

DRAFT 11/24/2020

TRUST AGREEMENT

among

INDEPENDENT CITIES FINANCE AUTHORITY,

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

and

CITY OF COMPTON, CALIFORNIA

Dated as of [_____ 1], 2021

**INDEPENDENT CITIES FINANCE AUTHORITY
(CITY OF COMPTON, CALIFORNIA)
SALES TAX REVENUE BONDS, SERIES 2021**

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TRUST AGREEMENT

THIS TRUST AGREEMENT, made and entered into as of [_____] 1], 2021 (the “Trust Agreement”) among U.S. BANK NATIONAL ASSOCIATION (the “Trustee”), a national banking association duly organized and existing under and by virtue of the laws of the United States of America, the INDEPENDENT CITIES FINANCE AUTHORITY (the “Authority”) and the CITY OF COMPTON, CALIFORNIA (the “City”);

WITNESSETH:

WHEREAS, the Authority is a joint exercise of powers authority duly organized and operating pursuant to Article 1 of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California;

WHEREAS, Article 4 of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California (“Article 4”) authorizes and empowers the Authority to issue bonds to assist its local agency members in financing projects and programs consisting of certain public improvements, working capital, liability, and other insurance needs whenever a local agency member determines that there are significant public benefits from so doing;

WHEREAS, the City is a member of the Authority;

WHEREAS, the City has determined that the transactions contemplated in the 2021 Installment Sale Agreement, dated as of [_____] 1], 2021 (the “Agreement,” as further described herein), and this Trust Agreement will result in significant public benefits, and, accordingly, has determined to authorize the Authority to issue sales tax revenue bonds (the “Bonds,” as further defined herein) to assist the City in financing certain capital improvements and costs associated therewith (the “Project,” as further defined herein);

WHEREAS, the City has designated the Trustee to act as its trustee with respect to the funds received by the City in connection with the issuance of the Bonds and with respect to the moneys paid by the City as its 2021 Installment Sale Payments (as defined herein);

WHEREAS, the Authority is empowered pursuant to the Agreement and Article 4 to finance the Project through the issuance of the Bonds;

WHEREAS, in order to provide for the issuance of the Bonds, to establish and declare the terms and conditions upon which the Bonds are to be issued by the Authority and to secure the payment of the principal and interest on the Bonds, the City and the Authority have authorized the execution and delivery of this Trust Agreement;

WHEREAS, the execution of the Agreement and the approval of the execution and delivery of this Trust Agreement and the issuance of the Bonds have been in all respects duly and validly authorized by the City Council of the City (the “City Council”) pursuant to a resolution duly adopted by the City Council on [December 1], 2020 (the “City Resolution”) and by the Board of Directors of the Authority (the “Board”) pursuant to a resolution duly adopted by the Board on [December __], 2020 (the “Authority Resolution”);

WHEREAS, the Bonds and the form of assignment to be endorsed thereon are to be substantially in the form set forth in Exhibit A, with necessary or appropriate variations, omissions and insertions, as permitted or required hereby;

WHEREAS, the Trustee has accepted the trust created by this Trust Agreement and in evidence thereof has joined in the execution hereof; and

WHEREAS, all acts, conditions and things required by law to exist, to have happened, and to have been performed precedent to and in connection with the execution and entering into of this Trust Agreement and issuance of the Bonds do exist, have happened, and have been performed in regular and due time, form, and manner as required by law, and the parties hereto are now duly authorized to execute and enter into this Trust Agreement;

NOW, THEREFORE, IN CONSIDERATION OF THE PREMISES AND OF THE MUTUAL AGREEMENTS AND COVENANTS CONTAINED HEREIN AND FOR OTHER VALUABLE CONSIDERATION, THE RECEIPT AND SUFFICIENCY OF WHICH ARE HEREBY ACKNOWLEDGED, THE PARTIES HERETO DO HEREBY AGREE AS FOLLOWS:

ARTICLE I DEFINITIONS; EQUAL SECURITY

Section I.01 Definitions. Unless the context otherwise requires, the terms defined in this section shall for all purposes hereof and of any Supplemental Trust Agreement and of any certificate, opinion, request or other document herein or therein mentioned have the meanings herein specified:

“Accredited Investor” means any person or entity who or which is an “accredited investor,” within the meaning of Rule 501(a) of Regulation D promulgated under the Securities Act of 1933, as amended.

“Act” means the Joint Exercise of Powers Act (being Chapter 5 of Division 7 of Title 1 of the California Government Code, as amended) and all laws amendatory thereof or supplemental thereto.

“Administration Fee” means an amount equal to the sum of the Trustee Fee, the fees or charges incurred by the City to calculate the Rebate Amounts, and any other similar fee payable in connection with the City’s membership in the Authority, in each case relating to the Bonds and the financing of the Project, payable by the City, in accordance with the Agreement, on the Business Day immediately preceding each Bond Payment Date, for the administrative costs of the Project. The Administration Fee shall be \$_____ per year or such other amount set forth in a Certificate of an Authorized City Representative delivered to the Trustee.

“Administration Fund” means the fund by that name established and maintained pursuant to Section 3.03.

“**Authority**” means the Independent Cities Finance Authority, a joint exercise of powers authority duly organized and existing under and by virtue of the laws of the State of California and a Joint Powers Agreement, executed and delivered by the City on May 26, 1988, by and among a number of California cities, including the City, as amended.

“**Authorized Authority Representative**” means any member of the Board of Directors of the Authority and any other person as may be designated and authorized to sign on behalf of the Authority pursuant to a resolution adopted thereby.

“**Authorized City Representative**” means the Mayor, City Manager, Assistant City Manager, or any other person at the time designated to act on behalf of the City by written certificate furnished to the Trustee, containing the specimen signature of such person and signed on behalf of the City by an Authorized City Representative.

“**Bond Payment Date**” means a date on which principal on the Bonds is due and payable, being June 1 of each year, commencing June 1, 20[___].

“**Bonds**” means the Independent Cities Finance Authority (City of Compton, California), Sales Tax Revenue Bonds, Series 2021. The term “Serial Bonds” means Bonds for which no sinking fund payments are provided. The term “Term Bonds” means Bonds which are payable on or before their specified payment dates from sinking fund payments established for that purpose and calculated to redeem such Bonds on or before their specified payment dates.

“**Business Day**” means any day on which the Trustee is open for business at its corporate trust office in Los Angeles, California.

“**Cash Flow Report**” means a report prepared by the Independent Municipal Advisor identifying Bonds to be redeemed as a result of any redemption pursuant to Section 2.03 hereof. In the case of any optional redemption pursuant to Section 2.03(a) hereof, such report shall demonstrate that Revenues expected to be received following such redemption shall be sufficient to pay the regularly scheduled principal and interest on the Bonds as such amounts become due and payable. In the case of a mandatory redemption pursuant to Section 2.03(b) hereof, such report shall identify maturities of the Bonds to be redeemed in a manner consistent with Section 7.02 hereof and Section 6.02 of the Agreement.

“**City**” means the City of Compton, California.

“**Code**” means the Internal Revenue Code of 1986, as amended, and the regulations issued thereunder.

“**Contracts**” has the meaning set forth in the 2021 Installment Sale Agreement.

“**Costs of Issuance**” means all items of expense directly or indirectly payable by or reimbursable to the City or the Authority and related to the issuance of the Bonds, including, but not limited to, costs of preparation and reproduction and delivery of documents, filing and recording fees, fees and charges of the Trustee and its counsel, legal fees and charges, fees and disbursements of consultants and professionals, fees of rating agencies, fees and charges for

preparation and execution of the Bonds, and any other costs, charges, or fees in connection with the issuance of the Bonds.

“**Costs of Issuance Fund**” means the fund by that name established and maintained pursuant to Section 2.11.

“**Defeasance Obligations**” means the following: (1) cash, (2) non-callable direct obligations of the United States of America (“Treasuries”), (3) evidences 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, (4) subject to the prior written consent of the Insurer, pre-refunded municipal obligations rated “AAA” and “Aaa” by S&P and Moody’s, respectively, or (5) subject to the prior written consent of the Insurer, securities eligible for “AAA” defeasance under then-existing criteria of S&P or Moody’s, which shall be used to effect defeasance of the Bonds.

“**Depository Bank**” means Bank of the West, in its capacity as Depository Bank pursuant to the Lockbox Agreements, and any successor thereto.

“**Diversion Period**” means the period from and including the date on which any Triggering Event occurs, to and including the date that is six months after the date of the most recent Triggering Event.

“**Independent Certified Public Accountant**” means any firm of certified public accountants appointed by the City which is independent of the City and the Authority pursuant to the Statement on Auditing Standards No. 1 of the American Institute of Certified Public Accountants.

“**Independent Municipal Advisor**” means a municipal finance consultant or firm of such consultants appointed by the City and the Authority, who, or each of whom: (1) is in fact independent and not under domination of the City or the Authority; (2) does not have any substantial interest, direct or indirect, with the City or the Authority; (3) is a “municipal advisor” as defined in Section 15B of the Securities Exchange Act of 1934, as amended; and (4) is not connected with the City or the Authority as an officer or employee thereof, but who may be regularly retained to make reports thereto.

“**Insurer**” means [_____], or any successor thereto or assignee thereof.

“**Interest Fund**” means the fund by that name established pursuant to Section 3.03.

“**Interest Payment Date**” means a date on which interest on the Bonds is due and payable, being June 1 and December 1 of each year, commencing [_____] 1, 2021.

“**Lockbox Agreements**” means, collectively, one or more Deposit Account Control Agreements, each dated as of [_____] 1, 2021, entered into by and among the City, the

Trustee, and Bank of the West, as Depository Bank, with respect to each of the Measure M Receipts Account, the Measure R Receipts Account, and the Proposition C Receipts Account.

“**Moody’s**” means Moody’s Investor Services, Inc., a corporation organized and existing under the laws of the State of Delaware, its successors and their assigns, except that if such entity shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, then the term “Moody’s” shall be deemed to refer to any other nationally recognized securities rating agency selected by the City pursuant to the Agreement.

“**Notice of Exclusive Control**” has the meaning set forth in the Lockbox Agreements.

“**Notice of Rescission**” has the meaning set forth in the Lockbox Agreements.

“**Office of the Trustee**” means the corporate trust office of the Trustee in Seattle, Washington.

“**Opinion of Counsel**” means a written opinion of counsel of national reputation generally recognized to be well qualified in the field of law relating to municipal obligations such as the Bonds, retained by the City or the Authority and satisfactory to the Trustee (who shall be under no liability by reason of such approval).

“**Outstanding**,” when used as of any particular time with reference to the Bonds, means (subject to the provisions of Section 6.02) all of the Bonds, except:

- (a) Bonds theretofore canceled by the Trustee or surrendered to the Trustee for cancellation;
- (b) Bonds paid or deemed to have been paid within the meaning of Section 8.01; and
- (c) Bonds in lieu of or in substitution for which other Bonds shall have been authenticated and delivered by the Trustee pursuant hereto.

“**Owner**” means any person who shall be the registered owner of any Outstanding Bond.

“**Permitted Investments**” means any of the following to the extent permitted by the laws of the State and the City’s Investment Policy:

- (a) Direct obligations of the United States of America (including obligations issued or held in book-entry form on the books of the Department of the Treasury, and CATS and TIGRS) or obligations the principal of and interest on which are unconditionally guaranteed by the United States of America.
- (b) Bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following federal agencies and provided such obligations are backed by the full faith and credit of the United States of America (stripped securities are only permitted if they have been stripped by the agency itself):

1. U.S. Export-Import Bank (Eximbank)
Direct obligations or fully guaranteed certificates of beneficial ownership
 2. Federal Housing Administration Debentures (FHA)
 3. General Services Administration
Participation certificates
 4. Government National Mortgage Association (GNMA or “Ginnie Mae”)
GNMA - guaranteed mortgage-backed bonds
GNMA - guaranteed pass-through obligations
(not acceptable for certain cash-flow sensitive issues.)
 5. U.S. Maritime Administration
Guaranteed Title XI financing
 6. U.S. Department of Housing and Urban Development (HUD)
Project Notes
Local Authority Bonds
New Communities Debentures - U.S. government guaranteed debentures
U.S. Public Housing Notes and Bonds - U.S. government guaranteed
public housing notes and bonds.
- (c) Bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following non-full faith and credit U.S. government agencies (stripped securities are only permitted if they have been stripped by the agency itself):
1. Federal Home Loan Bank System
Senior debt obligations
 2. Federal Home Loan Mortgage Corporation (FHLMC or “Freddie Mac”)
Participation certificates
Senior debt obligations
 3. Federal National Mortgage Association (FNMA or “Fannie Mae”)
Mortgage-backed securities and senior debt obligations
 4. Resolution Funding Corp. (REFCORP) obligations
 5. Farm Credit System
Consolidated systemwide bonds and notes.
- (d) Money market funds registered under the Federal Investment Company Act of 1940, whose shares are registered under the Federal Securities Act of 1933, and having a rating by S&P of AA-Am-G; AAA-m, or AA-m, and, if rated by Moody’s, a rating of Aaa, Aa1 or Aa2, including funds for which the Trustee, its

parent holding company, if any, or any affiliates or subsidiaries of the Trustee provide investment advisory or other management services.

- (e) Certificates of deposit secured at all times by collateral described in (a) and/or (b) above. Such certificates must be issued by commercial banks, savings and loan associations, or mutual savings banks which may include the Trustee and its affiliates. The collateral must be held by a third party and the Owners must have a perfected first security interest in the collateral.
- (f) Certificates of deposit, savings accounts, deposit accounts, or money market deposits which are fully insured by FDIC, including BIF and SAIF, which may include the Trustee and its affiliates.
- (g) Investment Agreements, including GIC's, Forward Purchase Agreements, and Reserve Fund Put Agreements (Investment Agreement criteria is available upon request).
- (h) Commercial paper rated, at the time of purchase, "Prime - 1" by Moody's and "A-1" or better by S&P.
- (i) Bonds or notes issued by any state or municipality which are rated by Moody's and S&P in one of the two highest rating categories assigned by such agencies.
- (j) Federal funds or bankers acceptances with a maximum term of one year of any bank which has an unsecured, uninsured, and unguaranteed obligation rating of "Prime - 1" or "A3" or better by Moody's and "A-1" or "A" or better by S&P which may include the Trustee and its affiliates.
- (k) The Local Agency Investment Fund (LAIF) administered by the State of California.
- (l) Repurchase agreements¹ with a term of 30 days or less must follow the following criteria:
 - 1. Repurchase agreements must be between the municipal entity and a dealer bank or securities firm.
 - a. Primary dealers must be on the Federal Reserve reporting dealer list, which are rated A or better by S&P and Moody's, or
 - b. Banks must be rated "A" or above by S&P and Moody's.
 - 2. The repurchase agreement must include the following:

¹Repurchase agreements provide for the transfer of securities from a dealer bank or securities firm (seller/borrower) to a municipal entity (buyer/lender), and the transfer of cash from a municipal entity to the dealer bank or securities firm with an agreement that the dealer bank or securities firm will repay the cash plus a yield to the municipal entity in exchange for the securities at a specified date.

- a. Securities which are acceptable for transfer are:
 - (1) Direct U.S. governments, or
 - (2) Federal agencies backed by the full faith and credit of the U.S. government (and FNMA & FHLMC).
 - b. The term of the repurchase may be up to 30 days.
 - c. The collateral must be delivered to the municipal entity, trustee (if trustee is not supplying the collateral), or third party acting as agent for the trustee (if the trustee is supplying the collateral) before/simultaneous with payment (perfection by possession of certificated securities).
 - d. Valuation of collateral:
 - (1) The securities must be valued weekly, marked-to-market at current market price plus accrued interest.
 - (2) The value of collateral must be equal to 104% of the amount of cash transferred by the municipal entity to the dealer bank or security firm under the repurchase plus accrued interest. If the value of securities held as collateral drops below 104% of the value of the cash transferred by municipality, then additional cash and/or acceptable securities must be transferred. If, however, the securities used as collateral are FNMA or FHLMC, then the value of collateral must equal 105%.
3. The legal opinion delivered to the municipal entity in connection with the repurchase must conclude that the repurchase meets guidelines under state law for legal investment of public funds.

“Principal Fund” means the account by that name established and maintained pursuant to Section 3.03.

“Project” means the design, rehabilitation, construction, enlargement, improvement, and/or equipping of certain City streets, sidewalks, gutters, curbs and ramps, streetlights, and street signs, as described with greater particularity in Exhibit B to the Agreement and such additional projects as may be added, deleted or substituted from time to time as provided in Section 2.02 of the Agreement. If the context suggests, “Project” shall also include the design, rehabilitation, construction, enlargement, improvement, and/or equipping of City streets, sidewalks, gutters, curbs and ramps, streetlights and street signs described under and pursuant to any Contract.

“Project Costs” means all costs of payment of, or reimbursement for, the engineering, design, acquisition, installation, provision and financing of the Project, including but not limited

to, engineering and installation management costs, administrative costs and capital expenditures relating to financing payments, costs of accounting, feasibility, environmental, and other reports, interest during the period of acquisition and installation of the Project, insurance costs, inspection costs, permit fees, filing and recording costs, printing costs, reproduction and binding costs, initial fees and charges of the Authority and the Trustee, escrow fees, financing discounts, legal fees and charges, financial and other professional consultant fees, and charges in connection with the foregoing.

“**Project Fund**” means the fund by that name established and maintained pursuant to Section 2.11.

“**Purchase Price**” means, with respect to any Bond (or portion thereof) the principal amount with respect to such Bond (or portion), plus the applicable premium, if any, payable upon purchase thereof pursuant to the provisions of such Bond and this Trust Agreement.

“**Qualified Institutional Buyer**” means a qualified institutional buyer pursuant to Rule 144A of the 1933 Securities Act.

“**Qualified Reserve Instrument**” means an insurance policy meeting the requirements of Section 3.03(3) as of the date of issuance of such Qualified Reserve Instrument.

“**Rating Agency**” means [S&P] or, in the event that [S&P] no longer maintains a rating on the Bonds, any other nationally recognized bond rating agency then maintaining a rating on the Bonds, but, in each instance, only so long as [S&P], or other nationally recognized rating agency then maintains a rating on the Bonds.

“**Rebate Amount**” means, for any given period, the amount determined by the Rebate Analyst as required to be rebated or paid as a yield reduction payment to the United States of America with respect to the Bonds.

“**Rebate Analyst**” means any consultant retained by the City to calculate the Rebate Amounts as required by the 2021 Installment Sale Agreement.

“**Rebate Fund**” means the fund by that name established and maintained pursuant to Section 4.04.

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

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

“**Request**” or “**Certificate**” with respect to the City, means an instrument in writing signed on behalf of the City by an Authorized City Representative, and, with respect to the Authority, means an instrument in writing signed on behalf of the Authority by an Authorized

Authority Representative or other person at the time designated to act on behalf of the Authority by written certificate furnished to the Trustee.

“**Reserve Fund**” means the fund by that name established and maintained pursuant to Section 3.03.

“**Reserve Fund Requirement**” means, as of any date of calculation, with respect to the Agreement, an amount equal to the least of (i) 10% of the initial stated principal amount (within the meaning of Section 148 of the Code) of the 2021 Installment Sale Payments under the Agreement; (ii) 125% of the average annual 2021 Installment Sale Payments under the Agreement; or (iii) the Maximum Annual Debt Service, as defined in the Agreement calculated only with respect to the 2021 Installment Sale Payments due under the Agreement.

[“**Reserve Policy**” means the municipal bond debt service reserve fund insurance policy issued by the Insurer and credited to the Reserve Fund. The Reserve Policy is a Qualified Reserve Instrument and shall be deemed to satisfy the requirements of Section 3.03(3).]

“**Revenues**” means all 2021 Installment Sale Payments and other payments paid by the City and received by the Authority pursuant to the Agreement and all interest or other income from any investment of any money in any fund or account (other than the Rebate Fund) pursuant to Section 3.04.

“**Revenue Fund**” means the fund by that name established and maintained pursuant to Section 3.02.

“**S&P**” means S&P Global Ratings, a division of The McGraw-Hill Companies, Inc., a corporation duly organized and existing under and by virtue of the laws of the State of New York, and its successors and assigns, except that if such entity shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, then the term “S&P” shall be deemed to refer to any other nationally recognized securities rating agency selected by the City pursuant to the Agreement.

“**Securities Depositories**” means: The Depository Trust Company, 711 Stewart Avenue, Garden City, New York 11530, Fax-(516) 227-4039 or 4190; or such other addresses and/or such other securities depositories as the Authority may designate to the Trustee in writing.

“**State**” means the State of California.

“**Supplemental Trust Agreement**” means any trust agreement then in full force and effect which has been duly executed and delivered by the Authority and the Trustee amendatory hereof or supplemental hereto; but only if and to the extent that such Supplemental Trust Agreement is specifically authorized hereunder.

“**Surplus Account**” means the account by that name established and maintained pursuant to Section 3.03.

“**Tax Certificate**” means the Tax Certificate dated the date of issuance of the Bonds and executed and delivered by the Authority and the City.

“**Triggering Event**” means (a) a transfer from the Reserve Fund to the Interest Fund or the Principal Fund is made pursuant to Section 3.03(a)(3) of the Trust Agreement to cure a deficiency in the Interest Fund or the Principal Fund, or (b) an Event of Default occurs of which the Trustee receives notice.

“**Trust Agreement**” means this Trust Agreement, dated as of [_____ 1], 2021, by and among the Authority, the Trustee, and the City, as originally executed and as it may from time to time be amended or supplemented by all Supplemental Trust Agreements executed pursuant to the provisions hereof.

“**Trustee**” means U.S. Bank National Association, or any successor thereto appointed pursuant to this Trust Agreement.

“**Trustee’s Fee**” means the annual administration fee of the Trustee, in the amount of \$[_____], payable in advance on [_____], 2021 and thereafter on each Bond Payment Date.

“**Underwriter**” means Raymond James & Associates, Inc., as underwriter of the Bonds.

“**2021 Installment Sale Agreement**” or “**Agreement**” means the 2021 Installment Sale Agreement, dated as of [_____ 1], 2021, by and between the Authority and the City, as originally executed and as it may from time to time be amended or supplemented pursuant to the provisions hereof and thereof.

“**2021 Installment Sale Payment Date**” means any date on which 2021 Installment Sale Payments are scheduled to be paid by the City under and pursuant to the 2021 Installment Sale Agreement.

“**2021 Installment Sale Payments**” means the 2021 Installment Sale Payments scheduled to be paid by the City under and pursuant to the 2021 Installment Sale Agreement.

Section I.02 Equal Security. In consideration of the acceptance of the Bonds by the Owners, this Trust Agreement shall be deemed to be and shall constitute a contract among the Trustee, the City, and the Owners to secure the full and final payment of the interest and principal due and payable on the Bonds, subject to the agreements, conditions, covenants, and terms contained herein; and all agreements, conditions, covenants, and terms contained herein required to be observed or performed by or on behalf of the Trustee shall be for the equal and proportionate benefit, protection, and security of all Owners without distinction, preference, or priority as to benefit, protection, or security of any Bonds over any other Bonds by reason of the number or date thereof or the time of execution or delivery thereof or otherwise for any cause whatsoever, except as expressly provided herein or therein.

ARTICLE II ISSUANCE OF THE BONDS

Section II.01 Preparation and Purpose of the Bonds. The Authority 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, to have happened, and to have been 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 law, and that the Authority is now duly authorized, pursuant to each and every requirement of the Act, to cause the Bonds to be issued in the form and manner provided herein for the purpose of providing funds to pay for and construct the Project, and that the Bonds shall be entitled to the benefit, protection, and security of the provisions hereof. The Trustee is hereby authorized and directed to authenticate and deliver the Bonds in the initial aggregate principal amount of [] dollars (\$[]), representing the principal on the Installment Sale Payments made pursuant to the Agreement.

Section II.02 Terms of the Bonds. The Bonds shall be designated “Independent Cities Finance Authority (City of Compton, California), Sales Tax Revenue Bonds, Series 2021.” The Bonds shall be dated [], 2021, shall be issued only in fully registered form in denominations of \$100,000 and any integral multiple of \$5,000 in excess thereof (not exceeding the principal amount of Bonds payable at any one time), and shall be payable on the Bond Payment Dates and in the principal amounts and shall accrue interest at the rates (based on a 360-day year comprised of twelve 30-day months) as set forth in the following schedule:

Bond Payment Date (June 1)	Principal Amount	Interest Rate
2021		
2022		
2023		
2024		
2025		
2026		
2027		
2028		
2029		
2030		
2031		
2032		
2033		
2034		
2035		
2036		
2037		
2038		
2039		
2040		
2041		
2042		
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The principal on the Bonds shall be payable in lawful money of the United States of America by check upon presentation thereof at maturity or on redemption prior to maturity at the Office of the Trustee.

Interest on the Bonds is payable at the rates set forth above, on each Interest Payment Date. Interest on the Bonds is payable from the Interest Payment Date next preceding the date of registration thereof, unless such date of registration is an Interest Payment Date, in which event interest shall be payable from such date, or unless such date of registration is prior to the first Interest Payment Date, in which event interest will be payable from the Dated Date thereof; provided, however, that if at the time of registration of any Bond interest is then in default on the Outstanding Bonds, interest on the Bonds is payable from the Interest Payment Date to which interest has previously been paid or made available for payment on the Outstanding Bonds. Interest on the Bonds due on or before the maturity or prior redemption thereof shall be made to the person whose name appears in the registration records for the Bonds maintained by the Trustee pursuant to Section 2.08 as the registered owner thereof as of the close of business on the Record Date preceding each Interest Payment Date, whether or not such day is a Business Day, such interest to be paid by check mailed on such Interest Payment Date (or the next Business Day if such Interest Payment Date is not a Business Day) to such registered owner at the address as it appears in such books or at such other address as may have been filed with the Trustee for that purpose.

Payment of the principal on the Bonds shall be made by check upon the surrender thereof at maturity or on redemption prior to maturity at the Office of the Trustee. The Owner of \$1,000,000 or more in aggregate principal amount of the Bonds may request in writing that the Trustee pay the interest due on such Bonds by wire transfer and the Trustee shall comply with such request for all Interest Payment Dates following the fifteenth day after receipt of such request until such request is rescinded.

Section II.03 Redemption of Bonds.

(a) Optional Redemption. The Bonds maturing on or after [June 1, 2031] shall be subject to optional redemption prior to maturity, at the option of the City, on or after [June 1, 2030], in whole or in part (by lot within any maturity), on any date, at a Redemption Price equal to the principal amount to be redeemed, plus accrued interest to the date fixed for redemption, without premium. The City shall provide notice to the Authority and the Trustee at least forty-five (45) days prior to the redemption date (or such lesser period of time acceptable to the Trustee in its sole discretion) specifying the principal amount of the 2021 Installment Sale Payments to be prepaid.

(b) Mandatory Redemption Upon Event of Default. The Bonds shall be subject to mandatory redemption prior to maturity, in whole or in part (by lot among Bonds with the same maturity in any manner which the Trustee in its sole discretion shall deem appropriate), on any date, from amounts received upon the acceleration of 2021 Installment Sale Payments upon the occurrence of an Event of Default under the Agreement, at a Redemption Price equal to the principal amount to be redeemed plus accrued interest to the date fixed for redemption, without premium.

(c) Mandatory Sinking Fund Redemption. The Bonds maturing on June 1, 20__ (the "Term Bonds") are subject to mandatory sinking fund redemption at a price equal to the principal amount thereof plus accrued interest thereon to the redemption date.

As and for a sinking fund for the redemption of the Term Bonds maturing on June 1, 20__, the City shall deposit in the Interest Fund and the Principal Fund moneys which are sufficient to redeem the following principal amount of the Term Bonds maturing on June 1, 20__:

Redemption Date (June 1)	Principal Amount
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The remaining \$ _____ of the Term Bonds maturing on June 1, 20__ shall be paid upon presentation and surrender at maturity.

(d) Selection of Bonds. Whenever provision is made in this Trust Agreement for the prior redemption of less than all of the Bonds or any given portion thereof, the Trustee shall, subject to the following sentence, select the Bonds to be redeemed, from all Bonds subject to prior redemption or such given portion thereof in denominations of \$5,000 or any integral multiple of \$5,000 in excess thereof not previously called for prior redemption. Upon notice of any prior redemption pursuant to Section 2.03(a) hereof or receipt of moneys resulting in a prior redemption pursuant to Section 2.03(b) hereof, the City shall cause the Independent Municipal Advisor to prepare a Cash Flow Report identifying the principal amount and maturities of the Bonds to be redeemed. The Trustee shall promptly notify the Authority in writing of any prior redemption of Bonds and of the Bonds or portions thereof so selected for prior redemption.

(e) Purchase in Lieu of Redemption. In lieu of redemption of any Bonds, amounts on deposit in the Revenue Fund or in any sinking account therein may also be used and withdrawn by the Trustee at any time, upon the Request of the City, for the purchase of such Bonds at public or private sale as and when and at such prices (including brokerage and other charges, but excluding accrued interest, which is payable from the Interest Fund) as the City may in its discretion determine, but not in excess of the principal amount thereof plus accrued interest

to the purchase date. The principal amount of any Bonds so purchased by the Trustee in any twelve-month period ending 60 days prior to any Bond Payment Date in any year shall be credited towards and shall reduce the principal amount of such Term Bonds, if any, required to be redeemed on such Bond Payment Date in such year.

(f) Notice or Redemption or Purchase. Notice of redemption or purchase shall be mailed by first-class mail by the Trustee, upon direction of the City, not less than 20 nor more than 60 days prior to the redemption or purchase date, to (i) the respective Owners of any Bonds designated for redemption or purchase at their addresses appearing on the registration books of the Trustee, and (ii) if the Bonds are no longer held by the Depository, to the Securities Depositories and the Municipal Securities Rulemaking Board through its Electronic Municipal Marketplace Access (EMMA) System. Notice of redemption shall be given by telecopy, certified, registered, or overnight mail to the Securities Depositories and the Municipal Securities Rulemaking Board through its Electronic Municipal Marketplace Access (EMMA) System. Each notice of redemption or purchase shall state the date of such notice, the date of issuance of the Bonds, the redemption or purchase date, the Redemption Price or Purchase Price, the place or places of redemption or purchase (including the name and appropriate address or addresses of the Trustee), the CUSIP number (if any) of the Bonds of each Bond Payment Date or Dates, and, if less than all of the Bonds of any such Bond Payment Date, the distinctive bond numbers of the Bonds with such Bond Payment Date, to be redeemed and, in the case of Bonds to be redeemed in part only, the respective portions of the principal amount thereof to be redeemed. Each such notice shall also state that on said date there will become due and payable on each of said Bonds the Redemption Price or Purchase Price represented thereby or of said specified portion of the principal amount thereof in the case of a Bond to be redeemed in part only, together with interest accrued thereon to the redemption or purchase date, and that from and after such redemption or purchase date, interest thereon shall cease to accrue, and shall require that such Bonds be then surrendered at the address or addresses of the Trustee specified in the redemption notice.

Notice of redemption or purchase of Bonds shall be given by the Trustee (upon direction of the City), at the expense of the Authority. Conditional notice of optional redemption may be given at the direction of the City and shall be given if funds sufficient to redeem the Bonds are not then on deposit with the Trustee. If at the time of mailing of notice, funds are not then on deposit with the Trustee, such notice shall state that it is conditional upon the deposit of the funds not later than the opening of business on the date of redemption of the Bonds, and such notice shall be of no effect unless such moneys are so deposited.

Failure by the Trustee to give notice pursuant to this Section 2.03 to the Municipal Securities Rulemaking Board through its Electronic Municipal Marketplace Access (EMMA) System or Securities Depositories shall not affect the sufficiency of the proceedings for redemption or purchase. Failure by the Trustee to mail notice of redemption or purchase pursuant to this Section 2.03 to any one or more of the respective Owners of any Bonds designated for redemption shall not affect the sufficiency of the proceedings for redemption with respect to the Owner or Owners to whom such notice was mailed.

(g) Partial Redemption or Purchase of Bonds. Upon surrender of any Bond to be redeemed in part only, the Trustee shall authenticate and deliver to the registered owner thereof, at the expense of the Authority, a new Bond or Bonds of authorized denominations, and

having the same Bond Payment Date, equal in aggregate principal amount to the unredeemed or unpurchased portion of the Bond surrendered.

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

All Bonds redeemed pursuant to the provisions of this Section shall be cancelled upon surrender thereof by the Trustee. All Bonds purchased pursuant to the provisions of this Section shall be registered in the name of the Authority and delivered to, or as directed in writing by, the Authority.

Section II.04 Form of Bonds. The Bonds and the registration endorsement and assignment to appear thereon shall be substantially in the form set forth in Exhibit A hereto attached and by this reference herein incorporated (provided that on the face of each Bond, at the place where the portion of the form set forth below appears on the reverse side of such Bond, there shall be inserted the following sentence: REFERENCE IS HEREBY MADE TO THE FURTHER PROVISIONS OF THIS BOND SET FORTH ON THE REVERSE HEREOF, WHICH FURTHER PROVISIONS SHALL, FOR ALL PURPOSES, HAVE THE SAME EFFECT AS IF SET FORTH AT THIS PLACE).

Section II.05 Execution of Bonds. The Bonds shall be executed by the President of the Authority and countersigned by the Secretary or Assistant Secretary of the Authority by manual or facsimile signature. In case any officer whose signature appears on the Bonds shall cease to be such officer before the delivery of the bonds to the Owners thereof, such signature shall nevertheless be valid and sufficient for all purposes as if such officer had remained in office until such delivery of the bonds.

Only those Bonds bearing thereon a certificate of authentication in the form set forth in Exhibit A hereto, executed manually and dated by the Trustee, shall be entitled to any benefit, protection or security hereunder or be valid or obligatory for any purpose, and such certificate of the Trustee shall be conclusive evidence that the Bonds so authenticated have been duly authorized, executed, issued, and delivered hereunder and are entitled to the benefit, protection, and security hereof.

Section II.06 Restrictions on Registration and Transfer of Bonds. Notwithstanding any other provision hereof, Bonds shall only be registered in the name of, or transferred to, and the Beneficial Owner shall only be, a transferee that has delivered a letter in substantially the form attached as Exhibit C hereto and who qualifies as an Accredited Investor or a Qualified Institutional Buyer. The Trustee shall be entitled to rely upon the representation set forth in the

legend appearing on the first page of the Bond. Subject to this Section 2.06, any Bond may, in accordance with its terms, be transferred, upon the books required to be kept pursuant to the provisions of Section 2.08 by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such Bond for cancellation, accompanied by delivery of a written instrument of transfer.

Whenever any Bond or Bonds shall be surrendered for transfer, the Authority shall execute and the Trustee shall authenticate and deliver a new Bond or Bonds, of the same maturity and for a like aggregate principal amount of the Bond or Bonds being transferred, which may be in denominations of less than \$100,000 if and to the extent the denomination of such Bond is less than \$100,000 as a result of a prior partial redemption of such Bond. The Trustee shall require the Owner requesting such transfer to pay any tax or other governmental charge or charge imposed by the Trustee required to be paid with respect to such transfer. The Trustee shall not be required to transfer (i) any Bond during the fifteen (15) days next preceding the date on which notice of redemption of Bonds is given, or (ii) any Bond called for redemption.

Section II.07 Exchange of Bonds. Bonds may be exchanged at the Office of the Trustee for a like aggregate principal amount of Bonds of the same series and payment date of other authorized denominations. The Trustee shall require the payment by the Owner requesting such exchange of any tax or other governmental charge required to be paid with respect to such exchange as a condition precedent to the exercise of such privilege.

Section II.08 Bond Registration Books. The Trustee will keep at its office sufficient books for the registration and transfer of the Bonds which shall at all times be open to inspection by the City or any Owner on reasonable notice during regular business hours on any Business Day, and upon presentation for such purpose the Trustee shall, under such reasonable regulations as it may prescribe, register or transfer the Bonds in such books as hereinabove provided.

Section II.09 Mutilated, Destroyed, Stolen or Lost Bonds. If any Bond shall become mutilated, the Trustee, at the expense of the Owner, shall thereupon authenticate and deliver a new Bond of like tenor and number in exchange and substitution for the Bond so mutilated, but only upon surrender to the Trustee of the Bond so mutilated. Every mutilated Bond so surrendered to the Trustee shall be canceled.

If any Bond shall be lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the Trustee and, if such evidence be satisfactory to the Trustee and the Authority and indemnity satisfactory to the Trustee and the Authority shall be given, the Trustee, at the expense of the Owner, shall thereupon authenticate and deliver a new Bond of like tenor and number in lieu of and in substitution for the Bond so lost, destroyed, or stolen.

The Trustee may require payment of a reasonable sum for each new Bond issued under this Section 2.09 and of the expenses which may be incurred by the Authority and the Trustee in the premises. Any Bond issued under the provisions of this Section in lieu of any Bond alleged to be lost, destroyed, or stolen shall be equally and proportionately entitled to the benefits of this Trust Agreement with all other Bonds of the same series secured by this Trust Agreement. Neither the Authority nor the Trustee shall be required to treat both the original Bond and any duplicate Bond as being Outstanding for the purpose of determining the principal amount of

Bonds which may be issued hereunder or for the purpose of determining any percentage of Bonds Outstanding hereunder, but both the original and duplicate Bond shall be treated as one and the same.

Section II.10 Temporary Bonds. The Bonds issued under this Trust Agreement may be initially executed and delivered in temporary form exchangeable for definitive Bonds when ready for delivery. The temporary Bonds may be printed, lithographed or typewritten, shall be of such denominations as may be determined by the Trustee, shall be in fully registered form and may contain such reference to any of the provisions of this Trust Agreement as may be appropriate. Every temporary Bond shall be authenticated and delivered by the Trustee, as authorized by the Authority, in accordance with the terms of the Act. If the Trustee authenticates and delivers temporary Bonds, it will authenticate and deliver definitive Bonds without delay and thereupon the temporary Bonds may be surrendered, for cancellation, in exchange therefor at the Office of the Trustee, and the Trustee shall deliver in exchange for such temporary Bonds an equal aggregate principal amount of definitive Bonds of authorized denominations. Until so exchanged, the temporary Bonds shall be entitled to the same benefits under this Trust Agreement as definitive Bonds delivered hereunder.

Section II.11 Procedure for the Issuance of the Bonds; Establishment of Funds and Accounts; Deposit of Proceeds. At any time after the sale of the Bonds, the Trustee shall execute the Bonds for delivery hereunder, and thereupon the Bonds shall be delivered by the Trustee to the purchaser thereof upon the Request of the Authority and upon receipt of payment therefor from the purchaser thereof. Upon receipt of payment for the Bonds from the purchaser thereof, the Trustee shall set aside and deposit the proceeds received from such sale in the following respective accounts or funds or with the following respective persons, in the following order of priority:

(a) The Trustee shall credit the [Reserve Policy/Reserve Fund Requirement] to the Reserve Fund pursuant to Section 3.03 hereof. [The initial maximum amount available on the Reserve Policy is equal to the Reserve Fund Requirement.]

(b) The “Costs of Issuance Fund” is hereby established as a separate trust fund with the Trustee. The Trustee shall deposit the sum of \$[_____] in the Costs of Issuance Fund. The moneys in the Costs of Issuance Fund shall be disbursed, upon the Request of the Authority, to pay Costs of Issuance. Upon the earlier of payment in full of the Costs of Issuance or the making of adequate provision for the payment thereof, as evidenced by a Certificate of the Authority to the Trustee, or the six (6) month anniversary of the date of delivery of the Bonds, any balance remaining in the Costs of Issuance Fund shall be transferred to the Project Fund, and pending such transfer and application, the moneys in the Costs of Issuance Fund may be invested as permitted by Section 3.04 hereof; provided, however, that investment income resulting from any such investment shall be retained in the Costs of Issuance Fund. Any residual earnings received after the transfer referenced above will, as and when convenient, be transferred to the Project Fund.

(c) There shall be further created a special trust fund to be held by the Trustee called the “Project Fund.” The Trustee shall deposit the sum of \$[_____], in the Project Fund. Moneys in the Project Fund shall be disbursed to the City pursuant to a Requisition in the

form attached hereto as Exhibit B. Such Requisition shall be in the form of a sequentially numbered requisition and shall set forth the name and address of the person or persons to whom said amounts are to be disbursed and state the amounts to be disbursed are for Project Costs properly chargeable to the Project Fund and have not been the subject of any previous requisition. The Trustee shall have no duty to confirm the accuracy of the Requisition submitted. Upon delivery to the Trustee of a Request of the City, any Bond proceeds remaining in the Project Fund upon completion of the Project (which completion shall be evidenced by such Request of the City) shall be applied by the Trustee to offset scheduled 2021 Installment Sale Payments required to be paid by the City under the Agreement or in such other manner as may be directed in such Request of the City. When no amounts remain on deposit in the Project Fund, the Project Fund shall be closed. Upon the occurrence and continuance of an Event of Default or an event which, with notice or lapse of time would constitute an Event of Default, amounts on deposit in the Project Fund shall not be disbursed, but shall instead be applied to the payment of the scheduled principal and interest on the Bonds as such amounts become due and payable or the Redemption Price of the Bonds.

Section II.12 Validity of Bonds. The validity of the Bonds shall not be dependent on or affected in any way by the proceedings taken by the Authority or the Trustee for the financing of the Project or by any contracts made by the Authority or its agents in connection therewith, and shall not be dependent upon the completion of the Project or upon the performance by any person, firm, or corporation of his or its obligation with respect thereto. The recital contained in the Bonds that the same are issued pursuant hereto shall be conclusive evidence of their validity and of the regularity of their issuance, execution, authentication, and delivery, and all Bonds shall be incontestable from and after their issuance, execution, authentication, and delivery. The Bonds shall be deemed to be issued, within the meaning hereof, whenever the definitive Bonds (or any temporary Bonds exchangeable therefor) shall have been delivered to the purchaser thereof and the proceeds of sale thereof received.

ARTICLE III REVENUES

Section III.01 Pledge of Revenues; Assignment. All Revenues and any other amounts (including proceeds of the sale of the Bonds) held by the Trustee in any fund or account established hereunder (other than amounts on deposit in the Project Fund created pursuant to Section 2.11 and the Rebate Fund created pursuant to Section 4.04) are hereby irrevocably pledged to the payment of the principal, interest and premium, if any, on the Bonds as provided herein, and the Revenues shall not be used for any other purpose while any of the Bonds remain Outstanding; provided, however, that out of the Revenues and other moneys there may be applied such sums for such purposes as are permitted hereunder. This pledge shall constitute a first pledge of and charge and lien upon the Revenues and all other moneys on deposit in the funds and accounts established hereunder (other than amounts on deposit in the Project Fund created pursuant to Section 2.11 and the Rebate Fund created pursuant to Section 4.04) for the payment of the interest and principal on the Bonds in accordance with the terms hereof and thereof.

The Authority hereby assigns to the Trustee all of the Authority's rights and remedies under the Agreement, including, but not limited to, the Authority's security interest in and lien upon the Revenues.

Section III.02 Receipt and Deposit of Revenues in the Revenue Fund. In order to carry out and effectuate the pledge, charge, and lien contained herein, the Authority agrees and covenants that all Revenues when and as received shall be received by the Authority in trust hereunder for the benefit of the Owners and shall be deposited when and as received by the Authority in the Revenue Fund which fund is hereby created and which fund the Authority hereby agrees and covenants to maintain with the Trustee so long as any Bonds shall be Outstanding under this Trust Agreement. All Revenues shall be held in trust in the Revenue Fund. All Revenues, whether received by the Authority in trust or deposited with the Trustee as herein provided, shall nevertheless be allocated, applied, and disbursed solely for the purposes and uses hereinafter in this Article set forth, and shall be accounted for separately and apart from all other accounts, funds, money or other resources of the Authority, and the Authority shall have no beneficial right or interest in any of the Revenues except only as herein provided.

Section III.03 Establishment and Maintenance of Accounts for Use of Money in the Revenue Fund.

(a) Priority of transfers from Revenue Fund. All money in the Revenue Fund shall be set aside by the Trustee in the following respective special funds and accounts within the Revenue Fund in the following order of priority, on the dates and in the amounts set forth in Section 3.03(b):

(1) Interest Fund. All money in the Interest Fund shall be used and withdrawn by the Trustee solely for the purpose of paying the interest on the Bonds as it shall become due and payable (including accrued interest on the Bonds purchased or redeemed prior to the payment dates thereof).

(2) Principal Fund. All money in the Principal Fund shall be used and withdrawn by the Trustee solely for the purpose of paying the principal on the Bonds as it shall become due and payable, whether on Bond Payment Dates or redemption, except that any money in any sinking fund account shall be used and withdrawn by the Trustee only to purchase or to redeem or to pay Term Bonds for which such sinking fund account was created.

(3) Reserve Fund. All money in the Reserve Fund (including all amounts which may be obtained from any insurance policy on deposit in the Reserve Fund) shall be used and withdrawn by the Trustee solely for the purpose of replenishing the Interest Fund or the Principal Fund, in that order, in the event of any deficiency at any time in either of such Funds, but solely for the purpose of paying the interest or principal due on the Bonds, except that any cash amounts in the Reserve Fund in excess of the amount required to be on deposit therein shall be withdrawn from the Reserve Fund on each Interest Payment Date and deposited in the Interest Fund.

In lieu of making a Reserve Fund Requirement deposit or in replacement of moneys then on deposit in the Reserve Fund (which shall be transferred by the Trustee to the

City upon delivery of an insurance policy satisfying the requirements stated below), the City may also deliver to the Trustee an insurance policy (a “Qualified Reserve Instrument”) securing an amount, together with moneys or Permitted Investments on deposit in the Reserve Fund, no less than such Reserve Fund Requirement, issued by an insurance company licensed to issue insurance policies guaranteeing the timely payment of the principal and interest components of the Agreement and whose unsecured debt obligations (or for which obligations secured by such insurance company’s insurance policies) are rated in one of the two highest rating categories (without respect to any modifier) of the Rating Agency.

(4) Administration Fund. All money in the Administration Fund shall be used and withdrawn by the Trustee solely for the purpose of paying the fees of the Authority, the Trustee, and the Rebate Analyst, payable with respect to the Agreement, this Indenture, or the Bonds, except that any cash amounts in the Administration Fund in excess of the amount required to be on deposit therein shall be withdrawn from the Administration Fund on each Interest Payment Date and deposited in the Interest Fund.

(5) Surplus Account. So long as no Event of Default of the City has occurred and is continuing hereunder or under the 2021 Installment Sale Agreement, the Trustee shall transfer or deposit amounts in the Surplus Account as instructed in a Certificate signed by an Authorized City Representative and the City may use amounts so released from the Surplus Account for any purpose permitted by applicable law, including without limitation the Measure M Ordinance, the Measure R Ordinance, and the Proposition C Ordinance.

(b) Timing and Amount of Transfers from Revenue Fund. On the [sixth (6th)] day of every month, [commencing _____ 16, 20__], the Trustee shall deposit or transfer such amounts in the following order of priority, the requirements of each deposit or transfer of each priority to be fully satisfied, leaving no deficiencies, prior to any deposit or transfer later in priority:

(1) Interest Fund and Principal Fund. The Trustee shall deposit in the Interest Fund, an amount equal to the sum of (I) the product of (aa) a fraction, the numerator of which is 1, and the denominator of which is 6, times (bb) the amount of the interest payment due with respect to the Bonds and any Contracts, on the following Interest Payment Date, less the amount, if any, available in any capitalized interest fund established to pay interest on Contracts; provided, however, that from and after the day on which the sum of the amounts on deposit in the Interest Fund and such interest accounts established for such Contracts is equal to the amount of interest payable on such Interest Payment Date on all outstanding Bonds and Contracts, less any amount available in any capitalized interest fund established to pay interest on Contracts, no further amounts shall be required to be so deposited pursuant to this clause (I), and, provided further that if the amount available is not sufficient to make all such deposits in full, then to such deposits ratably according to the full amount of each such deposit specified to be made, and (II) the Trustee shall deposit in the Principal Fund and the principal account established in connection with any Contracts, the product of (aa) a fraction, the numerator of which is 1, and the denominator of which is 12, times (aa) the amount of the principal payment due with respect to the Bonds and any Contracts, on the following June 1; provided, however, that from and after the day on which the sum of the amounts on deposit in the Principal Fund and such principal accounts established for such Contracts is equal to the amount of principal payable on such June

1 on all outstanding Bonds and Contracts, no further amounts shall be required to be so deposited pursuant to this clause (II), and, provided further that if the amount available is not sufficient to make all such deposits in full, then to such deposits ratably according to the full amount of each such deposit specified to be made, plus an amount equal to any shortfalls in required deposits from prior periods not previously cured. The City shall, at the request of the Trustee, certify to the Trustee the amount of the next interest payments and principal payments, if any, coming due with respect to Contracts. In the event insufficient amounts are available in the Revenue Fund to make all payments required by this paragraph, the available amounts shall be applied to such payments pro-rata based on the amount of the interest or principal payments, as applicable, due on the Bonds and any Contracts.

(2) Reserve Fund. If at any time the amount on deposit in the Reserve Fund is less than the Reserve Fund Requirement due to (I) a transfer from the Reserve Fund to the Interest Fund or the Principal Fund to make up a deficiency therein, or (II) a realized loss on a Permitted Investment held therein, the Trustee shall deposit in the Reserve Fund, until the aggregate amount of such deposits equals the amount so transferred or lost, an amount equal to the lesser of (aa) the product of (1) a fraction, the numerator of which is 1, and the denominator of which is 12, times (2) an amount equal to the amount so transferred or lost, plus an amount equal to any shortfalls in required deposits from prior periods not previously cured, or (bb) the amount necessary to cause the amount on deposit in the Reserve Fund to be equal to the Reserve Fund Requirement; no deposit need be made in the Reserve Fund so long as there shall be on deposit therein a sum equal to the Reserve Fund Requirement.

(3) Rebate Fund. The Trustee shall deposit the Rebate Amount in the Rebate Fund if and to the extent required pursuant to the terms of Section 4.04.

(4) Administration Fund. The Trustee shall, until the amount on deposit in the Administration Fund is equal to the Administration Fee, deposit in the Administration Fund an amount equal to the lesser of (I) the product of (aa) a fraction, the numerator of which is 1, and the denominator of which is 12, times (bb) the amount of the Administration Fee, or (II) the amount necessary to cause the amount on deposit in the Administration Fund to be equal to Administration Fee, plus an amount equal to any shortfalls in required deposits from prior periods not previously cured.

(5) Surplus Account. The Trustee shall deposit in the Surplus Account all money remaining in the Revenue Fund after the deposits required by paragraphs (1), (2), (3) and (4) of this Section have been made.

Section I.02 Deposit and Investments of Money in Accounts and Funds. Subject to Section 4.04, all money held by the Trustee in any of the accounts or funds established pursuant hereto shall be invested and reinvested in Permitted Investments at the Request of the City received not less than two (2) Business Days prior to the date of making such investment. The Trustee shall notify the City no less than two (2) Business Days prior to the date moneys held hereunder will be available for investment, requesting that the City deliver to the Trustee a Request of the City specifying the Permitted Investments to be acquired by the Trustee with such moneys. All money held in the Reserve Fund shall be invested and reinvested in Permitted Investments with a term to maturity not exceeding five years or on the final maturity date of the

Bonds, whichever date is earlier; provided, however, that if an obligation may be redeemed at par on the Business Day prior to each Interest Payment Date during which such obligation is outstanding, such obligation may have any maturity. If no such Request of the City is received, the Trustee shall hold such moneys uninvested. All such Permitted Investments shall be valued by the Trustee not less frequently than semi-annually on each Interest Payment Date at the lower of the cost or market value thereof. Subject to Section 4.04, all interest or profits received prior to the completion of the Project (as certified in writing by the Authorized City Representative) on any money so invested shall be deposited in the related Project Fund, and all interest or profits received subsequent thereto on any money so invested shall be deposited in the Interest Fund. The Trustee may act as a principal or agent in making or disposing of any investment, and all investments may be made through the Trustee's investment department or that of its affiliates. The Trustee or its affiliates may act as sponsor, agent, manager, or depository with regard to any Permitted Investment. The Trustee shall not incur any liability for losses arising from any investments made pursuant to this Section. The Trustee shall sell in a commercially reasonable manner, or present for redemption, any investment security whenever it shall be necessary to provide moneys to meet any required payment, transfer, withdrawal, or disbursement from the fund or account to which such investment security is credited, and the Trustee shall not be liable or responsible for any loss resulting from the acquisition or disposition of such investment security in accordance herewith.

Section I.03 Reserve Policy Payment and Reimbursement Provisions. The following provisions shall govern in the event of a conflict with any contrary provision of this Trust Agreement. [TO COME]

ARTICLE II COVENANTS

Section II.01 Compliance with Trust Agreement. The Trustee will not execute or deliver any Bonds in any manner other than in accordance with the provisions hereof; and the City will not suffer or permit any default to occur hereunder, but will faithfully observe and perform all the agreements, conditions, covenants, and terms contained herein required to be observed and performed by them.

Section II.02 Amendment of Agreement. The City and the Authority will not amend or permit the amendment of the 2021 Installment Sale Agreement without (a)(1) a determination that such amendment does not materially adversely affect the interest of the Owners [or the Insurer] or (2) the written consents of [the Insurer and] the Owners of a majority in aggregate principal amount of the Bonds then Outstanding, and (b) an Opinion of Counsel to the effect that such amendment is authorized and permitted by this Trust Agreement, is enforceable against the Authority, and will not cause interest payable on the Bonds to be included in gross income for federal income tax purposes; *provided* that no such supplement, amendment, modification, or termination shall reduce the amount of 2021 Installment Sale Payments to be made to the Authority or the Trustee by the City pursuant to the Agreement, or extend the time for making such payments, or permit the creation of any lien prior to or on a parity with the lien created by the Agreement on Tax Revenues (as defined in the Agreement), except as expressly provided in the Agreement, in each case without the written consent of all of the Owners of the Bonds then Outstanding.

Section II.03 Against Encumbrances. The Authority will not make any pledge of or place any charge or lien upon the Revenues except as provided herein, and will not issue any bonds, notes, or obligations payable from the Revenues or secured by a pledge of or charge or lien upon the Revenues except the Bonds.

Section II.04 Tax Covenants: Rebate Fund.

(a) In addition to the accounts created pursuant to Section 3.03, the Trustee shall establish and maintain a fund separate from any other fund or account established and maintained hereunder designated as the Rebate Fund. There shall be deposited in the Rebate Fund such amounts, including the Rebate Amount, as are required to be deposited therein pursuant to the Tax Certificate. All money at any time deposited in the Rebate Fund shall be held by the Trustee in trust, to the extent required to satisfy the Rebate Requirement (as defined in the Tax Certificate), for payment to the United States of America. Notwithstanding the provisions of Sections 3.01, 3.02, 3.04, 7.02, and 10.01 relating to the pledge of Revenues, the allocation of money in the Revenue Fund, the investments of money in any fund or account, the application of funds upon acceleration, and the defeasance of Outstanding Bonds, all amounts required to be deposited into or on deposit in the Rebate Fund shall be governed exclusively by this Section 4.04 and by the Tax Certificate (which is incorporated herein by reference). The Trustee shall be deemed conclusively to have complied with such provisions if it follows the written directions of the Authority, and shall have no liability or responsibility to enforce compliance by the Authority and the City with the terms of the Tax Certificate.

(b) Any funds remaining in the Rebate Fund after redemption and payment of all of the Bonds or provision made therefor satisfactory to the Trustee, including accrued interest and payment of any applicable fees to the Trustee and satisfaction of the Rebate Requirement (as defined in the Tax Certificate), shall be withdrawn by the Trustee and remitted to or upon the written direction of the City.

Section II.05 Accounting Records and Reports. The Trustee shall keep proper books of record and account in accordance with industry standards in which complete and correct entries shall be made of all transactions made by the Trustee relating to the receipt, investment, disbursement, allocation, and application of all funds received by the Trustee hereunder. Such records shall specify the account or fund to which each investment (or portion thereof) held by the Trustee is to be allocated and shall set forth, in the case of each investment: (a) its purchase price; (b) identifying information, including par amount, coupon rate, and payment dates; (c) the amount received at maturity or its sale price, as the case may be; (d) the amounts and dates of any payments made with respect thereto; and (e) such documentation as is required to be obtained as evidence to establish that all investments have been purchased in arms' length transactions with no amounts paid to reduce the yield on the investments.

The Trustee shall provide the City and the Authority with a report of such records each June 1 and December 1, commencing on June 1, 2021, through and until the final maturity of the Bonds. In addition, such records shall be open to inspection by the Authority and the City at any reasonable time during regular business hours on reasonable notice.

Section II.06 Observance of Laws and Regulations. The City will faithfully observe and perform all lawful and valid obligations or regulations now or hereafter imposed on them by contract, or prescribed by any state or national law, or by any officer, board, or commission having jurisdiction or control, as a condition of the continued enjoyment of each and every franchise, right, or privilege now owned or hereafter acquired by them, including their right to exist and carry on their respective businesses, to the end that such observance or performance is material to the transactions contemplated hereby.

Section II.07 Further Assurances. Whenever and so often as reasonably requested to do so by the Trustee or any Owner, the City will promptly execute and deliver or cause to be executed and delivered all such other and further assurances, documents, or instruments, and promptly do or cause to be done all such other and further things as may be necessary or reasonably required in order to further and more fully vest in the Trustee and the Owners all rights, interests, powers, benefits, privileges, and advantages conferred or intended to be conferred upon them hereby.

Section II.08 Recordation and Filing. The City will file, record, register, renew, refile, and rerecord all such documents, including financing statements (or continuation statements in connection therewith), as may be required by law in order to maintain at all times a security interest in the Agreement under and pursuant to this Trust Agreement, all in such manner, at such times and in such places as may be required in order to fully perfect, preserve, and protect the benefit, protection, and security of the Owners [and the Insurer], and the rights of the Trustee hereunder, and the City will do whatever else may be necessary or be reasonably required in order to perfect and continue the pledge of and lien on the Agreement as provided herein.

Section II.09 Completion of the Project. Subject to and as provided in the Agreement, the City, as agent of the Authority, will cause the Project to be completed with all practicable dispatch and such completion will be made in an expeditious manner and in conformity with the law.

ARTICLE III THE TRUSTEE

Section III.01 The Trustee. U.S. Bank National Association shall serve as the Trustee for the Bonds for the purpose of receiving all money which the Authority and the City are required to deposit with the Trustee hereunder and for the purpose of allocating, applying, and using such money as provided herein and for the purpose of paying the interest, principal, and redemption premiums, if any, on the Bonds presented for payment in St. Paul, Minnesota, or at such other office as the Trustee may designate, with the rights and obligations provided herein. The Authority agrees that it will at all times maintain a Trustee having a designated office in Seattle, Washington or San Francisco or Los Angeles, California.

The Authority may at any time, unless there exists any event of default as defined in Section 7.01, remove the Trustee initially appointed and any successor thereto and may appoint a successor or successors thereto by an instrument in writing; provided that any such successor shall (i) be a bank or trust company doing business and having a principal office in Seattle, Washington or San Francisco or Los Angeles, California, (ii) have (or in the case of a bank or

trust company which is part of a bank holding company system, the related bank holding company shall have) a combined capital (exclusive of borrowed capital) and surplus of at least seventy-five million dollars (\$75,000,000) and (iii) be subject to supervision or examination by federal or state authority. If such bank or trust company publishes a report of condition at least annually, pursuant to law or to the requirements of any supervising or examining authority above referred to, then for the purpose of this section the combined capital and surplus of such bank or trust company shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. The Trustee may at any time resign by giving written notice of such resignation to the Authority and by mailing to the Owners notice of such resignation. Upon receiving such notice of resignation, the Authority shall promptly appoint a successor Trustee by an instrument in writing. Any removal or resignation of a Trustee and appointment of a successor Trustee shall become effective only upon the acceptance of appointment by the successor Trustee. If, within 30 days after notice of the removal or resignation of the Trustee no successor Trustee shall have been appointed and shall have accepted such appointment, the removed or resigning Trustee may petition any court of competent jurisdiction for the appointment of a successor Trustee, which court may thereupon, after such notice, if any, as it may deem proper and prescribe and as may be required by law, appoint a successor Trustee having the qualifications required hereby.

The Trustee is hereby authorized to redeem the Bonds when duly presented for payment on their respective Bond Payment Dates or on prior redemption. The Trustee shall cancel all Bonds upon payment thereof or upon the surrender thereof by the Authority and shall destroy such Bonds it has received in accordance with its retention policy then in effect. The Trustee shall keep accurate records of all Bonds paid and discharged and canceled by it.

The Authority, solely from amounts held in the Costs of Issuance Fund or paid by the City specifically for such purpose, shall from time to time, subject to any agreement between the Authority 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 and in-house and other counsel or other experts employed by it and reasonably required in the exercise and performance of its rights and obligations hereunder, and, to the extent permitted by law, indemnify and hold the Trustee and its officers, directors, employees, and agents harmless against any claim, loss, liability, damages, expenses (including legal fees and expenses), or advances not arising from the Trustee's own active or passive negligence, willful misconduct, or breach of fiduciary duty, which the Trustee may incur in the exercise and performance of its rights and obligations hereunder. The obligations of the Authority under this paragraph to compensate, indemnify, reimburse, and hold the Trustee harmless shall constitute additional indebtedness hereunder, and such indebtedness shall have priority over the Bonds in respect of all property and funds held or collected by the Trustee as such, except funds held in trust by the Trustee for the benefit of the Owners of particular Bonds, including, without limitation, funds held by the Trustee in trust to redeem all or a portion of Outstanding Bonds prior to their respective Bond Payment Dates for which a notice of redemption has been sent as provided herein.

Section III.02 Liability of Trustee. The recitals of facts, agreements, and covenants herein and in the Bonds shall be taken as recitals of facts, agreements, and covenants of the Authority, and the Trustee assumes no responsibility for the use of any proceeds of the Bonds,

the correctness of the same, the collection of the Revenues or makes any representation as to the sufficiency or validity hereof, of the Bonds or any security therefor or any offering material distributed in connection with the Bonds and shall not incur any responsibility in respect thereof other than in connection with the rights or obligations assigned to or imposed upon it herein, in the Bonds or in law or equity. The Trustee shall not be liable in connection with the performance of its duties hereunder except for its own negligence, willful misconduct, or breach of fiduciary duty.

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 such Bond is registered in such person's name.

Whenever the Trustee shall deem it necessary or desirable that a factual or legal matter be established or proved prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may, in the absence of bad faith on the part of the Trustee, be deemed to be conclusively proved and established by a certificate conforming to the requirements herein or an opinion of counsel, which certificate or opinion shall be full warrant to the Trustee for any action taken or suffered under the provisions hereof upon the faith thereof, but in its discretion the Trustee may in lieu thereof accept other evidence of such matter or may require such additional evidence as it may deem reasonable.

In accepting the trust hereby created, the Trustee acts solely as Trustee for the Owners and not in its individual capacity and all persons, including without limitation the Owners, the Authority and the City, having any claim against the Trustee arising from this Trust Agreement not attributable to the Trustee's negligence or willful misconduct shall look only to the funds and accounts held by the Trustee hereunder for payment except as otherwise provided herein. The duties and obligations of the Trustee shall be determined solely by the express provisions of this Trust Agreement, the Trustee shall not be liable except for the performance of such duties and obligations as are specifically set forth in this Trust Agreement, and no implied covenants or obligations (fiduciary or otherwise) shall be read into this Trust Agreement against the Trustee. The Trustee shall not be liable with respect to any action taken or not taken hereunder in good faith in accordance with the direction of the Owners of not less than a majority in aggregate principal amount of the Bonds at the time Outstanding. The Trustee shall, during the existence of any event of default (which has not been cured), exercise such of the rights and powers vested in it by this Trust Agreement, and use the same degree of care and skill in their exercise, as a prudent person would exercise of use under the circumstances in the conduct of its own affairs. The permissive right of the Trustee to do things enumerated in this Trust Agreement shall not be construed as a duty and it shall not be answerable for other than its negligence or willful misconduct. The immunities and exceptions from liability of the Trustee shall extend to its officers, directors, employees, and agents and such immunities and exceptions and its right to payment of its fees and expenses shall survive its resignation or removal and the final payment and defeasance of the Bonds. Under no circumstances shall the Trustee be liable in its individual capacity for the amounts due on the Bonds. The Trustee, in its individual or any other capacity, may become the Owner of any Bonds or other obligations of any party hereto with the same rights which it would have if not the Trustee. At any and all reasonable times, the Trustee and its agents shall have the right to fully inspect the Project, including all books, papers, and records of the City pertaining to the Project and the Bonds, and to take such memoranda therefrom and with

regard thereto and make photocopies thereof as may be desired. The Trustee shall not be required to give any bond or surety in respect of the execution of said trusts and powers or otherwise in respect of the premises. Before taking or refraining from any action hereunder at the request or direction of the Owners, the Trustee may require that an indemnity bond satisfactory to the Trustee be furnished to it and be in full force and effect.

None of the provisions contained herein or in the Agreement shall require the Trustee to expend or risk its own funds or continue to do so or otherwise incur individual financial liability in the performance of any of its duties or in the exercise of any of its rights or powers if it shall reasonably believe that repayment of such funds or adequate indemnity against such risk or liability is not assured to it. The Trustee may rely and shall be protected in acting or failing to act upon any paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties. The Trustee shall not be required to take notice or be deemed to have notice of any Event of Default hereunder except failure by the City to make any payment of principal or interest under the Agreement when due, unless the Trustee shall be specifically notified in writing at its corporate trust office of such default by the Owners of not less than 25% of the aggregate principal amount of Bonds then Outstanding. Notwithstanding any other provision hereof, the Trustee shall have the right, but shall not be required, to demand any showings, Bonds, opinions, appraisals or other information, or official action or evidence thereof, required as a condition of such action deemed by the Trustee to be desirable for the purpose of establishing the rights of the Trustee with respect to the authentication of any Bonds, the withdrawal of any cash, the release of any property, or the taking of any other action by the Trustee.

The Trustee agrees to accept and act upon instructions or directions pursuant hereto sent by unsecured e-mail, facsimile transmission, or other similar unsecured electronic methods; provided, however, that the Trustee shall have received an incumbency certificate from the City listing persons designated to give such instructions or directions and containing specimen signatures of such designated persons, which such incumbency certificate shall be amended and replaced whenever a person is to be added or deleted from the listing. The Trustee shall not be liable for any losses, costs, or expenses arising directly or indirectly from the Trustee's reliance upon and compliance with such instructions notwithstanding such instructions conflict or are inconsistent with a subsequent written instruction. The City agrees to assume all risks arising out of the use of such electronic methods to submit instructions and directions to the Trustee, including without limitation the risk of interception and misuse by third party.

The Trustee shall not be liable to the parties hereto or deemed in breach or default hereunder if and to the extent its performance hereunder is prevented by reason of force majeure. The term "force majeure" means an occurrence that is beyond the control of the Trustee and could not have been avoided by exercising due care. Force majeure shall include but not be limited to acts of God, terrorism, war, riots, strikes, fire, floods, earthquakes, epidemics or other similar occurrences.

**ARTICLE IV
AMENDMENT OF THE TRUST AGREEMENT**

Section IV.01 Amendment of the Trust Agreement. This Trust Agreement and the rights and obligations of the Authority, the City, the Trustee, and the Owners may be amended at any time by a Supplemental Trust Agreement which shall become binding when the written consents of [the Insurer and] the Owners of a majority in aggregate principal amount of Bonds then Outstanding, exclusive of Bonds disqualified as provided in Section 6.02, are filed with the Trustee. No such amendment shall (1) extend the Bond Payment Date of or reduce the interest rate on or amount of interest or principal or redemption premium, if any, on any Bond without the express written consent of [the Insurer and] the Owner of such Certificate, or (2) permit the creation by the Authority of any pledge of or charge or lien upon the Revenues as provided herein superior to or on a parity with the pledge, charge, and lien created hereby for the benefit of the Bonds, or (3) reduce the percentage of Bonds required for the written consent to any such amendment or any amendment of the Agreement pursuant to Section 4.02 hereof, or (4) modify any rights or obligations of the Trustee, the Authority, or the City without their prior written consent thereto, respectively.

This Trust Agreement and the rights and obligations of the Authority, the City, and of the Owners may also be amended at any time by a Supplemental Trust Agreement which shall become binding upon adoption without the consent of any Owners, but only to the extent permitted by law and after receipt of an approving Opinion of Counsel, for any purpose that will not in the judgment of the Authority or as set forth in Opinions of Counsel materially adversely affect the interests of the Owners, including (without limitation) for any one or more of the following purposes:

(a) to add to the agreements and covenants required herein to be performed by the Authority or the City other agreements and covenants thereafter to be performed by the Authority or the City, or to surrender any right or power reserved herein to or conferred herein on the Authority or the City;

(b) to make such provisions for the purpose of curing any ambiguity or of correcting, curing, or supplementing any defective provision contained herein or in regard to questions arising hereunder which the Authority or the City may deem desirable or necessary and not inconsistent herewith;

(c) to add to the agreements and covenants required herein, such agreements and covenants as may be necessary to qualify this Trust Agreement under the Trust Indenture Act of 1939; or

(d) for any other purpose that does not materially adversely affect the interests of the Owners [or the Insurer].

Section IV.02 Disqualified Bonds. Bonds owned or held by or for the account of the Authority or the City shall not be deemed Outstanding for the purpose of any consent or other action or any calculation of Outstanding Bonds provided in this article, and shall not be entitled to consent to or take any other action provided in this article.

Section IV.03 Endorsement or Replacement of Bonds After Amendment. After the effective date of any action taken as hereinabove provided, the Authority may determine that the Bonds may bear a notation by endorsement in form approved by the Authority as to such action, and in that case upon demand of the Owner of any Outstanding Bonds and presentation of such Bond for such purpose at the Office of the Trustee a suitable notation as to such action shall be made on such Bond. If the Authority shall so determine, new Bonds so modified as, in the opinion of the Authority, shall be necessary to conform to such action shall be prepared and executed, and in that case upon demand of the Owner of any Outstanding Bond a new Bond or Bonds shall be exchanged at the office of the Trustee without cost to each Owner for its Bond or Bonds then Outstanding upon surrender of such Outstanding Bonds.

Section IV.04 Amendment by Mutual Consent. The provisions of this article shall not prevent any Owner from accepting any amendment as to the particular Bonds held by him, provided that due notation thereof is made on such Bonds.

Section IV.05 Information to Rating Agency. The Authority shall provide any Rating Agency a copy of each amendment to this Trust Agreement or to the Agreement promptly following the execution and delivery of such amendment.

ARTICLE V EVENTS OF DEFAULT AND REMEDIES OF OWNERS

Section V.01 Events of Default. If any default in the payment of 2021 Installment Sale Payments or any other “Event of Default” defined in the Agreement shall occur and be continuing, or if any default shall be made by the City in the performance or observance of any other of the covenants, agreements, or conditions on its part herein contained and such default shall have continued for a period of 30 days after written notice thereof shall have been given to the City by the Trustee or the Owners of not less than a majority in aggregate principal amount of the Bonds at the time Outstanding, then such default shall constitute an “Event of Default” hereunder, and in each and every such case during the continuance of such Event of Default the Trustee or the Owners of not less than a majority in aggregate principal amount of the Bonds at the time Outstanding shall be entitled, upon notice in writing to the City, but subject to the provisions of Section 7.06, to exercise the remedies provided under the Agreement which are necessary or desirable to collect the 2021 Installment Sale Payments. No grace period shall be permitted for payment defaults.

Subject to the following sentence, within one Business Day following the occurrence of any Triggering Event, the Trustee shall deliver a Notice of Exclusive Control to the Depository Bank. Trustee shall have no obligation to deliver a Notice of Exclusive Control pursuant to the immediately preceding sentence if Trustee previously delivered a Notice of Exclusive Control to Depository Bank, which Notice of Exclusive Control has not been rescinded as provided in the following sentence. Provided that no Event of Default has occurred and is continuing hereunder or under the 2021 Installment Sale Agreement, Trustee shall deliver to the Depository Bank a Notice of Rescission on the date that is six months following the date of the most recent Triggering Event.

The Owners of Bonds, for purposes of this Trust Agreement and the Agreement, to the extent of their interest, shall be entitled to all rights and security of the Authority pursuant to the Agreement and this Trust Agreement. The City recognizes the rights of the Owners of the Bonds, acting through the Trustee, to enforce the obligations and covenants contained in the Agreement and this Trust Agreement; provided that in no event shall the City be liable for any obligations, covenants, or damages except those which arise out of the Agreement.

Section V.02 Application of Funds Upon Acceleration of Agreement. All moneys received by the Trustee pursuant to any right given or action taken under the provisions of this Article VII shall be deposited into the Revenue Fund and be applied by the Trustee in the following order; *provided* that the Trustee shall obtain and follow the instructions contained in an Opinion of Counsel and rebate or set aside for rebate from the specified funds held hereunder, any amount pursuant to such instructions required to be paid to the United States of America under the Code:

First, to the payment of the costs and expenses of the Trustee, if any, in carrying out the provisions of this Article, including reasonable compensation to its agents, accountants, and counsel and including any indemnification expenses;

Second, to the payment of the principal and interest payable with respect to the Bonds, in connection with a mandatory redemption of Bonds pursuant to Section 2.03(b) hereof and the delivery of a Cash Flow Report; and

[Third, to the payment of amounts owed to the Insurer not paid pursuant to First and Second above.]

Section V.03 Other Remedies of the Trustee.

The Trustee shall have the right:

(a) by mandamus or other action or proceeding or suit at law or in equity to enforce its rights hereunder against the City or any supervisor, council member, board member, trustee, member, officer, or employee thereof, and to compel the City or any such supervisor, council member, board member, trustee, member, officer, or employee thereof to observe or perform its or his or her duties under applicable law and the agreements, conditions, covenants, and terms contained herein, or in the Agreement, required to be observed or performed by it or him or her;

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

(c) by suit in equity upon the happening of any default hereunder to require the City and any supervisor, council member, board member, trustee, member, officer, and employee to account as the trustee of any express trust.

Section V.04 Non-Waiver. A waiver by the Trustee of any default hereunder or breach of any obligation hereunder shall not affect any subsequent default hereunder or any subsequent

breach of an obligation hereunder or impair any rights or remedies on any such subsequent default hereunder or on any such subsequent breach of an obligation hereunder. No delay or omission by the Trustee to exercise any right or remedy accruing upon any default hereunder shall impair any such right or remedy or shall be construed to be a waiver of any such default hereunder or an acquiescence therein, and every right or remedy conferred upon the Trustee by applicable law or by this article may be enforced and exercised from time to time and as often as shall be deemed expedient by the Trustee.

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

Section V.05 Actions by Trustee as Attorney-in-Fact. Any action, proceeding, or suit which any Owner shall have the right to bring to enforce any right or remedy hereunder may be brought by the Trustee for the equal benefit and protection of all Owners, whether or not the Trustee is an Owner, and the Trustee is hereby appointed (and the successive Owners, by taking and holding the Bonds executed and delivered hereunder, shall be conclusively deemed to have so appointed it) the true and lawful attorney-in-fact of the Owners for the purpose of bringing any such action, proceeding, or suit and for the purpose of doing and performing any and all acts and things for and on behalf of the Owners as a class or classes as may be advisable or necessary in the opinion of the Trustee as such attorney-in-fact.

Section V.06 Remedies Not Exclusive. No remedy herein conferred upon or reserved to the Owners is intended to be exclusive of any other remedy, and each such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute or otherwise and may be exercised without exhausting and without regard to any other remedy conferred by the Act or any other law. If any remedial action hereunder is discontinued or abandoned, the Trustee and the Owners shall be restored to their former positions.

Section V.07 Limitation on Owners' Right to Sue. No Owner of any Bond issued hereunder shall have the right to institute any suit, action, or proceeding at law or equity, for any remedy under or upon this Trust Agreement, unless (a) such Owner shall have previously given to the Trustee written notice of the occurrence of an event of default as defined in Section 7.01 hereunder; (b) the Owners of at least a majority in aggregate principal amount of all the Bonds then Outstanding shall have made written request upon the Trustee to exercise the powers hereinbefore granted or to institute such suit, action, or proceeding in its own name; (c) said Owners shall have tendered to the Trustee reasonable security or indemnity against the costs, expenses, and liabilities to be incurred in compliance with such request; and (d) the Trustee shall have refused or omitted to comply with such request for a period of 60 days after such request and consent shall have been received by, and said tender of indemnity shall have been made to, the Trustee.

Such notification, request, consent, tender of indemnity, and refusal or omission are hereby declared, in every case, to be conditions precedent to the exercise by any owner of Bonds of any remedy hereunder; it being understood and intended that no one or more owners of Bonds

shall have any right in any manner whatever by his or their action to enforce any right under this Trust Agreement, except in the manner herein provided, and that all proceedings at law or in equity to enforce any provision of this Trust Agreement shall be instituted, had, and maintained in the manner herein provided and for the equal benefit of all Owners of the Outstanding Bonds.

Section V.08 Limited Liability of the City. Except as expressly provided in the Agreement, the City shall not have any obligation or liability to the Authority, the Trustee, or the Owners with respect to this Trust Agreement or the preparation, execution, delivery, transfer, exchange, or cancellation of the Bonds or the receipt, deposit, or disbursement of the principal and interest payable with respect to the Agreement by the Trustee, or with respect to the performance by the Trustee of any obligation contained herein required to be performed by it.

Section V.09 Limited Liability of the Authority. Except as expressly provided herein, the Authority shall not have any obligation or liability to the Trustee or the Owners with respect to the payment when due of the 2021 Installment Sale Payments by the City, or with respect to the observance or performance by the City of the other agreements, conditions, covenants, and terms contained in the Agreement, or with respect to the performance by the Trustee of any obligation contained herein required to be performed by it. Notwithstanding anything to the contrary contained in the Bonds, this Trust Agreement or any other document related thereto, the Authority shall not have any liability hereunder or by reason hereof or in connection with any of the transactions contemplated hereby except to the extent payable from moneys received from or with respect to the Agreement and available thereof in accordance with this Trust Agreement.

ARTICLE VI DEFEASANCE

Section VI.01 Discharge of Bonds. If the City shall pay or cause to be paid or there shall otherwise be paid to the Owners of all Outstanding Bonds the interest, principal, and redemption premiums, if any, due thereon at the times and in the manner stipulated herein and therein, [and the Insurer shall have been paid all amounts owed to the Insurer under the Reserve Policy,] then the Owners of such Bonds shall cease to be entitled to the pledge of and charge and lien upon the Revenues as provided herein, and all agreements, covenants, and other obligations of the Authority and the City to the Owners of such Bonds hereunder shall thereupon cease, terminate, and become void and be discharged and satisfied. In such event, the Trustee shall execute and deliver to the Authority all such instruments as may be necessary or desirable to evidence such discharge and satisfaction and the Trustee shall pay over or deliver to the Authority all money or securities held by it pursuant hereto which are not required for the payment of the interest and principal and redemption premiums, if any, on the Bonds.

(a) Any Outstanding Bonds shall prior to the maturity date or redemption date thereof be deemed to have been paid within the meaning of and with the effect expressed in subsection (a) of this section if (1) in case any of such Bonds are to be redeemed on any date prior to their respective Bond Payment Dates, the Authority or the City shall have given to the Trustee in form satisfactory to it irrevocable instructions to provide notice in accordance with Section 2.03, (2) there shall have been deposited with the Trustee either (A) money in an amount which shall be sufficient or (B) Defeasance Obligations, the interest on and principal of which when paid will provide money which, together with the money, if any, deposited with the

Trustee, shall be sufficient, in the opinion of an Independent Certified Public Accountant, to pay when due the interest to become due with respect to such Bonds on and prior to the Bond Payment Date or redemption date thereof, as the case may be, and the principal and redemption premiums, if any, on the Bonds, and (2) in the event such Bonds are not by their terms subject to redemption within the next succeeding 60 days, the Authority or the City shall have given the Trustee in form satisfactory to it irrevocable instructions to mail as soon as practicable, a notice to the Owners of such Bonds that the deposit required by clause (2) above has been made with the Trustee and that such Bonds are deemed to have been paid in accordance with this section and stating the Bond Payment Date or redemption date upon which money is to be available for the payment of the principal and redemption premiums, if any, with respect to such Bonds.

Bonds shall be deemed “Outstanding” under this Trust Agreement unless and until they are in fact paid and retired or the above criteria are met.

[This Trust Agreement, the Agreement, and each other Related Documents shall not be discharged or terminated unless all amounts due or to become due to the Insurer have been paid in full or duly provided for. The City’s obligation to pay such amounts shall expressly survive payment in full of the Bonds.]

Section VI.02 Unclaimed Money. Anything contained herein 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 two (2) years after the date when such Bonds have become due and payable, either at their stated Bond Payment Dates or by call for redemption prior to such dates, if such money was held by the Trustee at such date, or for two years after the date of deposit of such money if deposited with the Trustee after the date when such Bonds have become due and payable, shall be repaid by the Trustee to the Authority as its absolute property free from trust, and the Trustee shall thereupon be released and discharged with respect thereto and the Owners shall not look to the Trustee for the payment of such Bonds. Any moneys held by the Trustee in trust for the payment and discharge of any Bonds shall not bear interest or be otherwise invested from and after such Bond Payment Date or redemption date.

ARTICLE VII MISCELLANEOUS

Section VII.01 Liability of Authority Limited to Revenues. The Bonds are limited obligations of the Authority and are payable, as to interest, principal, and any premiums upon the redemption of any thereof, solely from the Revenues as provided herein, and the Authority is not obligated to pay them except from the Revenues. All the Bonds are equally secured by a pledge of and charge and lien upon the Revenues, and the Revenues constitute a trust fund for the security and payment of the interest, principal and redemption premiums, if any, on the Bonds as provided herein. The Bonds are not a debt of the City, the State of California, or any of its political subdivisions, none of the City, said State, nor any of its political subdivisions is liable thereon, nor in any event shall the Bonds be payable out of any funds or properties other than those of the Authority as provided herein. The Bonds do not constitute an indebtedness within the meaning of any constitutional or statutory limitation or restriction.

Section VII.02 **Benefits of the Trust Agreement Limited to Parties.** Nothing contained herein, expressed or implied, is intended to give to any person other than the City, the Authority, the Trustee, [the Insurer] and the Owners any right, remedy, or claim under or by reason hereof. Any agreement or covenant required herein to be performed by or on behalf of the City or the Authority shall be for the sole and exclusive benefit of the Trustee, the Authority, [the Insurer] and the Owners.

Section VII.03 **Successor Is Deemed Included In All References To Predecessor.** Whenever either the City, the Authority, or the Trustee, or any officer thereof, is named or referred to herein, such reference shall be deemed to include the successor to the powers, duties, and functions that are presently vested in the City, the Authority, or the Trustee, or such officer, and all agreements, conditions, covenants, and terms contained herein required to be observed or performed by or on behalf of the City, the Authority, or the Trustee or any officer thereof shall bind and inure to the benefit of the respective successors thereof whether so expressed or not.

Section VII.04 **Execution of Documents by Owners.** Any declaration, request, or other instrument which is permitted or required herein to be executed by Owners may be in one or more instruments of similar tenor and may be executed by Owners in person or by their attorneys appointed in writing. The fact and date of the execution by any Owner or his attorney of any declaration, request, or other instrument or of any writing appointing such attorney may be proved by the certificate of any notary public or other officer authorized to make acknowledgments of deeds to be recorded in the state or territory in which he purports to act that the person signing such declaration, request, or other instrument or writing acknowledged to him the execution thereof, or by an affidavit of a witness of such execution duly sworn to before such notary public or other officer. The ownership of any Bonds and the amount, maturity, number, and date of holding the same may be proved by the registration books relating to the Bonds at the office of the Trustee.

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

Section VII.05 **Waiver of Personal Liability; No Liability of Authority Members.** No member, officer, or employee of the Authority or the City shall be individually or personally liable for the payment of the interest, principal, or redemption premiums, if any, with respect to the Bonds by reason of their issuance, but nothing herein contained shall relieve any such member, officer, or employee from the performance of any official duty provided by any applicable provisions of law, the Agreement, or hereby.

Section VII.06 **Acquisition of Bonds by the Authority.** All Bonds acquired by the Authority, whether by purchase or gift or otherwise, shall be surrendered to the Trustee for cancellation.

Section VII.07 **Destruction of Canceled Bonds.** Whenever provision is made herein for the cancellation of any Bonds, the Trustee shall destroy such Bonds in accordance with its retention policy then in effect.

Section VII.08 **Content of Certificates; Post-Issuance Legal Opinions.** Every Certificate of the Authority or the City with respect to compliance with any agreement, condition, covenant, or term contained herein shall include: (a) a statement that the person or persons executing such certificate have read such agreement, condition, covenant, or term and the definitions herein relating thereto; (b) a brief statement as to the nature and scope of the examination or investigation upon which the statements contained in such certificate are based; (c) a statement that, in the opinion of the signers, they have made or caused to be made such examination or investigation as is necessary to enable them to express an informed opinion as to whether or not the City or the Authority has complied with such agreement, condition, covenant or term; and (d) a statement as to whether, in the opinion of the signers, the City or the Authority has complied with such agreement, condition, covenant or term.

Any Certificate of the Authority or the City may be based, insofar as it relates to legal matters, upon an Opinion of Counsel unless the person or persons executing such Certificate know that the Opinion of Counsel with respect to the matters upon which his or their Certificate may be based, as aforesaid, is erroneous, or in the exercise of reasonable care should have known that the same was erroneous. Any Opinion of Counsel may be based, insofar as it relates to factual matters and information with respect to which is in the possession of the City or the Authority, upon a representation by an officer or officers of the City or the Authority unless the counsel executing such Opinion of Counsel knows that the representation with respect to the matters upon which his opinion may be based, as aforesaid, is erroneous, or in the exercise of reasonable care should have known that the same was erroneous.

Section VII.09 **Publication for Successive Weeks.** Any publication required to be made hereunder for successive weeks in a financial newspaper may be made in each instance upon any Business Day of the first week and need not be made on the same Business Day of any succeeding week or in the same financial newspaper for any subsequent publication, but may be made on different Business Days or in different financial newspapers, as the case may be.

Section VII.10 **Accounts and Funds; Business Days.** Any account or fund required herein to be established and maintained by the Trustee may be established and maintained in the accounting records of the Trustee either as an account or a fund, and may, for the purposes of such accounting records, any audits thereof, and any reports or statements with respect thereto, be treated either as an account or a fund; but all such records with respect to all such accounts and funds shall at all times be maintained in accordance with the Tax Certificate and sound accounting practice and with due regard for the protection of the security of the Bonds and the rights of the Owners. Any action required to occur hereunder on a day which is not a Business Day shall be required to occur on the next succeeding Business Day.

Section VII.11 **Article and Section Headings and References.** The headings or titles of the several articles and sections hereof and the table of contents appended hereto shall be solely for convenience of reference and shall not affect the meaning, construction, or effect hereof. All references herein to “Articles,” “Sections” and other subdivisions or clauses are to the corresponding articles, sections, subdivisions or clauses hereof; and the words “hereby,” “herein,” “hereof,” “hereto,” “herewith,” “hereunder” and other words of similar import refer to this Trust Agreement as a whole and not to any particular article, section, subdivision, or clause hereof.

Section VII.12 **Partial Invalidity.** If any one or more of the agreements or covenants or portions thereof required hereby to be performed by or on the part of the City, the Authority, or the Trustee shall be contrary to law, then such agreement or agreements, such covenant or covenants or such portions thereof shall be null and void and shall be deemed separable from the remaining agreements and covenants or portions thereof and shall in no way affect the validity hereof or of the Bonds, and the Owners shall retain all the benefit, protection, and security afforded to them under the Act or any other applicable provisions of law. The City, the Authority, and the Trustee hereby declare that they would have executed and delivered this Trust Agreement and each and every other article, section, paragraph, subdivision, sentence, clause, and phrase hereof and would have authorized the execution and delivery of the Bonds pursuant hereto irrespective of the fact that any one or more articles, sections, paragraphs, subdivisions, sentences, clauses, or phrases hereof or the application thereof to any person or circumstance may be held to be unconstitutional, unenforceable, or invalid.

Section VII.13 **Execution in Several Counterparts.** This Trust Agreement may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original; and all such counterparts, or as many of them as the City, the Authority, and the Trustee shall preserve undestroyed, shall together constitute but one and the same instrument.

Section VII.14 **Governing Law.** This Trust Agreement shall be governed, in all respects including validity, interpretation and effect by, and shall be enforceable in accordance with, the laws of the United States of America and of the State of California.

Section VII.15 **Notices.** Except as otherwise provided herein, for the purposes hereof, any notice, consent, request, requisition, direction, certificate, or demand or other communication may be served or presented, and such notice or demand may be made and shall be deemed to have been sufficiently given or served for all purposes by being deposited, first-class postage redeemed, in a post office letter box, addressed, as the case may be, to the parties as follows:

If to the Authority:	Independent Cities Finance Authority P.O. Box 6740 Lancaster, California 93539 Attention: Executive Director
If to the Trustee:	U.S. Bank National Association 1420 Fifth Avenue, 7th Floor Seattle, Washington 98101 Attention: Global Corporate Trust
If to the City:	City of Compton 205 South Willowbrook Avenue Compton, California 90220 Attention: City Manager and City Attorney

If to the Underwriter: Raymond James & Associates, Inc.
 39 E. Union Street
 Pasadena, California 91103
 Attention: Jose A. Vera

[If to the Insurer:]

Any party may change its address by notice to each other party.

IN WITNESS WHEREOF, the Authority and the City have caused this Trust Agreement to be signed in their respective names by such person as has been designated by the Board of Directors of the Authority and the City Council, respectively, and the Trustee, to evidence its acceptance of the trust hereby created, has caused this Trust Agreement to be signed in the name of the Trustee by an authorized officer of the Trustee, all as of the day and year first above written.

INDEPENDENT CITIES FINANCE AUTHORITY

By:

Authorized Signatory

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

By:

Authorized Signatory

CITY OF COMPTON, CALIFORNIA

By:

Mayor

EXHIBIT A

FORM OF BOND

THIS BOND IS SUBJECT TO TRANSFER RESTRICTIONS AS SET FORTH IN THE TRUST AGREEMENT (AS DEFINED HEREIN). BY POSSESSION OF THIS BOND, THE HOLDER CERTIFIES THAT IT IS (A) AN ACCREDITED INVESTOR, OR (B) A QUALIFIED INSTITUTIONAL BUYER, AND THAT THE HOLDER HAS DELIVERED AN INVESTOR LETTER TO THE TRUSTEE IN THE FORM REQUIRED BY THE TRUST AGREEMENT. THE HOLDER HEREOF, BY THE ACCEPTANCE OF THIS BOND, ACKNOWLEDGES THAT THIS BOND MAY ONLY BE REGISTERED IN THE NAME OF, OR TRANSFERRED TO, OR BENEFICIAL OWNERSHIP CAN ONLY BE HELD BY (A) AN ACCREDITED INVESTOR, OR (B) A QUALIFIED INSTITUTIONAL BUYER, AND PROVIDED THAT ANY SUCH TRANSFEREE OR HOLDER SHALL HAVE DELIVERED TO THE TRUSTEE AN INVESTOR LETTER IN THE FORM REQUIRED BY THE TRUST AGREEMENT.

**INDEPENDENT CITIES FINANCE AUTHORITY
(CITY OF COMPTON, CALIFORNIA)
SALES TAX REVENUE BOND, SERIES 2021**

No. _____			\$ _____
Interest Rate	Bond Payment Date	Dated as of	CUSIP
_____ %	_____ June 1, ____	_____, 2021	_____ N/A

REGISTERED OWNER:

PRINCIPAL SUM:

The INDEPENDENT CITIES FINANCE AUTHORITY, a joint exercise of powers authority, duly organized and validly existing under and pursuant to the laws of the State of California (the "Authority") for value received, hereby promises to pay to the registered owner identified above or registered assigns, on the maturity date specified above (subject to any right of prior redemption hereafter provided for) the principal sum specified above, together with interest on such principal sum from the interest payment date next preceding the date of registration of this Bond, unless such date of registration is an interest payment date, in which event interest payable on this Bond shall be payable from such date, or unless such date of registration is prior to the first interest payment date, in which event interest on this Bond shall be payable from the Dated Date hereof; provided, however, that if at the time of registration of any Bond, interest is then in default on the Outstanding Bonds, interest on such Bond shall be payable 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 this Bond due on or before the maturity or prior redemption thereof shall be made to the person whose name appears in the registration records for the Bonds maintained by U.S. Bank National Association, as

trustee (the “Trustee”) under a Trust Agreement by and among the Authority, the Trustee, and the City of Compton, California, dated as of [_____ 1], 2021 (the “Trust Agreement”), as the registered owner thereof as of the close of business on the Record Date preceding each Interest Payment Date, whether or not such day is a Business Day, such interest to be paid by check mailed on such Interest Payment Date (or the next Business Day if such Interest Payment Date is not a Business Day) to such registered owner at the address as it appears in such books or at such other address as may have been filed with the Trustee for that purpose.

Payment of the principal on this Bond shall be made by check upon the surrender of this Bond at maturity or on redemption prior to maturity at the Office of the Trustee. The registered owner of \$1,000,000 or more in aggregate principal amount of the Bonds may request in writing that the Trustee pay the interest on the Bonds by wire transfer and the Trustee shall comply with such request for all Interest Payment Dates following the fifteenth day after receipt of such request until such request is rescinded. All such amounts are payable in lawful money of the United States of America.

This Bond is one of a duly authorized issue of bonds of the Authority designated as its “Independent Cities Finance Authority (City of Compton), Sales Tax Revenue Bonds, Series 2021” (the “Bonds”), issued in the aggregate principal amount of \$[_____], all of like tenor and date (except such variations, if any, as may be required to designate varying numbers, maturities, and interest rates), and is issued under and pursuant to the provisions of the Joint Exercise of Powers Act (being Chapter 5 of Division 7 of Title 1 of the California Government Code, as amended) and all laws amendatory thereof or supplemental thereto (the “Act”) and under and pursuant to the provisions of the Trust Agreement. Copies of the Trust Agreement are on file at the principal office of the Trustee in Seattle, Washington.

To the extent and in the manner permitted by the terms of the Trust Agreement and the Agreement, the provisions of the Trust Agreement may be amended or supplemented by the parties thereto.

This Bond is transferable by the registered owner hereof, in person or by his attorney duly authorized in writing, at the corporate trust office of the Trustee but only in the manner, subject to the limitations, and upon payment of the charges as provided in the Trust Agreement, and upon surrender of this Certificate for cancellation accompanied by delivery of a duly executed written instrument of transfer in the form appearing hereon. Upon such transfer, a new Bond or Bonds of the same series and Bond Payment Date representing the same principal amount will be executed and delivered to the transferee in exchange herefor. The Bonds are exchangeable at the corporate trust office of the Trustee for a like aggregate principal amount of Bonds of authorized denominations of the same series and Bond Payment Date, in the manner, subject to the limitations, and upon payment of the charges as provided in the Trust Agreement.

The Trustee may treat the registered owner hereof as the absolute owner hereof for all purposes, whether or not this Bond shall be overdue, and the Trustee shall not be affected by any knowledge or notice to the contrary; and payment of the interest and principal on this Bond shall be made only to such registered owner, which payments shall be valid and effectual to satisfy and discharge liability represented by this Bond to the extent of the sum or sums so paid.

The Bonds are authorized to be executed and delivered in the form of fully registered Bonds in denominations of \$100,000 and integral multiples of \$5,000 in excess thereof so long as no Bond shall represent principal becoming payable on more than one Bond Payment Date.

The Bonds are subject to optional and mandatory redemption prior to their respective Bond Payment Dates, as provided in the Trust Agreement.

The Bonds are payable from the 2021 Installment Sale Payments in an amount equal to the aggregate principal amount of Bonds originally issued by the Authority and authenticated and delivered by the Trustee pursuant to the Trust Agreement and enjoy the benefits of a security interest in the moneys held in the funds established pursuant to the Trust Agreement, subject to the provisions of the Trust Agreement permitting the disbursement thereof for or to the purposes and on the conditions and terms set forth therein. The obligation of the City to make the 2021 Installment Sale Payments is a special obligation of the City payable from the Revenues, and do not constitute a debt of the City or of the State of California or of any political subdivision thereof within the meaning of any constitutional or statutory debt limitation or restriction.

The Trustee has no obligation or liability to the registered owners of the Bonds for the payment of the interest or principal on the Bonds. Rather, the Trustee's sole obligations are to administer, for the benefit of the City and the Authority and the registered owners of the Bonds, the various funds established under the Trust Agreement and the Agreement. The Authority has no obligation or liability whatsoever to the registered owners of the Bonds.

The registered owner hereby has an interest in the 2021 Installment Sale Payments payable pursuant to the Agreement, as set forth in the Trust Agreement.

The Authority has certified to the Trustee that all acts, conditions, and things required by the statutes of the State of California and the Trust Agreement to exist, to have happened, and to have been performed precedent to and in connection with the issuance, authentication, and delivery of this Bond do exist, have happened, and have been performed in regular and due time, form, and manner as required by law, and that the Trustee is duly authorized to execute and deliver this Bond. This is to further certify that the amount of this Bond, together with all other Bonds executed and delivered under the Trust Agreement, is not in excess of the amount of Bonds authorized to be issued, authenticated, and delivered thereunder.

IN WITNESS WHEREOF, this Authority has caused this Bond to be executed in its name and on its behalf by the manual or facsimile signature of the President of the Authority and countersigned by the manual or facsimile signature of the Secretary of the Authority, and has caused this Bond to be dated as of the Dated Date specified above.

INDEPENDENT CITIES FINANCE AUTHORITY

President

Countersigned:

Authority Secretary

FORM OF CERTIFICATE OF AUTHENTICATION

This is one of the Bonds described in the within-mentioned Trust Agreement which has been registered and authenticated on _____, 2021.

U.S. BANK NATIONAL ASSOCIATION, as
Trustee

By:

Authorized Signatory

FORM OF ASSIGNMENT

For value received, the undersigned do(es) hereby sell, assign and transfer unto _____, whose address is _____ and whose social security or Taxpayer Identification No. is _____, the within Bond and do(es) hereby irrevocably constitute and appoint _____ attorney to transfer such Bond on the Bond register of the Trustee, with full power of substitution in the premises.

Dated:

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.

Signature must be guaranteed by an eligible guarantor institution.

EXHIBIT B

FORM REQUISITION FROM THE PROJECT FUND

To: U.S. Bank National Association, as Trustee
From: City of Compton, California
Dated Date:
Re: Independent Cities Finance Authority (City of Compton, California), Sales Tax Revenue Bonds, Series 2021

Requisition No. ____

The undersigned, on behalf of the City of Compton, California (the "City"), acting as agent of the Authority pursuant to the Agreement, hereby requests payment, from the Project Fund, the amount of \$_____ [by wire/check/ACH (circle one)] for the following purpose for which the City is authorized to expend moneys:

If the payment is by wire or ACH, please fill in the following information:

Name, Address and Phone Number of Bank:

ABA#:

Account No.:

The undersigned hereby certifies as follows:

1. The amount requisitioned hereby is for a Project Cost incurred in connection with the Project, is properly chargeable to the Project Fund and has not been the subject of any previous requisition. The name and address of the person or persons to whom said amounts are to be disbursed and the amounts to be disbursed are as follows:

2. As of the date hereof, no event has occurred and is continuing which constitutes an Event of Default under the Agreement or would constitute an Event of Default but for the requirement that notice be given, or time elapse, or both.

3. The information contained herein is true and correct as of the date of this Requisition.

4. Capitalized terms will herein have the meanings assigned to such terms in the Trust Agreement, dated as of [_____] 1], 2021, among the Independent Cities Finance Authority, U.S. Bank National Association, and the City.

Authorized City
Representative

EXHIBIT C

FORM OF INVESTOR LETTER

Independent Cities Finance Authority
Lancaster, California

City of Compton
Compton, California

Raymond James & Associates, Inc.
Pasadena, California

Re: \$ _____ INDEPENDENT CITIES FINANCE AUTHORITY
(CITY OF COMPTON, CALIFORNIA)
SALES TAX REVENUE BONDS, SERIES 2021

To the Addressees:

The undersigned is a duly authorized officer of _____, a [state/federal bank] organized and existing under the laws of the [State of _____/United States of America] (the “Purchaser”). The undersigned acknowledges receipt, on behalf of Purchaser, of the fully executed Independent Cities Finance Authority (City of Compton, California) Sales Tax Revenue Bonds, Series 2021, dated _____, 2021, in the principal amount of \$ _____ (the “Bonds”). The undersigned represents, warrants, and covenants in conjunction with its purchase of the Bonds that:

1. Purchaser agrees to the terms and provisions set forth in the Bonds.
2. Purchaser has such knowledge and experience in financial and business matters that it is capable of evaluating the merits and risks of prospective investments without reliance upon others. In reaching the conclusion that it desires to acquire the Bonds, Purchaser has carefully evaluated all risks associated with this purchase and acknowledges that it is able to bear the economic risk of this purchase.
3. Purchaser is [an institutional “accredited investor” within the meaning of Rule 501(a) promulgated under the Securities Act of 1933, as amended (the “1933 Act”)]/[a “qualified institutional buyer” as defined in Rule 144A promulgated under the Securities Act of 1933, as amended (the “1933 Act”)].
4. Purchaser presently intends to hold the Bonds to maturity, earlier redemption, or mandatory tender. Purchaser is purchasing the Bonds for investment for its own account or for its loan portfolio and is not purchasing the Bonds for resale or other disposition, and Purchaser has no present intention of reselling or otherwise disposing of all or any part of the Bonds or dividing its interest therein; however, Purchaser reserves the right to sell participation interests in or otherwise dispose of the Bonds in the future as it chooses. Purchaser agrees that it will not sell, transfer, assign, or otherwise dispose of the Bonds or such ownership interests therein (1) unless it obtains from the purchaser and delivers to the Issuer either (a) a letter similar in form

and substance to this letter, or (b) a written acknowledgement that such purchaser is either (i) an institutional “accredited investor” within the meaning of Rule 501(a) promulgated under the 1933 Act, or (ii) a “qualified institutional buyer” as defined in Rule 144A promulgated under the 1933 Act; and (2) except in compliance with the applicable provisions of the 1933 Act, the Securities Exchange Act of 1934, as amended (the “1934 Act”), any rules and regulations promulgated under either the 1933 Act or the 1934 Act, and the applicable securities laws of any other jurisdiction. Purchaser further agrees that it shall furnish to any purchaser of the Bonds all information required by applicable law.

5. The Purchaser (a) is a bank, any entity directly or indirectly controlled by the bank or under common control with the bank, other than a broker, dealer or municipal securities dealer registered under the 1934 Act, or a consortium of such entities; and (b) has the present intent to hold the Bonds to maturity; provided, however, that the Purchaser shall not be precluded from transferring, participating or assigning its interest in the Bonds in accordance with the terms and conditions set forth in the Trust Agreement. The Purchaser understands that it may need to bear the risks of this investment for an indefinite period of time, since a sale of the Bonds, or any portion thereof, may not be possible. The Purchaser is not participating, directly or indirectly, in a distribution of the Bonds and will not take, or cause to be taken, any action that would cause the Purchaser to be deemed an “underwriter” of such Bonds as defined in Section 2(a)(11) of the 1933 Act. The Purchaser understands that the Issuer has no obligation to register the Bonds for resale under the 1933 Act. The Purchaser further understands that the Bonds are being sold in a transaction that is exempt from the registration requirements of the 1933 Act. The Purchaser acknowledges that the City will not be entering into a continuing disclosure undertaking for the Bonds pursuant to Section 15c2-12 of the Securities Exchange Act of 1934, as amended; provided, however, that the City has agreed in the Continuing Disclosure Agreement dated as of _____ 1, 2021, between the City and Willdan Financial Services, to provide certain ongoing information to the Purchaser.

5. The Purchaser has received and carefully read all information and other items of disclosure relating to the City, the Issuer, and the Bonds that the Purchaser has deemed material for it to make an informed lending decision with respect to its purchase of the Bonds and, in connection therewith, has had access to all other materials, books, records, documents, and information relating to the City, the Issuer, and the Bonds, and has been able to verify the accuracy of, and supplement, the information contained therein.

6. The Purchaser acknowledges that it has been supplied with the Limited Offering Memorandum dated as of _____, 2021, relating to the Bonds (the “Limited Offering Memorandum”). The Purchaser has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of making a loan of the proceeds of the Bonds based solely upon (i) the Limited Offering Memorandum, (ii) it’s or such representative’s personal knowledge of the business and affairs of the City; and (iii) the independent inquiries and investigations undertaken by it or such representative.

7. The Purchaser represents that it can bear the economic risk of loss of the Bonds.

8. No person has given any information or made any representation not contained in the Limited Offering Memorandum referred to above or otherwise provided to the Purchaser in

writing by a person employed or authorized in writing by the Successor Agency. The Purchaser understands and agrees that any information or representation not contained therein must not, and will not, be relied upon and that nothing contained therein should be construed as legal or tax advice to the Purchaser.

9. The signatory of this letter is a duly authorized officer of the Purchaser with the authority to sign this letter on behalf of the Purchaser, and this letter has been duly authorized, executed, and delivered by the Purchaser.

10. The Purchaser understands that the purchase of the Bonds involves significant credit risks. The Purchaser is aware that there are certain economic and regulatory variables and risks that could adversely affect the security for the Bonds. The Purchaser has reviewed the documents executed in conjunction with the issuance of Bonds, or summaries thereof, including, without limitation, the Indenture.

11. The Purchaser acknowledges and agrees that the Underwriter, the Issuer, and the City take no responsibility for, and make no representation to the Purchaser, or any subsequent purchaser, with regard to, a sale, transfer or other disposition of the Bond in violation of the provisions of the Trust Agreement, or any securities law or income tax law consequences thereof. The Purchaser also acknowledges that, with respect to the City's obligations and liabilities, the Purchaser is solely responsible for compliance with the sales restrictions on the Bond in connection with any subsequent transfer of the Bonds made by the Purchaser.

12. The Purchaser has been informed that the Bonds [(i)] have not been and will not be registered or otherwise qualified for sale under the "Blue Sky" laws and regulations of any jurisdiction, (ii) will not be listed on any stock or other securities exchange [and (iii) will carry no rating from any rating service.]

13. The Purchaser acknowledges that the sale of the Bonds to the Purchaser is made in reliance upon the certifications, representations and warranties herein by the addresses hereto.

Capitalized terms used herein and not otherwise defined have the meanings given such terms in the Trust Agreement.

Signed and delivered as of the date shown above.

Sincerely yours,

[PURCHASER FULL CORPORATE NAME]

Signed by:
Print Name:
Print Title: