement without the consent of the Owners of all the Bonds then Outstanding.

If at any time the County shall desire to enter into a Supplemental Bond Indenture, which pursuant to the terms of this Section shall require the consent of the Bondowners, the County shall so notify the Trustee and shall deliver to the Trustee a copy of the proposed Supplement. The Trustee shall, at the expense of the County, cause notice of the proposed Supplement to be mailed, by first class mail postage prepaid, or delivered in such other manner as has been consented to by a Bondowner, to all Bondowners and their addresses as they appear in the Bond Register. Such notice shall briefly set forth the nature of the proposed Supplement and shall state that a copy thereof is on file at the office of the Superintendent of Streets and the corporate trust office of the Trustee for inspection by all Bondowners. The failure of any Bondowners to receive such notice shall not affect the validity of such Supplement when consented to and approved by the Owners of not less than a majority in aggregate principal amount of the Bonds then Outstanding as required by this Section. Whenever at any time within one year after the date of the first mailing of such notice the Trustee shall receive an instrument or instruments purporting to be executed by the Owners of not less than a majority in aggregate principal amount of the Bonds then Outstanding, which instrument or instruments shall refer to the proposed Supplement described in such notice, and shall specifically consent to and approve the Supplement substantially in the form of the copy referred to in such notice as on file with the Superintendent of Streets and the Trustee, such proposed Supplement, when duly executed by the County, shall thereafter become a part of the proceedings for the issuance of the Bonds. In determining whether the Owners of a majority of the aggregate principal amount of the Bonds have consented to the adoption of any Supplement, Bonds which are owned by the County or by any person directly or indirectly controlling or controlled by or under the direct or indirect common control with the County, shall be disregarded and shall be treated as though they were not Outstanding for the purpose of any such determination. Upon request, the County shall designate to the Trustee those Bonds disqualified by this Section 802.

Upon the execution and delivery by the County and the Trustee of any Supplement and the receipt of consent to any such Supplement from the Owners of not less than a majority in aggregate principal amount of Bonds Outstanding in instances where such consent is required pursuant to the provisions of this Section, this Bond Indenture shall be, and shall be deemed to be, modified and amended in accordance therewith, and the respective rights, duties and obligations under this Bond Indenture of the County, the Trustee and all Owners of Bonds then Outstanding shall thereafter be determined, exercised and enforced hereunder, subject in all respects to such modifications and amendments.

No Supplement pursuant to either Section 801 or Section 802 shall modify or amend any of the rights or obligations of the Trustee without its written consent thereto. The Trustee shall be provided an opinion of counsel, at the expense of the County, that any such Supplement complies with the provisions of this Article VIII and the Trustee may conclusively rely upon such opinion.

Section 803. Notation of Bonds; Delivery of Amended Bonds. After the effective date of any action taken as hereinabove provided, the County may determine that the Bonds may bear a notation, by endorsement in form approved by the County, as to such action, and in that case upon demand of the Owner of any Bond Outstanding at such effective date and presentation of his Bond for the purpose at the office of the Trustee, a suitable notation as to such action shall be made on such Bonds. If the County shall so determine, new Bonds so modified as, in the opinion of the County,

shall be necessary to conform to such action shall be prepared and executed, and in that case upon demand of the Owner of any Bond Outstanding at such effective date such new Bonds shall be exchanged at the office of the Trustee without cost to each Owner, for Bonds then Outstanding, upon surrender of such Outstanding Bonds.

ARTICLE IX

TRUSTEE

Section 901. Trustee. U.S. Bank National Association is hereby appointed Trustee for the County for the purpose of receiving all money which the County is required to deposit with the Trustee hereunder and to allocate, use and apply the same as provided in this Bond Indenture.

The Trustee is hereby authorized to and shall pay the principal and interest on the Bonds to the Bondowners in the manner set forth herein, select Bonds for redemption, and maintain the Bond Register. The Trustee is hereby authorized to pay the principal of and premium, if any, on the Bonds when the same are duly presented to it for payment at maturity or upon redemption, to provide for the registration of transfer and exchange of Bonds presented to it for such purposes, to provide for the cancellation of Bonds, and to provide for the authentication of Bonds, and shall perform all other duties assigned to or imposed on it as provided in this Bond Indenture. The Trustee shall keep accurate records of all funds administered by it and all Bonds paid and discharged by it.

The Trustee shall cancel all Bonds upon payment thereof or upon the surrender thereof by the County pursuant to Section 1201 hereof. The Trustee shall keep accurate records of all Bonds paid and discharged and canceled by it.

The Trustee shall supply information regarding investments made under Article V at the written request of the County including: (i) purchase date, (ii) purchase price, (iii) any accrued interest paid, (iv) face amount, (v) coupon rate, (vi) periodicity of interest payments, (vii) disposition price, (viii) any accrued interest, received, and (ix) disposition date. In the event a Nonpurpose Investment is subject to a receipt of bids, the County shall maintain a record of all information establishing fair market value on the date such investment became a Nonpurpose Investment. Such detailed record keeping is required for the calculation of the Rebate Requirement which shall be performed by the County and, in part, will require a determination of the difference between the actual aggregate earnings of all Nonpurpose Investments and the amount of such earnings assuming a rate of return equal to the Yield on the Bonds.

The County shall from time to time, subject to any agreement between the County and the Trustee then in force, pay to the Trustee compensation for its services, reimburse the Trustee for all its advances and expenditures, including, but not limited to, advances to and fees and expenses of independent accountants, counsel, agents, receiver and engineers or other experts employed by it in the exercise and performance of its powers and duties hereunder, and indemnify, defend and save the Trustee harmless against any losses, costs, expenses or liabilities, including reasonable fees and expenses of its attorneys (including the allocated costs and disbursements of in-house counsel, to the extent such services are not redundant with those provided by outside counsel), not arising from its own negligence or willful misconduct which it may incur in the exercise and performance of its powers and duties hereunder, which indemnity shall survive discharge of the Bonds. All amounts owed by the County to the Trustee shall constitute Administrative Expenses.

Any bank or trust company into which the Trustee may be merged or converted or with which it may be consolidated or any bank or trust company resulting from any merger, conversion or consolidation to which it shall be a party or any bank or trust company to which the Trustee may sell or transfer all or substantially all of its corporate trust business, provided such bank or trust company shall be eligible under Section 902, 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 902. Removal of Trustee. The County may in the absence of an event of default at any time, in the exercise of its sole discretion, upon thirty (30) days prior written notice to the Trustee, remove the Trustee initially appointed, and any successor thereto, and may appoint a successor or successors thereto; provided that any such successor shall be a bank or trust company doing business and having a corporate trust office in Los Angeles, California, or San Francisco, California, having a combined capital (exclusive of borrowed capital and surplus) (or whose parent or holding company has a combined capital (exclusive of borrowed capital and surplus) of at least fifty million dollars (\$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 purposes of this section the combined capital and surplus shall be as set forth in its most recent report of condition so published. The County shall notify the Bondowners in writing of any such removal of the Trustee and appointment of a successor thereto.

Section 903. Resignation of Trustee. The Trustee may at any time resign by giving written notice to the County. Upon receiving such notice of resignation, the County shall promptly appoint a successor Trustee by an instrument in writing; provided, however, that in the event that the County does not appoint a successor Trustee within thirty (30) days following receipt of such notice of resignation, the resigning Trustee may petition an appropriate court having jurisdiction to appoint a successor Trustee. Any resignation or removal of the Trustee and appointment of a successor Trustee shall become effective only upon the written acceptance of appointment by the successor Trustee, and notice to the Bondowners of the Trustee's identity and address.

Section 904. Liability of Trustee. The recitals of fact and all promises, covenants and agreements contained herein and in the bonds shall be taken as statements, promises, covenants and agreements of the County, and the Trustee assumes no responsibility for the correctness of the same and makes no representations as to the validity or sufficiency of this Bond Indenture or of the Bonds or the tax status of the interest thereon, and shall incur no responsibility in respect thereof other than in connection with its duties or obligations herein or in the Bonds or in the certificate of authentication assigned to or imposed upon the Trustee. The Trustee shall have no duties or obligations other than as specifically set forth herein and no implied duties, covenants or obligations shall be read into this Bond Indenture against the Trustee. The Trustee shall be under no responsibility or duty with respect to the issuance of the Bonds for value. The Trustee shall not be liable in connection with the performance of its duties hereunder, except for its own negligence or willful misconduct.

Absent negligence or willful misconduct, the Trustee shall not be liable for an error of judgment.

The Trustee shall have no liability or obligation to the Bondowners with respect to the payment of principal and interest on the Bonds by the County or with respect to the observance or performance by the County of the other conditions, covenants and terms contained in this Bond

Indenture , or with respect to the investment of any moneys in any fund or account established, held or maintained by the County pursuant to this Bond Indenture or otherwise.

The Trustee shall be protected in acting upon any requisition, notice, resolution, request, consent, order, certificate, report, bond or other paper or documents believed by it to be genuine and to have been signed or presented by the proper party or parties. The Trustee may consult with counsel, who may be counsel to the County, at the expense of the County, with regard to legal questions, and the opinion or advice of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered hereunder and in accordance therewith.

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

Whenever in the administration of its duties under this Bond Indenture the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may, in the absence of willful misconduct on the part of the Trustee, be deemed to be conclusively proved and established by a written certificate of the County, and such certificate shall be full warrant to the Trustee for any action taken or suffered under the provisions of this Bond Indenture upon the faith thereof, but in its discretion the Trustee may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as to it may seem reasonable.

The Trustee shall have no duty or obligations whatsoever to enforce the collection of Assessments or other funds to be deposited with it hereunder, or as to the correctness of any amounts received, but its liability shall be limited to the proper accounting for such funds as it shall actually receive. The Trustee shall have no duty or obligation to monitor the County's compliance with the 1913 Act or the 1915 Act. No provision in this Bond Indenture shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of its rights or powers. The Trustee shall be entitled to interest on all amounts advanced by it at the maximum rate permitted by law.

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

All protections extended to the Trustee shall also extend to its officers, directors, employees and agents. The Trustee's rights to indemnification hereunder and to payment of its fees and expenses shall survive its resignation or removal and the final payment or defeasance of the Bonds.

The Trustee makes no covenant, representation or warranty concerning the current or future tax status of interest on the Bonds.

Section 905. Interested Transactions. The Trustee and its officers and employees may acquire and hold Bonds with the same effect as if it were not Trustee. The Trustee, either as principal or agent, may engage in or be interested in any financial or other transaction with the County.

Section 906. Agents. The Trustee may execute any of its trusts or powers or perform its duties through attorneys, agents or receivers and the Trustee shall not be answerable for the default or misconduct of any such attorney, agent or receiver selected by it with reasonable care.

ARTICLE X

EVENTS OF DEFAULT; REMEDIES

Section 1001. Event of Default. Any one or more of the following events shall constitute an “event of default”:

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

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

(c) Default by the County in the observance of any of the other agreements, conditions or covenants on its part in this Bond Indenture or in the Bonds contained, and the continuation of such default for a period of thirty (30) days after the County shall have been given notice in writing of such default by the Trustee or any Owner, provided that if within thirty (30) days the County has commenced curing of the default and diligently pursues elimination thereof, such period shall be extended to permit such default to be eliminated.

Section 1002. Remedies of Owners. Following the occurrence of an event of default, any Owner shall have the right for the equal benefit and protection of all Owners similarly situated:

(a) By mandamus or other suit or proceeding at law or in equity to enforce his or her rights against the County and any of the members, officers and employees of the County, and to compel the County or any such members, officers or employees to perform and carry out their duties under the 1913 Act or the 1915 Act and their agreements with the Owners as provided in this Bond Indenture;

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

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

Nothing in this article or in any other provisions of this Bond Indenture, or in the Bonds, shall affect or impair the obligation of the County, which is absolute and unconditional, to pay the interest on and principal of the Bonds to the respective Owners of the Bonds at the respective dates of maturity, as herein provided, out of the Assessments pledged for such payment, or affect or impair the right of action, which is also absolute and unconditional, of such Owners to institute suit to enforce such payment by virtue of the contract embodied in the Bonds and in this Bond Indenture.

A waiver of any default or breach of duty or contract by any Owner shall not affect any subsequent default or breach of duty or contract, or impair any rights or remedies on any such subsequent default or breach. No delay or omission by any Owner 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 Owners by the 1913 Act or the 1915 Act or by this article may be enforced and exercised from time to time and as often as shall be deemed expedient by the Owners.

If any suit, action or proceeding to enforce any right or exercise any remedy is abandoned or determined adversely to the Owners, the County and the Owners shall be restored to their former positions, rights and remedies as if such suit, action or proceeding had not been brought or taken. No remedy herein conferred upon or reserved to the Owners is intended to be exclusive of any other remedy. Every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing, at law or in equity or by statute or otherwise, and may be exercised without exhausting and without regard to any other remedy conferred by the 1913 Act, the 1915 Act or any other law.

In no event shall the Trustee have any responsibility to cure or cause the County or any other person or entity to cure an Event of Default hereunder.

ARTICLE XI

DEFEASANCE

Section 1101. Defeasance. If the County shall pay or cause to be paid, or there shall otherwise be paid, to the Owners of any Outstanding Bonds the interest due thereon and the principal thereof, at the times and in the manner stipulated therein and in this Bond Indenture, then the Owners of such Bonds shall cease to be entitled to the pledge of Assessments and other amounts hereunder, and all covenants, agreements and other obligations of the County to the Owners of such Bonds under this Bond Indenture shall thereupon cease, terminate and become void and be discharged and satisfied except for the County's covenants under Sections 506 and 702(e) hereof. In such event, the Trustee shall execute and deliver to the County all such instruments as may be desirable to evidence such discharge and satisfaction, and the Trustee shall pay over or deliver to the County after payment of any amounts due the Trustee hereunder all money or securities held by it pursuant to this Bond Indenture which are not required for the payment of the interest due on, and the principal of, such Bonds.

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

(a) by paying or causing to be paid the principal of and interest with respect to such Bond, as and when the same become due and payable;

(b) by depositing with the Trustee, in trust, at or before maturity, money which, together with the amounts then on deposit in the Assessment Fund, the Reserve Fund and the Redemption Fund, is fully sufficient to pay the principal of, premium and interest on such Bond as and when the same shall become due and payable; or

(c) by depositing with the Trustee, in trust, Federal Securities in such amount as will, together with the interest to accrue thereon and moneys then on deposit in the Assessment Fund, the Reserve Fund and the Redemption Fund which is available to pay such Bond, together with the interest to accrue thereon without further investment, be fully sufficient to pay and discharge the

principal of, premium, if any, and interest on such Bond as and when the same shall become due and payable; then, notwithstanding that such Bond shall not have been surrendered for payment, all obligations of the County under this Bond Indenture with respect to such Bond shall cease and terminate, except for the obligation of the Trustee to pay or cause to be paid to the Owner of any Bond not so surrendered and paid, all sums due thereon from funds provided to it by the County and except for the County's covenant under Sections 506 and 702(e) hereof. Any money or securities deposited with the Trustee to defease any Bond or Bonds shall be accompanied by a certificate of an independent certified public accountant confirming the accuracy of the calculations establishing the sufficiency of such deposit, and an opinion of Bond Counsel that the deposit of such money or securities will not impair the exclusion from gross income or federal income tax purposes of interest on the Bonds. Any funds held by the Trustee at the time of payment or defeasance of all Outstanding Bonds, which are not required for the purpose above mentioned, or for payment of amounts due the Trustee hereunder shall be paid over to the County.

ARTICLE XII

MISCELLANEOUS

Section 1201. Cancellation of Bonds. All Bonds surrendered to the Trustee for payment upon maturity or for redemption shall upon payment therefor, and any Bond purchased by the County as authorized herein shall be, cancelled forthwith and shall not be reissued. The Trustee shall destroy such Bonds as provided by law and furnish to the County a certificate of destruction.

Section 1202. Execution of Documents and Proof of Ownership. Any request, direction, consent, revocation of consent, or other instrument in writing required or permitted by this Bond Indenture to be signed or executed by Bondowners may be in any number of concurrent instruments of similar tenor, may be signed or executed by such Owners in person or by their attorneys appointed by an instrument in writing for that purpose, or by the commercial bank, trust company or other depository for such Bonds. Proof of the execution of any such instrument, or of any instrument appointing any such attorney, and of the ownership of Bonds shall be sufficient for the purposes of this Bond Indenture (except as otherwise herein provided), if made in the following manner:

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

(b) As to any Bond, the person in whose name the same shall be registered in the Bond Register shall be deemed and regarded as the absolute Owner thereof for all purposes, and payment of or on account of the principal of any such Bond, and the interest thereon, shall be made only to or upon the order of the registered Owner thereof or his or her legal representative. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond and the interest thereon to the extent of the sum or sums to be paid. The Trustee shall not be affected by any notice to the contrary. Nothing contained in this Bond Indenture shall be construed as limiting the Trustee to such proof, it being intended that the Trustee may accept other evidence of the matters herein stated which the Trustee may deem sufficient. Any request or consent of the Owner of any

Bond shall bind every future Owner of the same Bond in respect of anything done or suffered to be done by the Trustee in pursuance of such request or consent.

Section 1203. Unclaimed Moneys. Anything in this Bond Indenture to the contrary notwithstanding, any money held by the Trustee in trust for the payment and discharge of any of the Bonds which remains unclaimed for one year after the Bonds become due and payable, if such money was held by the Trustee at such date, or for one year after the date of deposit of such money if deposited with the Trustee after said date when such Bonds become due and payable, shall be repaid by the Trustee to the County, as its absolute property and free from trust, and the Trustee shall thereupon be released and discharged with respect thereto and the Owners shall look only to the County for the payment of such Bonds; provided, however, that, before being required to make any such payment to the County, the Trustee shall, at the written request and the expense of the County, cause to be mailed to the registered Owners of such Bonds, at their addresses as they appear on the Bond Register, a notice that said money remains unclaimed and that, after a date named in said notice, which date shall not be less than thirty (30) days after the date of the mailing of such notice, the balance of such money then unclaimed will be returned to the County.

Section 1204. Provisions Constitute Contract; Successors. The provisions of this Bond Indenture shall constitute a contract between the County and the Bondowners and the provisions hereof shall be construed in accordance with the laws of the State of California.

In case any suit, action or proceeding to enforce any right or exercise any remedy shall be brought or taken and the Trustee shall prevail, the Trustee shall be entitled to receive from the Assessment District reimbursement for reasonable costs, expenses, outlays and attorneys' fees (including the allocated costs and disbursements of in-house counsel, to the extent such services are not redundant with those provided by outside counsel), and should said suit, action or proceeding be abandoned, or be determined adversely to the Trustee, then the County, the Trustee and the Bondowners shall be restored to their former positions, rights and remedies as if such suit, action or proceeding had not been brought or taken.

After the issuance and delivery of the Bonds this Bond Indenture may not be repealed, but shall be subject to modifications to the extent and in the manner provided in this Bond Indenture, but to no greater extent and in no other manner.

This Bond Indenture shall be binding upon and inure to the benefit of the County and the Trustee, and their respective successors and assigns.

Section 1205. Additional Rights of Sole Owner of Series A Bonds.

So long as there is a single Owner of all Series A Bonds the provisions of this Section 1205 shall apply. Upon the defeasance or maturity of the Series A Bonds, such Owner shall no longer receive the benefits of this section.

Notwithstanding any other provision of this Indenture, the Owner shall have the right to consent to any amendment to this Indenture relating to the Series A Bonds and to the appointment of a successor Trustee appointed by the County after the resignation or removal of the Trustee under Sections 902 and 903.

(a) The County shall provide immediate notice to the Owner of any material impact to the County's financial position and/or the receipt or collection of the Assessment Installments and such additional information as the Owner shall reasonably request from time to time pursuant to written notice to the County.

(b) The Owner is hereby expressly made a third party beneficiary of this Bond Indenture.

(c) The Trustee or the County, as applicable, shall notify the Owner of any failure of the County to provide relevant notices, certificates or other similar documents hereunder.

(d) The County shall pay or reimburse the Owner, but only from Administrative Expenses or the Assessment Installments pledged hereunder, for any and all charges, fees, costs and expenses that the Owner may reasonably pay or incur in connection with the following: (i) the administration, enforcement, defense, or preservation of any rights or security hereunder or under this Bond Indenture; (ii) the pursuit of any remedies under this Bond Indenture, or otherwise afforded by law or equity; (iii) any amendment, waiver, or other action with respect to or related to this Bond Indenture whether or not executed or completed; (iv) the violation by the County of any law, rule, or regulation or any judgment, order or decree applicable to it; or (v) any litigation or other dispute in connection with this Bond Indenture.

Section 1206. Waiver of Jury Trial; Agreement for Judicial Reference; No Sovereign Immunity. To the fullest extent permitted by law, the County hereby waives its right to trial by jury in any action, proceeding and/or hearing on any matter whatsoever arising out of, or in any way connected with, this Bond Indenture or any documents relating to the Bonds, or the enforcement of any remedy under any law, statute or regulation. To the extent such waiver is not enforceable, the County hereby consents to the adjudication of any and all such matters pursuant to Judicial Reference as provided in Section 638 of the California Code of Civil Procedure, and the judicial referee shall be empowered to hear and determine any and all issues in such Judicial Reference whether fact or law. The County hereby represents that it does not possess and will not invoke a claim of sovereign immunity for disputes arising out of contractual claims relating to this Bond Indenture or the Bonds.

Section 1207. Further Assurances; Incontestability. The County 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 Bond Indenture, and for the better assuring and confirming unto the Owners of the Bonds of the rights and benefits provided in this Bond Indenture.

After the sale and delivery of the Bonds by the County, the Bonds shall be incontestable by the County.

Section 1208. Severability. If any covenant, agreement or provision, or any portion thereof, contained in this Bond Indenture, or the application thereof to any person or circumstance, is held to be unconstitutional, invalid or unenforceable, the remainder of this Bond Indenture and the application of any such covenant, agreement or provision, or portion thereof, to other persons or circumstances, shall be deemed severable and shall not be affected thereby, and this Bond Indenture and the Bonds shall remain valid and the Bondowners shall retain all valid rights and benefits accorded to them under the laws of the State of California.

Section 1209. General Authorization. Authorized Representatives of the County are hereby respectively authorized to do and perform from time to time any and all acts and things consistent with this Bond Indenture necessary or appropriate to carry the same into effect.

Section 1210. Liberal Construction. This Bond Indenture shall be liberally construed to the end that its purpose may be effected. No error, irregularity, informality and no neglect or omission herein or in any proceeding had pursuant hereto which does not directly affect the jurisdiction of the Board of Supervisors shall void or invalidate this Bond Indenture or such proceeding or any part thereof, or any act or determination made pursuant thereto.

Section 1211. Notice. Any notices required to be given to the County with respect to the Bonds for this Bond Indenture shall be mailed, first class, or personally delivered to the Treasurer at 172 W. Third Street, San Bernardino, California 92415-0310, with a copy to the Director of Department of Public Works, Special Districts of the County. All notices to the Trustee shall be mailed, first class, or personally delivered to the Trustee at U.S. Bank National Association, 633 West Fifth Street, 24th Floor, Los Angeles, California 90071, Attention: Global Corporate Trust. All notices required to be given to Western Alliance Business Trust shall be mailed, first class, or personally delivered to such entity at One East Washington Street, Suite 1400, Phoenix, Arizona 85004, Attention: _____.

Section 1212. Action on Next Business Day. If the date for making any payment or the last date for performance of any act or the exercising of any right, as provided in this Bond Indenture, is not a Business Day, such payment, with no interest accruing for the period from and after such nominal date, may be made or act performed or right exercised on the next succeeding Business Day with the same force and effect as if done on the nominal date provided therefore in this Bond Indenture.

IN WITNESS WHEREOF, the County and the Trustee have executed this Bond Indenture, effective the date first written above.

COUNTY OF SAN BERNARDINO

By: _____
Its: San Bernardino County Auditor-Controller/
Treasurer/Tax Collector

ATTEST:

Lynna Monell, Clerk of the Board of Supervisors

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

By: _____
Its: Authorized Officer

EXHIBIT A

WRITTEN DELIVERY REQUISITION – COSTS OF ISSUING BONDS

U.S. Bank National Association, as Trustee (the “Trustee”)

RE: Disbursement from the Improvement Fund pursuant to Section 502 of the Bond Indenture, dated as of April 1, 2021 (the “Bond Indenture”), by and between the County of San Bernardino (“District”) and the Trustee, in connection with the issuance of \$_____ County of San Bernardino Assessment District No. 2018-1 (Snowdrop Road) Limited Obligation Improvement Bonds, 2021 Series A (the “Bonds”).

REQUISITION NO. 1

You are hereby instructed to pay to the parties, listed on Schedule I attached hereto, as costs of issuing the Bonds as provided in Section 502 of the Bond Indenture. These costs of issuing the Bonds have been properly incurred, are a proper charge against the Costs of Issuance Fund and have not been the basis of any previous disbursements.

The Trustee is hereby instructed to pay an amount which shall not exceed the amounts listed on Schedule I attached hereto upon receipt of an invoice of the payee.

COUNTY OF SAN BERNARDINO

By: _____
Its: Director of Department of Public Works,
Special Districts of the County of San
Bernardino

SCHEDULE I
COSTS OF ISSUING BONDS

<i>Party</i>	<i>Purpose</i>	<i>Amount</i>
--------------	----------------	---------------

EXHIBIT B
FORM OF PURCHASER LETTER

\$ _____
COUNTY OF SAN BERNARDINO
ASSESSMENT DISTRICT NO. 2018-1 (SNOWDROP ROAD)
LIMITED OBLIGATION IMPROVEMENT BONDS
2021 SERIES A

[DATE]

County of San Bernardino
San Bernardino, California

U.S. Bank National Association
Los Angeles, California

Stradling Yocca Carlson & Rauth, a Professional Corporation
Newport Beach, California

Ladies and Gentlemen:

The undersigned (the “Purchaser”) hereby acknowledges receipt of \$ _____ in aggregate principal amount of the above-referenced bonds (the “Bonds”), dated _____, 2021 in fully registered form and bearing interest from the date thereof which have been issued pursuant to the Bond Indenture dated as of April 1, 2021 (the “Indenture”), by and between the County and U.S. Bank National Association, as trustee.

1. We are a “qualified institutional buyer” as defined in Rule 144A of the Securities Act of 1933, as amended (the “1933 Act”).

2. We have sufficient knowledge and experience in financial and business matters, including purchase and ownership of municipal and other tax-exempt obligations of a nature similar to the Bonds to be able to evaluate the risks and merits of such a loan represented by the purchase of the Bonds.

3. We are acquiring the Bonds for our own account, and not with a view to, or for sale in connection with, any distribution of the Bonds or any part thereof. We have not offered to sell, solicited offers to buy, or agreed to sell the Bonds or any part thereof, and we have no present intention of reselling or otherwise disposing of the Bonds.

4. As a qualified institutional buyer, we have made our own credit inquiry and analysis with respect to County of San Bernardino Assessment District No. 2018-1 (Snowdrop Road) (the “Assessment District”) and the Bonds, and have made an independent credit decision based upon such inquiry and analysis. The County has furnished to us all the information which we as a reasonable

lender have requested of the County with respect to the Assessment District as a result of our having attached significance thereto in making our credit decision with respect to the Bonds, and we have had the opportunity to ask questions of and receive answers from knowledgeable individuals concerning the Assessment District and the Bonds. We are able and willing to bear the economic risk of the purchase and ownership of the Bonds.

5. We acknowledge that the Bonds are exempt from registration pursuant to the 1933 Act, are transferable only by notation on the registration books maintained by the bond registrar and are freely transferable provided that the Bonds are transferable in whole or in part in Authorized Denominations and that:

(i) the transferring holder thereof shall first have complied with all applicable state and federal securities laws and regulations;

(ii) the transferring holder thereof can transfer the Bonds only to a transferee who executes and delivers to the County a letter of the transferee substantially to the effect of this letter and who qualifies as a qualified institutional buyer pursuant to Rule 144A of the 1933 Act (a “QIB”); and

(iii) in the event of transfer, the County will not be required to prepare, review or consent to disclosure concerning the Assessment District.

6. We acknowledge that the Bank may participate its interests in the Bonds to QIBs in amounts not less than the Authorized Denominations (as defined in the Indenture).

7. We are not relying upon the County or its employees or consultants for advice as to the merits and risks of loaning the proceeds of the Bonds. We have not relied upon the County’s legal counsel, financial advisor or other consultants to the County for any information, representation or opinions, unless explicitly provided herein, in connection with our lending decision, the County or the Bonds. We have sought such accounting, legal and tax advice as we have considered necessary to make an informed investment decision.

8. We understand and agree that the offering and sale of the Bonds is exempt from Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934 (the “Rule”), pursuant to Section (d) of such Rule, and the County makes, and has made, no representation to us or any other party with respect to matters governing the Rule as it relates to the agreements and the transaction described herein; provided, however, that the County has agreed to provide certain ongoing information pursuant to us.

9. We understand that no official statements, offering memorandum or circular will be issued in connection with the issuance of the Bonds, and that the Bonds are not rated by any accredited rating agency.

12. The Purchaser states that: (a) it is a bank, (b) it is capable of evaluating investment risks and market value independently, both in general and with regard to transactions and investment strategies in municipal securities; (c) it is exercising independent judgment in evaluating the purchase of the Bonds and the Purchaser has timely access to material information that is available publicly

through established industry sources as defined in Municipal Securities Rulemaking Board (MSRB) Rule G-47.¹

13. We understand that the Indenture is exempt from qualification as an indenture pursuant to the Trust Indenture Act of 1939, as amended. Additionally, the Indenture has not been registered under, and no qualification for sale has been made under, the Blue Sky Laws of any State.

14. The Purchaser intends to treat the acquisition of the Bonds as a loan and hold the Bonds in its loan portfolio.

15. The Purchaser understands that the County and Bond Counsel will rely upon the accuracy and truthfulness of the representations and warranties contained herein and hereby consents to such reliance.

16. Inasmuch as the purchase of the Bonds represents a negotiated transaction, the Purchaser is not acting as a fiduciary of the County, but rather is acting solely in its capacity as the Owner (as defined in the Indenture), for its own loan account. The County acknowledges and agrees that (i) the transaction contemplated herein is an arm's length commercial transaction between the County and the Purchaser and its affiliates, (ii) in connection with such transaction, the Purchaser and its affiliates are acting solely as a principal and not as an advisor including, without limitation, a "Municipal Advisor" as such term is defined in Section 15B of the Securities and Exchange Act of 1934, as amended, and the related final rules (the "Municipal Advisor Rules"), (iii) the Purchaser and its affiliates are relying on the purchaser exemption in the Municipal Advisor Rules, (iv) the Purchaser and its affiliates have not provided any advice or assumed any advisory or fiduciary responsibility in favor of the County with respect to the transaction contemplated by the Bond and the discussions, undertakings and procedures leading thereto (whether or not the Purchaser, or any affiliate of the Purchaser, has provided other services or advised, or is currently providing other services or advising the County on other matters) and (v) the Purchaser and its affiliates have financial and other interests that differ from those of the County.

WESTERN ALLIANCE BUSINESS TRUST, a
wholly owned affiliate of Western Alliance Bank, an
Arizona Corporation

By: _____
Its: Authorized Representative

¹ Pursuant to MSRB Rule G-47 established industry sources shall include the MSRB's Electronic Municipal Market Access ("EMMA"®) system, rating agency reports, and other sources of information relating to municipal securities transactions generally used by brokers, dealers, and municipal securities dealers that effect transactions in the type of municipal securities at issue.

ARTICLE I

DEFINITIONS

Section 101.	Definitions	1
Section 102.	Interpretation.....	7
Section 103.	Equality of Bonds; Pledge of Assessments; No Obligation to Cure Deficiency	7

ARTICLE II

AUTHORIZATION AND ISSUANCE OF BONDS

Section 201.	Assessments	7
Section 202.	Type and Nature of Bonds; Limited Liability.....	8
Section 203.	Authorization and Purpose of Bonds	8

ARTICLE III

TERMS AND PROVISIONS OF THE SERIES A BONDS

Section 301.	Terms of Bonds.....	9
Section 302.	Execution and Authentication.....	10
Section 303.	Registration, Exchange or Transfer	11
Section 304.	Bond Register	11
Section 305.	Mutilated, Lost, Destroyed or Stolen Bonds.....	12
Section 306.	Form of Bonds; Temporary Bonds	12

ARTICLE IV

REDEMPTION OF BONDS

Section 401.	Provisions for the Redemption of Series A Bonds	12
Section 402.	Selection of Bonds for Redemption.....	14
Section 403.	Notice of Redemption.....	15
Section 404.	Partial Redemption of Bonds	15
Section 405.	Effect of Notice and Availability of Redemption Money.....	15

ARTICLE V

CREATION OF FUNDS AND ACCOUNTS; APPLICATION OF PROCEEDS AND ASSESSMENTS

Section 501.	Funds and Accounts.....	16
Section 502.	Costs of Issuance Fund	17
Section 503.	Assessment Fund	17
Section 504.	Redemption Fund.....	17
Section 505.	Reserve Fund	19

Section 506.	Rebate Fund	20
Section 507.	Investments	22
Section 508.	Delinquency Resulting in Ultimate or Temporary Loss on Bonds	24

ARTICLE VI

ISSUANCE OF BONDS

Section 601.	Authorization and Designation of Bonds.....	25
Section 602.	Denominations of Bonds	25
Section 603.	Interest Payment Date of Bonds	25
Section 604.	Form of Series A Bonds.....	25
Section 605.	Application of Proceeds of the Sale of Series A Bonds.....	32

ARTICLE VII

COVENANTS AND WARRANTY

Section 701.	Warranty	32
Section 702.	Covenants.....	33

ARTICLE VIII

AMENDMENTS TO AGREEMENT

Section 801.	Amendments Not Requiring Bondowner Consent	36
Section 802.	Amendments Requiring Bondowner Consent	36
Section 803.	Notation of Bonds; Delivery of Amended Bonds.....	37

ARTICLE IX

TRUSTEE

Section 901.	Trustee	38
Section 902.	Removal of Trustee.....	39
Section 903.	Resignation of Trustee	39
Section 904.	Liability of Trustee	39
Section 905.	Interested Transactions	40
Section 906.	Agents	41

ARTICLE X

EVENTS OF DEFAULT; REMEDIES

Section 1001.	Event of Default.....	41
Section 1002.	Remedies of Owners	41

ARTICLE XI

DEFEASANCE

Section 1101.	Defeasance	42
---------------	------------------	----

ARTICLE XII

MISCELLANEOUS

Section 1201.	Cancellation of Bonds.....	43
Section 1202.	Execution of Documents and Proof of Ownership	43
Section 1203.	Unclaimed Moneys	44
Section 1204.	Provisions Constitute Contract; Successors.....	44
Section 1205.	Additional Rights of Sole Owner of Series A Bonds	44
Section 1206.	Waiver of Jury Trial; Agreement for Judicial Reference; No Sovereign Immunity.....	45
Section 1207.	Further Assurances; Incontestability.....	45
Section 1208.	Severability	45
Section 1209.	General Authorization.....	46
Section 1210.	Liberal Construction	46
Section 1211.	Notice.....	46
Section 1212.	Action on Next Business Day	46

EXHIBIT A	WRITTEN DELIVERY REQUISITION – COSTS OF ISSUING SERIES A BONDS	
-----------	---	--