
REDEVELOPMENT AGENCY OF THE CITY OF SPARKS, NEVADA

as Grantor

AND

U.S. BANK NATIONAL ASSOCIATION,

as Trustee

INDENTURE OF TRUST

Dated as of October 1, 2016

This instrument has been entered into by the REDEVELOPMENT AGENCY OF THE CITY OF SPARKS, Nevada and the Trustee in order to secure certain Redevelopment Agency of the City of Sparks, Nevada, Tax Increment Revenue Refunding Bonds (Redevelopment Area No. 2), Series 2016, issued in the original aggregate principal amount of \$9,660,000, as more fully described herein.

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INDENTURE OF TRUST

This INDENTURE OF TRUST, dated as of October 1, 2016, including any amendments hereto made in accordance herewith (the “Indenture”), is between the REDEVELOPMENT AGENCY OF THE CITY OF SPARKS (the “Agency”), a public body corporate and politic duly organized and existing as a redevelopment agency under the laws of the State of Nevada, as grantor, and 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, as trustee.

WITNESSETH:

WHEREAS, the Agency is a public body corporate and politic, and has been duly organized, established and authorized by the City of Sparks, Nevada (the “City”) to transact business and exercise its powers as a redevelopment agency, all under and pursuant to the Community Redevelopment Law, consisting of NRS 279.382 to 279.685, inclusive, as amended (the “Act”); and

WHEREAS, a redevelopment plan, known as the “Redevelopment Area No. 2 Plan” (the “Redevelopment Plan”), has been duly and regularly approved by the City Council of the City pursuant to Resolution No. 2030 adopted on June 28, 1999, adopting the Redevelopment Plan and making certain findings for a redevelopment project under the Act known and designated as the “Redevelopment Area No. 2 Project” (the “Redevelopment Project”); and

WHEREAS, all applicable requirements of the Act and other provisions of law for and precedent to the adoption and approval by the City of the Redevelopment Plan have been duly complied with; and

WHEREAS, in order to finance a portion of the Redevelopment Project, the Agency has heretofore issued its “Redevelopment Agency of the City of Sparks, Nevada, Tax Increment Revenue Bonds (Redevelopment Area No. 2) Series 2008” (the “2008 Bonds”), pursuant to that certain Indenture of Trust, dated as of July 1, 2008, between the Agency and U.S. Bank National Association, as trustee (the “Trustee”); and

WHEREAS, pursuant to the Act, the Agency has the power and authority to issue refunding bonds for the purpose of paying or retiring bonds previously issued by it; and

WHEREAS, in order to provide funds to defray a portion of the costs of defeasing and refunding the 2008 Bonds and thereby refinance a portion of the Redevelopment Project (including, without limitation, the payment of issuance expenses and other incidental expenses), the Agency deems it necessary to issue at this time \$9,660,000 aggregate principal amount of its “Redevelopment Agency of the City of Sparks, Nevada, Tax Increment Revenue Refunding Bonds (Redevelopment Area No. 2), Series 2016” (the “Bonds”), which shall be payable from and secured by the Trust Estate (as defined herein); and

WHEREAS, the Agency has previously pledged the Pledged Property Tax Revenues (as defined herein) to the repayment of a Loan Agreement, dated as of March 29, 2007 (the “Loan Agreement”), between the Agency and the City, which pledge of the Pledged

Property Tax Revenues is subordinate to the lien on the Pledged Property Tax Revenues of the Bonds; and

WHEREAS, the Agency has previously pledged the Pledged Property Tax Revenues to the repayment of its “City of Sparks, Nevada, Subordinate Lien Tax Increment Revenue Refunding Bonds (Redevelopment Area No. 2), Series 2014” (the “2014 Bonds”), issued in the original aggregate principal amount of \$7,285,000, which pledge of the Pledged Property Tax Revenues is subordinate to the lien on the Pledged Property Tax Revenues of the Bonds; and

WHEREAS, the Agency has previously pledged the Property Tax Revenues to the repayment of the 2008 Bonds, all of which are being refunded and defeased on the date hereof with the net proceeds of the Bonds and certain other legally available funds of the Agency; and

WHEREAS, except as set forth above, the Agency has not otherwise pledged the Trust Estate for the payment or redemption of any outstanding securities payable from the Trust Estate, or otherwise, with the result that the Trust Estate may be pledged lawfully and irrevocably to secure the payment of the Bonds; and

WHEREAS, all things necessary to make the Bonds, when authenticated by the Trustee and issued as in this Indenture provided, the valid, binding and legal obligations of the Agency according to their terms, and to constitute this Indenture a valid assignment and pledge of the amounts pledged to the payment of the principal of and interest on the Bonds have been done and performed, and the execution and delivery of this Indenture, and the execution, authentication and issuance of the Bonds, subject to the terms of this Indenture, have in all respects been duly authorized.

NOW, THEREFORE, THIS INDENTURE OF TRUST WITNESSETH:

GRANTING CLAUSES

That the Agency, in consideration of the premises and the acceptance by the Trustee of the trusts hereby created and of the purchase and acceptance of the Bonds by the Registered Owners thereof (as hereinafter defined), and of the sum of one dollar (\$1.00), lawful money of the United States of America, to it duly paid by the Trustee at or before the execution and delivery of these presents, and for other good and valuable consideration, the receipt of which is hereby acknowledged, in order to secure the payment of the principal of and interest on the Bonds according to their tenor and effect, and to secure the performance and observance by the Agency of all of the covenants expressed or implied herein and in the Bonds, does hereby pledge and assign the following to the Trustee and its successors in trust and assigns forever, in order to secure the performance of the obligations of the Agency hereinafter set forth:

GRANTING CLAUSE FIRST

The Pledged Revenues, as hereinafter defined and provided; and

GRANTING CLAUSE SECOND

All moneys and securities from time to time held by the Trustee under the terms of this Indenture in the Trust Accounts (as hereinafter defined), except for moneys deposited with or paid to the Trustee for the redemption of less than all of the Outstanding Bonds, notice of the redemption of which shall have been duly given.

TO HAVE AND TO HOLD all and singular such Trust Estate, whether now owned or hereafter acquired and conveyed (by supplemental indenture or otherwise), unto the Trustee and its respective successors and assigns in said trust forever;

IN TRUST NEVERTHELESS, upon the terms and trusts in this Indenture set forth for the equal and proportionate benefit, security and protection of all present and future Registered Owners of the Bonds from time to time issued under and secured by this Indenture, without privilege, priority or distinction as to the lien or otherwise of any of the Bonds over any of the other Bonds;

PROVIDED, HOWEVER, that if the Agency, its successors or assigns shall well and truly pay, or cause to be paid, the principal of and interest on the Bonds due or to become due thereon, at the times and in the manner set forth in the Bonds according to the true intent and meaning thereof, and shall cause the payments to be made on the Bonds as required under Article V hereof, or shall provide, as permitted hereby, for the payment thereof in accordance with Article VII hereof, and shall well and truly cause to be kept, performed and observed all of its covenants and conditions pursuant to the terms of this Indenture, and shall pay or cause to be paid to the Trustee all sums of money due or to become due to the Trustee in accordance with the terms and provisions of this Indenture, then upon the final payment thereof, this Indenture and the rights hereby granted shall cease, determine and be void; otherwise this Indenture shall remain in full force and effect.

THIS INDENTURE OF TRUST FURTHER WITNESSETH, and it is expressly declared, that all Bonds issued and secured hereunder are to be issued, authenticated and delivered and all said property, rights and interests, including, without limitation, the Trust Estate, are to be dealt with and disposed of under, upon and subject to the terms, conditions, stipulations, covenants, agreements, trusts, uses and purposes as in this Indenture expressed, and the Agency has agreed and covenanted and does hereby agree and covenant with the Trustee and with the respective Registered Owners of the Bonds as follows:

ARTICLE I.

DEFINITIONS

Section 1.01. Definitions. As used in this Indenture, the following terms shall have the following meanings:

“2008 Bonds” means the Redevelopment Agency of the City of Sparks, Tax Increment Revenue Bonds (Redevelopment Agency No. 2), Series 2008, issued in the original aggregate principal amount of \$12,700,000.

“2008 Indenture” means the Indenture of Trust, dated as of July 1, 2008, between the Agency and U.S. Bank National Association, as trustee, which authorized the issuance of the 2008 Bonds, including the Exhibit thereto, and including any indenture supplemental hereto or any amendment hereof, from time to time entered into in accordance with the provisions hereof.

“Act” means the Community Redevelopment Law, consisting of NRS 279.382 to 279.680, inclusive, as from time to time amended and supplemented.

“Additional Parity Obligations” means additional obligations which have a lien on the Pledged Revenues that is on a parity with the lien thereon of the Bonds, as permitted under Section 2.11 hereof.

“Agency” means the Redevelopment Agency of the City of Sparks, a redevelopment agency duly organized and existing under the Act, and its successors and assigns.

“Agency Representative” means the Chairperson of the Agency, the Treasurer of the Agency and the Chief Administrative Officer of the Agency and any other Person or Persons at the time designated to act on behalf of the Agency by a written certificate furnished to the Trustee containing the specimen signature of such Person or Persons and signed on behalf of the Agency by its Chairman, Vice Chairman or Secretary. Such certificate may designate an alternate or alternates.

“Assessor” means the tax assessor of the County and any successor thereto.

“Average Annual Principal and Interest Requirements” means the average of the sum of the principal of and interest on the Bonds or, to the extent required by this Indenture, Additional Parity Obligations, to be paid during any Fiscal Year for the period beginning with the Fiscal Year after the date such computation is made and ending with the Fiscal Year in which any Bond last becomes due at maturity or by a redemption which has been irrevocably exercised. The computation period shall not include any Fiscal Year after all Bonds mature or are subject to a redemption which has been irrevocably exercised, notwithstanding the fact that Additional Parity Obligations may mature or be subject to redemption in later Fiscal Years. There shall be excluded from the determination of the amount of principal and interest to be paid in any Fiscal Year interest which has been capitalized and principal and interest to the extent payable from an irrevocable deposit in trust of cash or Federal Securities. In the case of any calculation of the Average Annual Principal and Interest Requirements to be paid in the future on any bonds with respect to which the Agency expects to receive a BAB Credit, “interest” for any year shall be

treated as the amount of interest to be paid by the Agency on those bonds in that year less the amount of the BAB Credit then expected to be paid by the United States with respect to interest payments on those bonds in that year and required by the resolution, indenture or other instrument authorizing those bonds to be used to pay interest on those bonds in that year or to reimburse the Agency for amounts already used to pay interest on those bonds in that year. If the BAB Credit is not expected to be received as of the date of such a calculation, “interest” shall be the total amount of interest to be paid by the Agency on the bonds without a deduction for the credit to be paid by the United States under Section 6431 of the Tax Code. The Treasurer may certify in writing the expected amount and expected date of receipt of any BAB Credit, and that certificate shall be conclusive for purposes of this Indenture.

“BAB Credit” means the credit provided in Section 6431 of the Code in lieu of any credit otherwise available to the bond holders under section 54AA(a) of the Code.

“Bond Resolution” means the resolution adopted by the Agency authorizing the execution of this Indenture, the issuance, sale and delivery of the Bonds, and certain other matters.

“Bonds” means the Redevelopment Agency of the City of Sparks, Tax Increment Revenue Refunding Bonds (Redevelopment Agency No. 2), Series 2016, in the aggregate principal amount of \$9,660,000, authorized and issued pursuant to Article II hereof.

“Business Day” means any day other than a Saturday, Sunday, legal holiday, or other day on which the New York Stock Exchange, the Federal Reserve Bank or banking institutions in the city in which the Trustee has its principal corporate trust office are authorized or required by law to close.

“City” means the City of Sparks, Nevada, and its successors and assigns.

“Code” means the Internal Revenue Code of 1986, as amended to the date of delivery of the Bonds, and applicable regulations and rulings presently or hereafter promulgated or proposed thereunder or under any predecessor thereto.

“County” means Washoe County, Nevada and its successors.

“Debt Service Account” means the Trust Account by that name established pursuant to Section 4.01 hereof.

“Default Rate” means the then applicable interest rate plus three hundred (300) basis points.

“Determination of Taxability” means and shall be deemed to have occurred on the first to occur of the following:

- (i) on that date when the Agency files any statement, supplemental statement or other tax schedule, return or document which discloses that an Event of Taxability shall have occurred;

- (ii) on the date when the Bank notifies the Agency that it has received a written Opinion from Bond Counsel to the effect that an Event of Taxability has occurred, which notice shall be accompanied by a copy of such Opinion of Bond Counsel, unless, within 180 days after receipt by the Agency of such notification and copy of such opinion from the Bank, the Agency shall deliver to the Bank a ruling or determination letter issued to or on behalf of the Agency by the Commissioner or any District Director of the Internal Revenue Service (or any other governmental official exercising the same or a substantially similar function from time to time) to the effect that, after taking into consideration such facts as form the basis for the opinion that an Event of Taxability has occurred, an Event of Taxability shall not have occurred;
- (iii) on the date when the Agency shall be advised in writing by the Commissioner or any District Director of the Internal Revenue Service (or any other government official or agent exercising the same or a substantially similar function from time to time) that, based upon any review or audit or upon any other ground whatsoever, an Event of Taxability has occurred; or
- (iv) on the date when the Agency shall receive notice from the Bank that the Internal Revenue Service (or any other government official or agency exercising the same or a substantially similar function from time to time) has assessed the interest on the Bonds as includable in the gross income of an Owner or former Owner of the Bonds due to the occurrence of an Event of Taxability, provided that such Owner or former Owner has provided a copy of such amounts to the Agency;

provided, however, that no Determination of Taxability shall occur under subparagraph (iii) or subparagraph (iv) above unless the Agency has been afforded the opportunity, at its expense, to contest any such assessment, and, further, no Determination of Taxability shall occur until such contest, if made, has been finally determined; *provided further, however,* that upon demand from the Bank following an event listed in subparagraphs (i), (ii), (iii) or (iv), the Agency shall reimburse an Owner or former Owner of the Bonds for any payments, including any taxes, interest, penalties or other charges, such Owner or former Owner of the Bonds shall be obligated to make to the Internal Revenue Service as a result of the Determination of Taxability.

“Escrow Account” means the escrow account established pursuant to the Escrow Agreement to hold the monies necessary to defease and refund the 2008 Bonds.

“Escrow Agreement” means the Escrow Agreement, dated October 11, 2016, between the Agency and the Escrow Bank related to the defeasing and refunding of the 2008 Bonds.

“Escrow Bank” means U.S. Bank National Association, and its permitted successors and assigns, as the escrow bank under the Escrow Agreement.

“Event of Default” means any occurrence or event specified in Section 8.01 hereof.

“Event of Taxability” means any action taken or not taken by the Agency which has the effect of causing interest paid or payable on the Bonds to be includable, in whole or in part, in the gross income of the holder of the Bonds for federal income tax purposes.

“Federal Tax Exemption Certificate” means the certificate concerning compliance with the requirements of the Code in relation to the Agency’s covenants under Section 5.08 hereof, to be delivered at the time of delivery of the Bonds, and including any supplements or amendments thereto.

“Fiscal Year” means the fiscal year of the Agency, which currently begins on July 1 of each year and ends on June 30 of such year.

“Governmental Obligations” means any of the following which are noncallable and which at the time of investment are legal investments under the laws of the State for the moneys proposed to be invested therein:

(a) Direct general obligations of, or obligations the payment of principal of and interest on which are unconditionally guaranteed by, the United States of America;

(b) Bonds, debentures, notes or other evidences of indebtedness issued or guaranteed by any of the following: Bank for Cooperatives; Federal Intermediate Credit Banks; Federal Home Loan Banks; Federal Farm Credit Banks; Export-Import Bank of the United States; Federal Land Banks; Government National Mortgage Association; Federal Financing Bank; or Small Business Administration; or any other agency or instrumentality of the United States of America (created by an Act of Congress) substantially similar to the foregoing in its legal relationship to the United States of America; provided, however, that at the time of purchase or investment, such obligations are rated in the highest rating category of Standard & Poor’s Corporation and Moody’s;

(c) Repurchase agreements for obligations described in clause (a) or (b) of this definition; provided, however, that the Persons with which such agreements are made grant and assign to the Trustee, pursuant to then current regulations or other provisions of law, a security interest in obligations described in clause (a) or (b) above having a market value, established to the satisfaction of the Trustee, at least equal to the moneys invested in such repurchase agreements and which value is confirmed to the satisfaction of the Trustee not less often than monthly; and

(d) Evidences of ownership of proportionate interests in future interest and principal of obligations described in paragraph (a) or (b) of this definition where (i) a bank or trust company acts as custodian and holds the underlying obligations; (ii) the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor of the underlying

obligations; and (iii) the underlying obligations are held in a special account separate and apart from the general assets of the custodian, and are not available to satisfy any claim of the custodian, any Person claiming through the custodian, or any Person to whom the custodian may be obligated.

“Income Account” means the Income Account created pursuant to the 2008 Indenture, which shall be deemed to govern the Agency’s deposit obligations hereunder and which shall survive the termination of the 2008 Indenture.

“Indenture” means this Indenture of Trust, dated as of October 1, 2016, including Exhibit A attached hereto, and including any indenture supplemental hereto or any amendment hereof, from time to time entered into in accordance with the provisions hereof.

“Independent Counsel” means an attorney duly admitted to practice law before the highest court of any state and who is not a full-time employee, owner or director of the Agency, the City or the Trustee.

“Maximum Annual Debt Service” means, as of the date of calculation, an amount equal to the maximum annual principal and interest requirements due on the Bonds or, to the extent required by this Indenture and any Additional Parity Obligations in any Fiscal Year. In the case of any calculation of the Maximum Annual Debt Service to be paid in the future on any bonds with respect to which the Agency expects to receive a BAB Credit, “interest” for any year shall be treated as the amount of interest to be paid by the Agency on those bonds in that year less the amount of the BAB Credit then expected to be paid by the United States with respect to interest payments on those bonds in that year and required by the resolution, indenture or other instrument authorizing those bonds to be used to pay interest on those bonds in that year or to reimburse the Agency for amounts already used to pay interest on those bonds in that year. If the BAB Credit is not expected to be received as of the date of such a calculation, “interest” shall be the total amount of interest to be paid by the Agency on the bonds without a deduction for the credit to be paid by the United States under Section 6431 of the Tax Code. The Treasurer may certify in writing the expected amount and expected date of receipt of any BAB Credit, and that certificate shall be conclusive for purposes of this Indenture.

“Original Purchaser” means Umpqua Bank, on behalf of itself and its successors and assigns.

“Outstanding” or “Bonds Outstanding” means all Bonds which have been authenticated and delivered by the Trustee under this Indenture, except:

- (a) Bonds canceled after purchase in the open market or because of payment at or redemption prior to maturity;
- (b) Bonds paid or deemed to be paid in accordance with the provisions of Article VII of this Indenture; and
- (c) Bonds in lieu of which others have been authenticated under Section 2.07 or Section 2.08 hereof.

“Permitted Investments” means any investment which at the time of investment is a legal investment under the laws of the State for the moneys proposed to be invested therein.

“Person” means an individual, partnership, corporation, trust or unincorporated organization, or a government or agency, instrumentality, program, account, fund, political subdivision or corporation thereof.

“Pledged Property Tax Revenues” means, for each Fiscal Year, the taxes (including all payments, reimbursement and subventions, if any, specifically attributable to the ad valorem taxes lost by reason of tax exemption and tax rate limitations) eligible for allocation to the Agency pursuant to the Act, as provided in the Redevelopment Plan; provided, however, that such amount shall be reduced by any lawful collection fee charged by the County.

“Pledged Revenues” means (a) the Pledged Property Tax Revenues, and (b) all income from the investment and reinvestment of the Trust Accounts.

“Rebate Account” means the Rebate Account established pursuant to Section 4.01 hereof.

“Record Date” means the 15th day of the calendar month next preceding an interest payment date for the Bonds, whether or not a business day.

“Redevelopment Area” means the Redevelopment Area described in the Redevelopment Plan.

“Redevelopment Plan” means the “Redevelopment Area No. 2 Plan”, as amended from time to time in accordance with the Act and this Indenture.

“Registered Owner” or “Owner” of a Bond means the Person or Persons in whose name or names a Bond shall be registered on the records of the Agency kept for that purpose by the Trustee in accordance with the provisions of this Indenture.

“Reserve Account Requirement” means, for any series of Additional Parity Obligations, an amount equal to the lesser of ten percent (10%) of the stated principal amount of the issue, unless original issue discount or premium on the Additional Parity Obligations exceeds 2%, then 10% of the issue price of the Additionally Parity Obligations, 125% of the Average Annual Principal and Interest Requirements, or Maximum Annual Debt Service. The Reserve Account Requirement shall be recalculated after the payment of principal of the Additional Parity Obligations or any redemption of the Additional Parity Obligations. For the avoidance of any doubt, there is no reserve account or Reserve Account Requirement for the Bonds.

“Special Record Date” means a special date fixed to determine the names and addresses of Registered Owners for purposes of paying defaulted interest on the Bonds on a special interest payment date, all as further provided in Section 2.02 of this Indenture.

“State” means the State of Nevada.

“Subordinate Obligations” means the 2014 Bonds and the Loan Agreement (as defined in the recitals hereof) with a lien on the Pledged Property Tax Revenues that is subordinate and junior to the lien thereon of the Bonds and any additional obligations with a lien on all or a portion of the Pledged Revenues that is subordinate and junior with the lien thereon of the Bonds, as permitted under Section 2.11 hereof.

“Taxable Rate” means 3.420%.

“Treasurer” means the Treasurer of the City, ex officio Chief Financial Officer of the Agency and any successor thereto.

“Trust Estate” means the rights, property and interests pledged and assigned by the Agency under this Indenture to the Trustee pursuant to the Granting Clauses of this Indenture.

“Trust Accounts” means the Income Account and the Debt Service Account.

“Trustee” means U.S. Bank National Association, a national banking association duly organized and existing under and by virtue of the laws of the United States of America, having its corporate trust office in Phoenix, Arizona, and its successors, or any successor Trustee at the time serving as successor trustee hereunder.

“Trustee Representative” means the Person or Persons at the time designated to act on behalf of the Trustee by a written certificate furnished to the Agency containing the specimen signature of such Person or Persons and signed on behalf of the Trustee by an officer of the Trustee. Such certificate may designate an alternate or alternates.

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ARTICLE II.

THE BONDS

Section 2.01. Authorized Amount of Bonds. The total principal amount of Bonds that may be issued by the Agency under this Indenture is hereby expressly limited to \$9,660,000 in aggregate principal amount, provided that Additional Parity Obligations and Subordinate Obligations may be issued in accordance with Section 2.11 hereof.

Section 2.02. Issuance of Bonds. The Bonds shall be designated the “Redevelopment Agency of the City of Sparks, Tax Increment Revenue Refunding Bonds (Redevelopment Agency No. 2), Series 2016.” The Bonds shall be issuable only as fully registered Bonds without coupons in denominations of \$250,000 and integral multiples of \$1 in excess thereof. The Bonds shall be numbered in such manner as the Trustee shall determine. The Bonds shall be dated as of their date of delivery to the Original Purchaser. The Bonds shall bear interest from their date at the rates per annum set forth below, payable semiannually on June 1 and December 1 of each year, commencing December 1, 2016; except that Bonds which are reissued upon transfer, exchange or other replacement shall bear such interest from the most recent interest payment date to which interest has been paid, or if no interest has been paid, from the date of the Bonds. There shall be no CUSIP number for the Bonds.

The Bonds shall mature on June 1, 2028, and shall bear interest at a fixed rate per annum of 2.330% (except when the Default Rate applies pursuant to Section 5.14 or Section 8.02 hereof), calculated on the basis of a 360-day year of twelve 30-day months. From and after an Event of Taxability, following a Determination of Taxability, the Bonds shall bear interest at the Taxable Rate.

Except as set forth in Sections 3.01 and 3.02 hereof, the principal of any Bond shall be payable to the Registered Owner thereof upon maturity or prior redemption thereof and upon presentation and surrender at the corporate trust office designated by the Trustee. Interest on any Bond shall be paid by check or draft of the Trustee mailed by the Trustee, on or before each interest payment date (or, if such interest payment date is not a Business Day, on or before the next succeeding Business Day), to the Registered Owner thereof at the address of such Registered Owner as it appears on the registration records of the Trustee at the close of business on the Record Date. Any such interest not so timely paid or duly provided for shall cease to be payable to the Person who is the Registered Owner of the applicable Bond on the Record Date and shall be payable to the Person who is the Registered Owner thereof at the close of business on a Special Record Date for the payment of any such defaulted interest. Such Special Record Date and the date fixed for payment of the defaulted interest shall be fixed by the Trustee whenever moneys become available for payment of the defaulted interest. Notice of the Special Record Date and the date fixed for payment of the defaulted interest shall be given to the Registered Owners of the Bonds not less than ten (10) days prior to the Special Record Date by first-class mail to each such Registered Owner as shown on the registration records on a date selected by the Trustee, stating the date of the Special Record Date and the date fixed for the payment of such defaulted interest. Alternative means of payment of principal and interest may be used if mutually agreed to in writing between the Registered Owner of any Bond and the Trustee. If any Bond shall not be paid upon its presentation and surrender at or after maturity, it

shall continue to draw interest at the rate borne by such Bond until the principal thereof is paid in full. All such payments shall be made in lawful money of the United States of America.

Section 2.03. Execution; Limited Obligation; Use of Proceeds of Bonds and Other Moneys.

(a) The Bonds shall be executed on behalf of the Agency with the manual or facsimile signature of its Chairman or Vice Chairman, shall bear the official seal of the Agency or a facsimile thereof, and shall be attested with the manual or facsimile signature of the Secretary of the Agency. All facsimile signatures and seals shall have the same force and effect as if manual.

(b) The Bonds are and shall be special, limited obligations of the Agency, equally and ratably secured by an irrevocable pledge of and an irrevocable and second lien (subject to Section 9.02 hereof concerning payment of fees, charges and expenses of the Trustee upon an Event of Default) on, and payable as to principal and interest solely from, the Trust Estate (provided that the lien of the Bonds on the Trust Estate shall not necessarily be exclusive, as provided in Section 2.11 hereof) and superior to the lien on the Pledged Revenues of the Subordinate Obligations. There shall be no priority between or among the Bonds with respect to number, date of sale, date of execution or date of delivery. The principal of and interest on the Bonds shall not constitute an indebtedness of the City, the State or any other political subdivision thereof, and neither the City, the State nor any political subdivision thereof other than the Agency shall be liable thereon, nor shall the principal of or interest on the Bonds constitute general obligations of the Agency or be payable out of any funds or properties of the Agency other than the Trust Estate herein granted by the Agency. Further, the Bonds shall not constitute a debt or an indebtedness within the meaning of any constitutional, statutory or charter debt limitation or provision applicable to the City. Neither the members of the Agency nor any Persons executing the Bonds shall be liable personally on the Bonds.

(c) The net amount of the Bonds received by the Agency (i.e., \$9,651,500, which amount consists of the aggregate principal amount of \$9,660,000, minus \$8,500 withheld for the payment of the Original Purchaser's counsel's fee) shall be allocated as follows:

(1) At the direction of the Agency, an amount equal to \$9,530,211 shall be paid by the Original Purchaser to the Escrow Bank for deposit into the Escrow Account and be used, together with other available monies, to defease and refund the 2008 Bonds.

(2) At the direction of the Agency, an amount equal to \$121,289 shall be paid by the Original Purchaser to the Trustee on behalf of the Agency and be used to pay the costs of issuing the Bonds. Any of such proceeds remaining after all such expenses are paid shall be paid by the Agency to the Trustee for deposit into the Debt Service Account.

Section 2.04. Authentication. No Bond shall be valid or obligatory for any purpose or entitled to any security or benefit under this Indenture unless and until a certificate of

authentication on such Bond substantially in the form set forth in Exhibit A to this Indenture shall have been duly manually executed by the Trustee, and such manually executed certificate of the Trustee upon any such Bond shall be conclusive evidence that such Bond has been authenticated and delivered under this Indenture. The certificate of authentication of the Trustee on any Bond shall be deemed to have been executed by the Trustee if manually signed by an authorized representative of the Trustee, but it shall not be necessary that the same representative execute the certificate of authentication on all of the Bonds.

Section 2.05. Form of Bonds. The Bonds, the certificate of authentication of the Trustee to be endorsed on the Bonds, and certain other forms and certifications to appear on the Bonds, shall be in substantially the forms set forth in Exhibit A to this Indenture, with such variations, omissions and insertions as may be appropriate under the circumstances and are not inconsistent with this Indenture.

Section 2.06. Delivery of Bonds. Upon the execution and delivery of this Indenture, the Agency shall execute and deliver the Bonds to the Trustee, and the Trustee shall authenticate the Bonds in the aggregate principal amount of \$9,660,000. The Trustee shall thereupon register the Bonds in such names and in such authorized denominations as the Original Purchaser shall direct, and shall deliver the authenticated Bonds to the Original Purchaser upon payment therefor.

Prior to the delivery by the Trustee of the Bonds there shall be filed with or provided to the Trustee:

- (a) a copy, duly certified by the Secretary of the Agency, of the Bond Resolution adopted by the Agency authorizing the issuance of the Bonds and the execution and delivery of this Indenture;
- (b) original executed counterparts of this Indenture; and
- (c) a request and authorization to the Trustee on behalf of the Agency and signed by an Agency Representative to authenticate and deliver the Bonds to the Original Purchaser upon payment to the Trustee, but for the account of the Agency, of a sum specified in such request and authorization plus accrued interest thereon, if any, to the date of delivery, which shall be paid and deposited pursuant to Section 2.03 hereof.

Section 2.07. Mutilated, Lost, Stolen or Destroyed Bonds. In the event that any Bond is mutilated, lost, stolen or destroyed, the Trustee may authenticate and issue a new Bond, provided that, in the case of any mutilated Bond, such mutilated Bond shall first be surrendered to the Trustee, and in the case of any lost, stolen or destroyed Bond, there first shall be furnished to the Trustee such evidence, information and indemnity as the Trustee and the Agency may reasonably require. In the event that any such Bond shall have matured, instead of issuing a replacement Bond, the Trustee may pay the same without surrender thereof. The Trustee may charge the Registered Owner of any mutilated, lost, stolen or destroyed Bond with its reasonable fees and expenses for such services.

Section 2.08. Registration and Exchange of Bonds; Persons Treated as Owners. Records for the registration and transfer of the Bonds as provided in this Indenture shall be kept

by the Trustee. Upon surrender for transfer of any Bond at the principal corporate trust office of the Trustee or such other office as may be designated by the Trustee, duly endorsed for transfer or accompanied by an assignment duly executed by the Registered Owner or the attorney for such Registered Owner duly authorized in writing, the Trustee shall enter such transfer on the registration records and shall authenticate and deliver in the name of the transferee or transferees a new Bond or Bonds of the same maturity for a like aggregate principal amount, bearing numbers not previously assigned. The Bonds may only be transferred to either a “qualified institutional buyer” as defined in rule 144A promulgated under the Securities Act of 1933, as amended (the “1933 Act”), or an “accredited investor” as defined in rule 501 of regulation D under the 1933 Act, and upon execution of an investor letter in substantially the form attached hereto as Exhibit “B” or such other form acceptable to the Authority and its bond counsel.

Bonds may be exchanged at the principal corporate trust office of the Trustee or such other office as may be designated by the Trustee for a like aggregate principal amount of Bonds of the same maturity of other authorized denominations. The Trustee shall authenticate and deliver Bonds which the Registered Owner making the exchange is entitled to receive, bearing numbers not previously assigned.

The Trustee shall not be required to transfer or exchange (i) all or any portion of any Bond subject to prior redemption during the period beginning at the opening of business fifteen (15) days before the day of the mailing by the Trustee of notice calling any Bonds for prior redemption and ending at the close of business on the day of such mailing, or (ii) all or any portion of a Bond after the mailing of notice calling such Bond or any portion thereof for prior redemption.

The Trustee may require the payment, by the Registered Owner of any Bond requesting exchange or transfer, of any reasonable charges therefor, as well as any taxes, transfer fees or other governmental charges required to be paid with respect to such exchange or transfer.

Except as otherwise herein provided with respect to Record Dates and Special Record Dates, the person in whose name any Bond shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, whether or not such Bond is overdue, and neither the Agency nor the Trustee shall be affected by any notice to the contrary; and payment of or on account of the principal and interest on any Bond shall be made only to or upon the written order of the Registered Owner thereof or his legal representative, but such registration may be changed as herein provided. All such payments shall be valid and effectual to satisfy and discharge such Bond to the extent of the sum or sums paid.

Subject to the registration provisions hereof, the Bonds shall be fully negotiable and shall have all the qualities of negotiable paper, and the Registered Owners thereof shall possess all rights enjoyed by the holders or owners of negotiable instruments under the provisions of the Uniform Commercial Code - Investment Securities. The principal of and interest on the Bonds shall be paid, and the Bonds shall be transferable, free from and without regard to any equities, set-offs or cross-claims between or among the Agency, the Trustee and the original or any intermediate owner of any Bonds.

Section 2.09. Cancellation of Bonds. Whenever any Outstanding Bond shall be delivered to the Trustee for cancellation pursuant to this Indenture, upon payment thereof or for replacement pursuant to Section 2.07, such Bond shall be promptly canceled by the Trustee, and a counterpart of a certificate of cancellation shall be furnished by the Trustee to the Agency upon request by the Agency.

Section 2.10. Temporary Bonds. The Agency may execute and the Trustee may authenticate and deliver one or more Bonds in temporary form, whether printed, typewritten, lithographed or otherwise produced, substantially in the form herein provided, with appropriate omissions, variations and insertions, and in authorized denominations, pending the preparation of one or more Bonds in definitive form. Until exchanged for Bonds in definitive form, such Bonds in temporary form shall be entitled to the lien and benefit of this Indenture.

Section 2.11. Additional Obligations. To the extent permitted by law and the Redevelopment Plan, and so long as no Event of Default has occurred and is at the time continuing, the Agency may issue Additional Parity Obligations for any lawful purpose; provided, however, that prior to the issuance of any Additional Parity Obligations, the Agency shall furnish to the Trustee and the Original Purchaser (for so long as the Original Purchaser is the Registered Owner of a majority of the Bonds Outstanding) a certificate of the Chairman of the Agency, the City's Director of Financial Services or an independent certified public accountant or firm of certified public accountants to the effect that:

(a) the Pledged Property Tax Revenues available to the Agency for the most recently completed Fiscal Year preceding the date of issuance of any Additional Parity Obligations, shall have been not less than two hundred percent (200%) of the Maximum Annual Debt Service on the Bonds, any Additional Parity Obligations then Outstanding and the Additional Parity Obligations proposed to be issued; or

(b) the Pledged Property Tax Revenues estimated by an independent feasibility or fiscal consultant (i) to be derived in the Fiscal Year in which the Additional Parity Obligations are proposed to be issued, shall be at least equal to one hundred twenty-five percent (125%) of the Maximum Annual Debt Service on the Bonds, any Additional Parity Obligations then Outstanding and the Additional Parity Obligations proposed to be issued, and (ii) to be derived in the first four Fiscal Years immediately succeeding the issuance of the other Additional Parity Obligations proposed to be issued, shall be at least equal to two hundred percent (200%) of such annual principal and interest requirements to be paid during such Fiscal Years on the Bonds, any Additional Parity Obligations then Outstanding and the Additional Parity Obligations proposed to be issued.

The certificate described above shall not be required in connection with the issuance of Additional Parity Obligations for the purpose of refunding any Outstanding Bonds or Additional Parity Obligations as long as the Average Annual Principal and Interest Requirements for the Outstanding Bonds and Additional Parity Obligations (after giving effect to the issuance of the proposed Additional Parity Obligations) do not exceed by more than 10% the Average Annual Principal and Interest Requirements for the then Outstanding Bonds and Additional Parity Obligations as calculated immediately prior to the issuance of such proposed Additional Parity Obligations.

Every issue of Additional Parity Obligations shall be secured by a reserve fund in an amount not less than the Reserve Account Requirement.

So long as no Event of Default has occurred and is at the time continuing, and such obligations may be issued in accordance with law and the Redevelopment Plan, the Agency may issue Subordinate Obligations for any lawful purpose. The documents pursuant to which any such Subordinate Obligations are issued shall not provide for acceleration of the payment of such Subordinate Obligations. No obligations with a lien on the Pledged Revenues which is superior to the lien of the Bonds may be issued by the Agency as long as the Bonds are Outstanding. Nothing in this Indenture shall affect the power of the Agency to issue obligations not secured by any portion of the Trust Estate.

ARTICLE III.

PRIOR REDEMPTION OF BONDS

Section 3.01. Mandatory Sinking Fund Redemption. The Bonds maturing June 1, 2028 (the “Term Bonds”) are subject to mandatory sinking fund redemption at a redemption price equal to 100% of the principal amount thereof plus accrued interest to each mandatory sinking fund redemption date in the principal amounts and on the dates set forth below:

| <u>June 1</u> | <u>Amount</u> |
|---------------|---------------|
| 2017 | \$479,000 |
| 2018 | 740,000 |
| 2019 | 759,000 |
| 2020 | 775,000 |
| 2021 | 794,000 |
| 2022 | 814,000 |
| 2023 | 831,000 |
| 2024 | 854,000 |
| 2025 | 875,000 |
| 2026 | 891,000 |
| 2027 | 915,000 |
| 2028* | 933,000 |

*Maturity date

As and for a sinking fund for the redemption of the Term Bonds, there shall be deposited into the Debt Service Account on or before each mandatory sinking fund redemption date set forth above a sum which, together with other moneys available in the Debt Service Account, is sufficient to redeem (after any credits are applied pursuant to Section 3.02) the Term Bonds required to be called for redemption on such mandatory sinking fund redemption date plus accrued interest thereon to such mandatory sinking fund redemption date.

Not less than thirty days prior to each mandatory sinking fund redemption date set forth above, the Trustee shall proceed to select for redemption (pro rata among Registered Owners, determined by dividing the principal amount of Outstanding Bonds owned by each Registered Owner by the total amount of Bonds Outstanding) from all Outstanding Term Bonds a principal amount of Term Bonds equal to the aggregate principal amount of Term Bonds required to be called for mandatory sinking fund redemption on such mandatory sinking fund redemption date, and shall call such Term Bonds for redemption from the mandatory sinking fund on the next mandatory sinking fund redemption date and give notice of such call as provided in Section 3.03. Notwithstanding the foregoing, notice of any mandatory sinking fund redemption of the Bonds shall not be required if all of the Bonds are owned by a single Registered Owner or if such notice has been waived by any Registered Owner.

The Trustee shall pay the principal of and accrued interest on any Term Bond on any mandatory sinking fund redemption date prior to the maturity date thereof by check or draft

mailed to the Registered Owner thereof without presentation and surrender of such Term Bond by the Registered Owner thereof. Alternative means of payment of principal and interest on any Term Bond may be used if mutually agreed to in writing between the Registered Owner of any Term Bond and the Trustee.

Section 3.02. Optional Redemption Dates and Prices. The Bonds are subject to redemption prior to their fixed maturity date at the option of the Agency upon the direction of the Treasurer, from any legally available funds (including, but not limited to, proceeds from the sale of refunding bonds) at any time on or after June 1, 2017, in whole or in part, in integral multiples of \$1, and pro rata within a maturity (determined by dividing the principal amount of Outstanding Bonds owned by each Registered Owner by the total amount of Bonds Outstanding), upon notice as hereinafter described, at a redemption price equal to the sum of the principal amount of each Bond or portion thereof so redeemed, plus accrued interest thereon to the date of redemption, plus a redemption premium equal to the percentage of the principal amount to be redeemed as set forth below:

| <u>Redemption Dates</u> | <u>Redemption Premium</u> |
|-----------------------------------|---------------------------|
| June 1, 2017 through May 31, 2020 | 103% |
| June 1, 2020 through May 31, 2022 | 102% |
| June 1, 2022 through May 31, 2023 | 101% |
| On and after June 1, 2023 | 100% |

If the Bonds are redeemed in part, the Trustee shall credit the principal amount of the Bonds so redeemed against the principal amounts (or portions thereof) due on any mandatory sinking fund redemption date or dates in such manner as the Treasurer shall determine on behalf of the Agency, and the mandatory sinking fund schedule set forth in Section 3.01 hereof shall be deemed automatically adjusted to the extent necessary to reflect such credits.

Section 3.03. Notice of Prior Redemption. The Agency Representative shall give written instructions concerning any optional prior redemption of Bonds pursuant to Section 3.02 hereof to the Trustee at least thirty (30) days prior to the redemption date, but no such notice to the Trustee shall be required with respect to mandatory sinking fund redemptions pursuant to Section 3.01 hereof. Notice of the call for any prior redemption, identifying the Bonds or portions thereof to be redeemed, shall be given by the Trustee by first class mail (or, only if and to the extent so directed in writing by the Agency, by registered or certified mail), at least thirty (30) days prior to the date fixed for redemption, to the Registered Owner of each Bond to be redeemed, in whole or in part, at the address shown on the registration records; provided, however, that failure to give such notice by mailing, or any defect therein, shall not affect the validity of the proceedings for the redemption of any Bond. Any notice mailed as provided in this Section shall be conclusively presumed to have been duly given, whether or not the Registered Owner actually receives the notice. Notwithstanding the provisions of this section, any notice of optional redemption may contain a statement that the redemption is conditioned upon the receipt by the Trustee of funds on or before the date fixed for redemption sufficient to pay the redemption price of the Bonds so called for redemption, and that if such funds are not available, such redemption shall be cancelled by written notice to the Registered Owners of the Bonds called for redemption in the same manner as the original redemption notice was mailed.

Section 3.04. Optional Redemption Payments. On or prior to the date fixed for any optional redemption of the Bonds, funds shall be deposited with the Trustee in the Debt Service Account to pay, and the Trustee is hereby authorized and directed to apply such funds to the payment of, the Bonds or portions thereof called for optional redemption, together with accrued interest thereon to the redemption date. If any Bond is optionally redeemed in part, payment of the redemption price thereof shall be made by check or draft mailed by the Trustee to the Registered Owner thereof without presentation and surrender of such Bond. If any Bond is optionally redeemed in whole, payment of such Bond shall be made by check or draft mailed by the Trustee to the Registered Owner thereof upon presentation of the Bond at the principal corporate trust office of the Trustee or at such other office as may be designated by the Trustee. Accrued interest to the redemption date will be paid by check or draft mailed by the Trustee to the Registered Owners thereof, as determined by the Trustee and stated in the notice of the call for redemption. Alternative means of payment of the redemption price of any optionally redeemed Bond may be used if mutually agreed to in writing between the Registered Owner of any Bond and the Trustee. Upon the giving of notice as set forth in Section 3.03 hereof and the deposit of funds for redemption, interest on the Bonds or portions thereof thus called for optional redemption shall no longer accrue from and after the date fixed for redemption.

Section 3.05. Cancellation. All Bonds which have been redeemed in whole shall not be reissued but shall be canceled by the Trustee in accordance with Section 2.09 hereof.

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ARTICLE IV.

REVENUES AND FUNDS

Section 4.01. Creation of Accounts. Pursuant to the 2008 Indenture, there was created and established the “Income Account” which is continued herein. There are hereby created and ordered established the following funds:

- (a) the Debt Service Account; and
- (b) the Rebate Account.

Moneys and investments in each of the funds shall be used only and exclusively as provided herein.

Section 4.02. Character, Custody and Uses of Accounts.

(a) The Income Account constitutes a Trust Account and shall continue to be held by the Trustee and used for the collection and disbursement of funds transferred to the Agency pursuant to the 2008 Indenture, if any, and hereunder. The provisions governing the Income Account and the Income Account shall be deemed to remain in existence pursuant to the terms of this Indenture notwithstanding the payment and/or defeasance of the 2008 Bonds issued under the 2008 Indenture and the termination of the 2008 Indenture. Moneys in the Income Account shall be used by the Trustee and the Agency as set forth in Section 4.03 of the 2008 Indenture and Section 4.03 hereof.

(b) The Debt Service Account shall constitute a Trust Account and shall be held by the Trustee. Moneys in the Debt Service Account shall be used only for the payment of principal of and interest on the Bonds, except to the extent otherwise provided in Sections 4.05, 4.08 and 5.08 hereof.

(c) The Rebate Account shall be held by the Trustee. Moneys in the Rebate Account shall be used only as provided in Sections 4.05 and 5.08 hereof. Moneys in the Rebate Account shall not be subject to the lien of this Indenture to the extent that such moneys are required to be paid to the United States Treasury.

(d) All funds and accounts held by the Trustee hereunder shall be held for the benefit of the Agency. The Agency hereby authorizes and directs the Trustee to apply the moneys in all such funds and accounts as set forth herein, which authorization and direction the Trustee hereby accepts.

Section 4.03. Flow of Pledged Revenues. The Pledged Revenues immediately upon receipt by the Agency shall be paid to the Trustee for deposit to the Income Account and applied as follows and in the following order of priority:

(a) The Pledged Revenues shall be deposited to the Debt Service Account, concurrently with transfers to the debt service accounts for any Additional Parity Obligations, until the amount on deposit in the Debt Service Account is sufficient (together with

any moneys available therefor in the Debt Service Account) to pay the principal of and interest coming due on the Bonds for the Fiscal Year.

(b) The remaining Pledged Revenues shall be deposited to any reserve account for Additional Parity Obligations, to the extent necessary to restore the total amount on deposit in any such reserve account to the Reserve Account Requirement. If any such reserve account is held by the Agency, the Trustee shall make arrangements with the Agency for the prompt deposit of such Pledged Revenues to any such reserve account.

(c) The remaining Pledged Revenues shall be deposited to the Rebate Account, concurrently with transfers to the rebate accounts for any Additional Parity Obligations, to the extent, if any, necessary to comply with Sections 4.05 and 5.08 hereof. Such deposits may be made, on the same dates as (but subsequent to) the deposits to any debt service account and the deposits (if any) to any reserve account described in paragraphs (a) and (b) above, to the extent that the necessity of such deposits is apparent to the Agency on such dates; but such deposits shall in any event be made annually on the anniversary date of the delivery of the Bonds, as and to the extent provided in Section 5.08 hereof.

(d) The remaining Pledged Revenues shall be used to make payments required by any indenture authorizing the issuance of Subordinate Obligations, including payments to any debt service account, reserve account and rebate account related to such Subordinate Obligations.

(e) Any Pledged Revenues remaining after the payments and deposits required by paragraphs (a) through (d) above have been made shall be released from the lien of this Indenture on June 30 of each year (provided, however, that such releases may be effectuated at such other times as may be required to pay fees, charges and expenses of the Trustee with respect to the Bonds and of trustees for any Additional Parity Obligations) and transferred by the Trustee to the Agency for use by the Agency for any legally permissible purpose, including the payments due on the Subordinate Obligations; provided, however, prior to June 30 of each year the Agency shall determine whether a projected shortfall will exist in the Debt Service Account or any other debt service account established with respect to Additional Parity Obligations on any principal or interest payment date occurring with respect to the Bonds or any Additional Parity Obligation during the next Fiscal Year and, if so, instruct the Trustee to retain and deposit all or any portion of such remaining Pledged Revenues into the Debt Service Account or such other debt service account to remedy (to the extent of the available Pledged Revenues) such shortfall.

If any Additional Parity Obligations are issued in accordance with Section 2.11 hereof, funds or accounts for such Additional Parity Obligations may be funded ratably and concurrently (but not necessarily simultaneously) with the funds for the Bonds as provided above.

Section 4.04. Rebate Account. There shall be deposited into the Rebate Account investment income on moneys in any fund created hereunder to the extent directed by the Agency pursuant to Section 5.08 hereof; Pledged Revenues to the extent provided in Section 4.03 hereof; and all other moneys received by the Trustee when accompanied by

directions not inconsistent herewith that such moneys are to be deposited into the Rebate Account. The Trustee shall cause amounts on deposit in the Rebate Account to be forwarded to the United States Treasury (at the address provided in the Federal Tax Exemption Certificate) at the times and in the amounts directed by the Agency pursuant to Section 5.08 hereof. Upon receipt by the Trustee of an opinion of nationally recognized bond counsel to the effect that the amount in the Rebate Account is in excess of the amount required to be on deposit therein pursuant to the provisions of the Federal Tax Exemption Certificate, such excess shall be transferred to the Debt Service Account.

Section 4.05. Nonpresentment of Bonds. In the event that any Bond shall not be presented for payment when the principal thereof becomes due, either at maturity, or at the date fixed for redemption thereof, or otherwise, if funds sufficient to pay such Bond shall have been made available to the Trustee for the benefit of the Registered Owner thereof, all liability of the Agency to the Registered Owner thereof for the payment of such Bond shall forthwith cease, determine and be completely discharged, and thereupon it shall be the duty of the Trustee to hold such funds for a period of four (4) years subsequent to the date the Bond became due (whether at maturity or otherwise), without liability for interest thereon, for the benefit of the Registered Owner of such Bond, who shall thereafter be restricted exclusively to such funds for any claim of whatever nature on his or her part under this Indenture or on, or with respect to, such Bond.

Section 4.06. Moneys to Be Held in Trust. All moneys required to be deposited with or paid to the Trustee for deposit in any Trust Account shall be held by the Trustee in trust, and except for moneys deposited with or paid to the Trustee for the redemption of less than all of the Outstanding Bonds, notice of the redemption of which has been duly given, shall, while held by the Trustee, constitute part of the Trust Estate and be subject to the lien created hereby.

Section 4.07. Excesses in Trust Accounts. After payment in full of the principal of and interest on the Bonds and the fees, charges and expenses of the Trustee and all other amounts required to be paid hereunder, any remaining moneys held by the Trustee (except moneys in the Rebate Account, which shall be applied as otherwise provided herein), shall be paid to the Agency.

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ARTICLE V.

GENERAL COVENANTS

Section 5.01. Payment of Principal and Interest. The Agency covenants that it shall promptly pay the principal of and interest on every Bond issued under this Indenture at the place, on the dates and in the manner provided herein and in said Bonds according to the true intent and meaning thereof, subject to the limitations stated in Section 2.03 hereof.

Section 5.02. Performance of Covenants; Agency. The Agency shall faithfully perform at all times any and all covenants, undertakings, stipulations and provisions set forth in this Indenture, in any and every Bond executed, authenticated and delivered hereunder, and in all of its proceedings pertaining hereto. The Agency is duly authorized under the Constitution and laws of the State, including particularly and without limitation the Act, to issue the Bonds authorized hereby and to execute this Indenture, and to pledge the receipts and amounts hereby pledged, in the manner and to the extent set forth herein. The Agency hereby represents and warrants that all actions taken by the Agency in connection with the issuance of the Bonds and the execution and delivery of this Indenture have been duly and effectively taken, and that the Bonds in the hands of the Registered Owners thereof are and shall be valid and enforceable obligations of the Agency according to the terms thereof and of this Indenture.

Section 5.03. Instruments of Further Assurance. The Agency shall do, execute, acknowledge and deliver or cause to be done, executed, acknowledged and delivered, such indentures supplemental hereto and such further acts, instruments and transfers as the Trustee may reasonably require for the better assuring, transferring, conveying, pledging, assigning and confirming unto the Trustee all and singular the amounts pledged hereby to the payment of the principal of and interest on the Bonds.

Section 5.04. Amendment of Redevelopment Plan. The Redevelopment Plan may be amended, but no amendment shall be made unless the Agency shall have received an opinion of counsel to the Agency, to the effect that such amendment would not result in a failure of the Redevelopment Plan, as so amended, to comply with the requirements of this Indenture or adversely affect the security for the Bonds.

Section 5.05. Books, Records, Accounts and Financial Statements.

(a) The Agency covenants and agrees that it shall at all times keep, or cause to be kept, proper and current books, records and accounts in which complete and accurate entries shall be made of all transactions relating to the Pledged Revenues. The Agency shall prepare or cause to be prepared, within one hundred eighty (180) days after the close of each Fiscal Year, a complete financial statement or statements for such year in reasonable detail covering the Pledged Revenues, certified by an independent certified public accountant or firm of certified public accountants selected by the Agency, and shall furnish a copy of such statement or statements to the Trustee, the Original Purchaser and to any Registered Owner upon written request therefor. Such financial statements may be combined with the financial statements of the City.

(b) For so long as the Original Purchaser is the Registered Owner of all of the Bonds, the Agency shall provide the following information to the Original Purchaser on or before the dates set forth below:

(i) Not later than March 31 following the end of each fiscal year of the City, a copy of the City's Comprehensive Annual Financial Statements (showing the financial statements of the Agency as a component unit thereof) as of the end of such fiscal year;

(ii) Not later than 45 days following the adoption of the annual budget of the City, a copy of the City's adopted budget;

(iii) Not later than 45 days following the adoption of the annual budget of the Agency, a copy of the Agency's adopted budget;

(iv) Not later than March 31 of each year, the Agency shall provide an annual update to the following tables set forth in Exhibit B to the City's annual report dated June 30, 2015:

- (A) Historical Pledged Revenues;
- (B) Projected Debt Service Coverage Ratios;
- (C) History of Assessed Value and Tax Rates;
- (D) Real and Personal Property Tax Distributed to the Agency for the Redevelopment Area; and
- (E) Principal Taxpayers in Redevelopment Area.

Section 5.06. Disposition of Property. The Agency covenants and agrees that it:

(a) shall not dispose of more than thirty percent (30%) of the land area in the Redevelopment Area (except property not currently on the tax rolls or which is shown in the Redevelopment Plan as planned for public use, including without limitation property to be used for public streets, public off-street parking, sewage facilities, parks, easements or rights of way for public utilities or other similar uses) to public bodies or other Persons or entities whose property is exempt from ad valorem property taxes; and

(b) shall not dispose of any land area in the Redevelopment Area (except property not currently on the tax rolls or which is shown in the Redevelopment Plan as planned for public use, including without limitation property to be used for public streets, public off-street parking, sewage facilities, parks, easements or rights of way for public utilities or other similar uses) to public bodies or other Persons or entities whose property is exempt from ad valorem property taxes such that as a result of such transfer the ratio determined by dividing the Pledged Property Tax Revenues available to the Agency for the most recently completed Fiscal Year, by the principal of and interest due on the Bonds, and any Additional Parity Obligations then Outstanding during the then current Fiscal Year of the proposed disposition of land, to be less than one hundred twenty-five percent (125%) of the Maximum Annual Debt Service on the

Bonds and any Additional Parity Obligations then Outstanding. A written certificate of the Treasurer that the foregoing ratio is met if delivered within 60 days of the proposed disposition of land shall be conclusively presumed to be accurate in determining the right of the City to dispose of such land area pursuant to this Section 5.06(B). Such written certificate shall be filed with the Trustee and the Original Purchaser.

Section 5.07. Protection of Security and Rights of Registered Owners of Bonds.

The Agency covenants and agrees to preserve and protect the security for the Bonds, and the rights of the Registered Owners of the Bonds, under such instruments respectively, and to defend their rights thereunder under all claims and demands of all Persons. The Agency covenants and agrees to take no action which would result in Pledged Revenues required to be paid to the Trustee hereunder being withheld from the Trustee.

Section 5.08. Tax Covenant.(a) The Agency covenants for the benefit of the Registered Owners of the Bonds that it will not take any action or omit to take any action with respect to the Bonds, the proceeds thereof, any other funds of the Agency or any project refinanced with the proceeds of the Bonds if such action or omission (i) would cause the interest on the Bonds to lose its exclusion from gross income for federal income tax purposes under Section 103 of the Code, or (ii) would cause interest on the Bonds to lose its exclusion from alternative minimum taxable income as defined in Section 55(b)(2) of the Code except to the extent such interest is required to be included in the adjusted current earnings adjustment applicable to corporations under Section 56 of the Code in calculating corporate alternative minimum taxable income. The foregoing covenant shall remain in full force and effect notwithstanding the payment in full or defeasance of the Bonds until the date on which all obligations of the Agency in fulfilling the above covenant under the Code have been met.

(b) In addition, the Agency hereby covenants that its direction of investments pursuant to Article VI of this Indenture shall be in compliance with the procedures established by the Federal Tax Exemption Certificate to the extent required to comply with its covenants contained in the foregoing provisions of this Section and, to the extent required to comply with its covenants contained in the foregoing provisions of this Section, the investment earnings on any moneys held by the Trustee or the Agency under this Indenture, or other Pledged Revenues, or other legally available moneys of the Agency, shall be deposited from time to time in the Rebate Account for timely payment of all amounts due and owing to the United States Treasury. The Agency shall provide to the Trustee at least annually from the date of delivery of the Bonds a certificate of the Agency Representative to the effect that (i) all requirements of this Indenture with respect to the Rebate Account have been met on a continuing basis, (ii) the proper amounts have been and are on deposit in the Rebate Account, and (iii) timely payment of all amounts due and owing to the United States Treasury have been made. If the certifications required by either (ii) or (iii) above cannot be made, the certificate shall so state and shall be accompanied either by Pledged Revenues or other legally available moneys of the Agency, together with a direction to the Trustee to either deposit such moneys to the Rebate Account or to pay such moneys over to the United States Treasury, as appropriate, or by directions to the Trustee to transfer investment income available in any fund held by the Trustee under this Indenture to the Rebate Account or to the United States Treasury, as appropriate.

Section 5.09. Maintenance of Existence. The Agency covenants and agrees to take no action to terminate its existence so long as any Bonds remain Outstanding.

Section 5.10. Eminent Domain Proceedings. The Agency covenants and agrees that if all or any part of the Redevelopment Project should be taken from it, by eminent domain proceedings or other proceedings authorized by law, for any public or other use under which the property will be tax exempt, the net proceeds realized by the Agency therefrom shall be deemed to be Pledged Revenues.

Section 5.11. Complete Redevelopment Project. The Agency covenants and agrees that the Agency shall diligently and in a sound and economical manner carry out and continue to completion, with all practicable dispatch, the Redevelopment Project refinanced with the proceeds of the Bonds in accordance with its duty so to do under and in accordance with the Act and the Redevelopment Plan.

Section 5.12. Recording and Filing. The Agency shall cause all financing statements related to this Indenture, if any, and such other documents as may be necessary, in the opinion of counsel, to be kept and filed in such manner and in such places as may be required by law in order to preserve and protect fully the security of the owners of the Bonds and the rights of the Trustee hereunder; provided that (i) the Agency may rely upon counsel for the preparation (in form and substance) and the filing of all initial financing statements relating to the Trust Estate, if any, and all supplements thereto, (ii) on a date not more than six (6) months prior to the termination of any such financing statement, the Agency shall cause to be filed all continuation statements necessary to continue the effectiveness of all financing statements that shall have been filed with respect to the Trust Estate; if the Trustee does not receive written confirmation that all such continuation statements have been duly filed before the date that is thirty (30) days prior to the termination of any such financing statement, the Trustee shall file such continuation statements at the expense of the Agency and (iii) in performing its obligations under this Section 5.12, the Trustee shall not be responsible for any loss or damage resulting from any action or inaction taken in good faith reliance upon an opinion of counsel.

Section 5.13. List of Bondholders. The Trustee shall keep the registration records of the Agency as bond registrar, together with the principal amounts and numbers of such Bonds. At reasonable times and under reasonable regulations established by the Trustee, the registration records may be inspected and copied by the Agency or by Registered Owners (or a designated representative thereof) of fifteen percent (15%) or more in principal amount of Bonds then Outstanding, such possession or ownership and the authority of such designated representative to be evidenced to the satisfaction of the Trustee.

Section 5.14. Notice to Trustee; Notice from Trustee. Concurrently with the payment of any Pledged Revenues to the Trustee pursuant to Section 4.03 hereof, the Agency shall deliver a notice to the Trustee verifying that the Agency has paid to the Trustee all Pledged Revenues received by the Agency to date. Following receipt of such notice, the Trustee shall forward a copy of such notice to each Registered Owner of the Bonds. In the event any such notice indicates that the Agency has not transferred to the Trustee all Pledged Revenues the Agency has then received to date, the interest rate on the Bonds shall automatically convert and

reset to the Default Rate from such point forward until such time as all such Pledged Revenues have been transferred to the Trustee.

Section 5.15. Designation as Bank Qualified. The Agency hereby designates the Bonds as qualified tax-exempt obligations for purposes of and within the meaning of Section 265(b)(3)(B) of the Tax Code.

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ARTICLE VI.

INVESTMENT OF MONEYS

Section 6.01. Investment of Moneys. Any moneys held by the Trustee hereunder shall be invested or deposited by the Trustee, on direction of the Agency, in accordance with the provisions of this Article. Any such investments or deposits shall be held by or under the control of the Trustee. The Trustee shall sell and reduce to cash a sufficient amount of such investments or deposits whenever the cash balance in any fund hereunder is insufficient to make a required payment from such fund, or otherwise upon the direction of the Agency.

The Agency hereby covenants that moneys on deposit in any fund created hereunder, whether or not such moneys were derived from the proceeds of the sale of the Bonds or from any other sources, will be invested or deposited in compliance with the Agency's covenants in Section 5.08 hereof.

All moneys held by the Agency hereunder shall be invested or deposited by the Agency in any lawful investments or deposits for funds of the Agency. All moneys held by the Trustee hereunder shall be invested or deposited by the Trustee, on direction of the Agency, in Permitted Investments. Except to the extent otherwise provided by Sections 4.04 and 5.08 hereof, obligations purchased as an investment or deposit of moneys in any fund or account created hereunder shall be deemed at all times to be a part of such fund or account, any interest accruing thereon and any gain realized from such investment or deposit shall be credited to such fund or account, and any loss resulting from any such investment or deposit shall be charged to such fund or account. In computing the amount in any fund or account, Permitted Investments shall be valued at the lower of the cost or the market price, exclusive of accrued interest. With respect to all funds and accounts, valuation shall occur at least annually. Nothing herein shall prevent the Trustee from making more frequent determinations of valuation.

All directions from the Agency to the Trustee concerning the investment or deposit of funds shall be in writing or shall be given orally with written confirmation to follow promptly. The Trustee shall be entitled to assume that any deposit or investment directed by the Agency is lawful.

(a) The Agency acknowledges that to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grant the Agency the right to receive brokerage confirmations of security transactions as they occur, the Agency specifically waives receipt of such confirmations to the extent permitted by law. The Trustee will furnish the Agency periodic transaction statements which include detail for all investment transactions made by the Trustee hereunder. To help the government fight the funding of terrorism and money laundering activities, the Trustee may request, obtain, verify and record information to comply with federal law including information that identifies the Agency as the legal owner of the accounts created hereunder and held by the Trustee, including information to verify the Agency's formation and existence as a legal entity. The Trustee may also ask to see financial statements, licenses, identification and authorization documents from individuals claiming authority to represent the Agency or other relevant documentation.

ARTICLE VII.

DISCHARGE OF LIEN

Section 7.01. Discharge of Lien. If the Agency shall pay or cause to be paid, or there shall otherwise be paid or provision for payment made, to the Registered Owners of the Bonds, the principal of and interest due or to become due thereon at the times and in the manner stipulated therein, and if the Agency shall pay or cause to be paid to the Trustee all sums of money due or to become due to the Trustee, then these presents and the estate and rights hereby granted shall cease, determine and be void, whereupon the Trustee shall cancel and discharge the lien of this Indenture, and execute and deliver to the Agency such instruments in writing as shall be required to release the lien of this Indenture, and reconvey, release, assign and deliver unto the Agency any and all of the estate, right, title and interest in and to any and all rights or property conveyed, assigned or pledged to the Trustee or otherwise subject to the lien of this Indenture, except cash and securities held by the Trustee for the payment of the principal of and interest on the Bonds.

Any Bond shall be deemed to be paid within the meaning of this Article VII and for all purposes of this Indenture when (a) payment of the principal of such Bond plus interest thereon to the due date thereof (whether such due date is by reason of maturity or upon redemption as provided herein) either (i) shall have been made or caused to be made in accordance with the terms thereof, or (ii) shall have been provided for by irrevocably depositing in trust and irrevocably setting aside exclusively for such payment (A) moneys sufficient to make such payment, (B) Government Obligations (which shall not contain provisions permitting the redemption thereof at the option of the issuer) maturing as to principal and interest in such amounts and at such times as will insure the availability of sufficient moneys to make such payment, or (C) a combination of such cash and Government Obligations, and (b) all necessary and proper fees, compensation and expenses of the Trustee pertaining to the Bond with respect to which such deposit is made shall have been paid or the payment thereof provided for to the satisfaction of the Trustee. If Bonds for which an irrevocable deposit has been made as provided in clause (ii) above are to be redeemed prior to maturity at the Agency's option pursuant to Section 3.02 hereof, the Agency shall also have given to the Trustee irrevocable instructions to give notice of such redemption in accordance with Section 3.03 hereof. At such times as a Bond shall be deemed to be paid hereunder, as aforesaid, such Bond shall no longer be secured by or entitled to the benefits of this Indenture, except for the purposes of any such payment from such moneys and Government Obligations.

ARTICLE VIII.

DEFAULT PROVISIONS AND REMEDIES

Section 8.01. Events of Default. The occurrence of any of the following events is hereby declared to constitute an Event of Default:

(a) Default by the Agency in the due and punctual payment of interest on any Bond;

(b) Default by the Agency in the due and punctual payment of the principal of any Bond, whether at the stated maturity thereof, or upon proceedings for prior redemption (including mandatory sinking fund redemption) thereof;

(c) Default in the performance or observance of any other of the covenants, agreements or conditions on the part of the Agency set forth in this Indenture or in the Bonds and failure to remedy the same after notice thereof pursuant to Section 8.10 hereof;

(d) The Agency shall file a petition or answer seeking reorganization or arrangement under the federal bankruptcy laws or any other applicable law of the United States of America, or a court of competent jurisdiction shall approve a petition, filed with or without the consent of the Agency, seeking reorganization under the federal bankruptcy laws or any other applicable law of the United States of America, or, under the provisions of any other law for the relief or aid of debtors, any court of competent jurisdiction shall assume custody or control of the Agency, or of the whole or any substantial portion of its property.

Section 8.02. Remedies. Upon the occurrence of an Event of Default, the Bonds shall bear interest at the Default Rate and the Trustee may exercise its rights as a secured creditor with respect to the Trust Estate and may also pursue any available remedy at law or in equity to enforce the payment of the principal of and interest on the Outstanding Bonds. If an Event of Default shall have occurred and be continuing and if requested to do so by the Registered Owners of at least twenty-five percent (25%) in aggregate principal amount of Outstanding Bonds, and upon indemnification as set forth in Section 9.01 hereof, the Trustee shall be obligated to exercise such one or more of the rights and powers conferred by this Section 8.02 as the Trustee shall deem most expedient in the interests of the Registered Owners of the Bonds. No remedy conferred upon or reserved to the Trustee (or to the Registered Owners of the Bonds) by the terms of this Indenture is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to any other remedy given to the Trustee or to the Registered Owners of the Bonds hereunder or now or hereafter existing at law or in equity.

No delay or omission to exercise any right or power accruing upon an Event of Default shall impair any such right or power or shall be construed to be a waiver of any such Event of Default or acquiescence therein; and such right or power may be exercised from time to time as often as may be deemed expedient. No waiver of an Event of Default hereunder, whether by the Trustee or by the Registered Owners of the Bonds, shall extend to or shall affect any subsequent Event of Default or shall impair any rights or remedies consequent thereon.

Section 8.03. Right of Registered Owners of Bonds to Direct Proceedings. Anything in this Indenture to the contrary notwithstanding (but subject to the provisions of Section 11.02 hereof), the Registered Owners of a majority in aggregate principal amount of the Outstanding Bonds shall have the right, at any time, by an instrument or instruments in writing executed and delivered to the Trustee, to direct the method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of this Indenture, or for the appointment of a receiver or any other proceedings hereunder, provided that such direction shall not be otherwise than in accordance with the provisions of law and of this Indenture.

Section 8.04. Appointment of Receivers. Upon the occurrence of an Event of Default, and upon the filing of a suit or other commencement of judicial proceedings to enforce the rights of the Trustee and of the Registered Owners of the Bonds under this Indenture, the Trustee shall be entitled, as a matter of right, to the appointment of a receiver or receivers of the Trust Estate and of the revenues, earnings, income, products and profits thereof, pending a determination of such proceedings, with such powers as the court making such appointment shall confer.

Section 8.05. Application of Moneys. All moneys received by the Trustee pursuant to any right given or action taken under the provisions of this Article shall, after payment of the costs and expenses of the proceedings resulting in the collection of such moneys and of the fees, expenses, liabilities, and advances incurred or made by the Trustee, including attorney fees, be deposited in the Debt Service Account and all moneys in the Debt Service Account shall be applied as follows:

FIRST - To the payment to the Persons entitled thereto of all installments of interest then due on the Bonds, in the order of the maturity of the installments of such interest and, if the amount available shall not be sufficient to pay in full any particular installment, then to the payment ratably, according to the amounts due on such installment, to the Persons entitled thereto, without any discrimination or privilege; and

SECOND - To the payment to the Persons entitled thereto of the unpaid principal of any of the Bonds which shall have become due (other than Bonds matured or called for redemption for the payment of which moneys are held pursuant to the provisions of this Indenture), with interest on such Bonds from the respective dates upon which they became due, and if the amount available shall not be sufficient to pay the Bonds in full, together with such interest, then to the payment ratably, according to the amount of principal due on such date, to the Persons entitled thereto without any discrimination or privilege; and

THIRD - To be held for the payment to the Persons entitled thereto as the same shall become due of the principal of and interest on the Bonds which may thereafter become due either at maturity or upon call for redemption prior to maturity, and if the amount available shall not be sufficient to pay in full Bonds due on any particular date, together with interest then due and owing thereon, payment shall be made ratably according to the amount of principal and interest due on such date to the Persons entitled thereto without any discrimination or privilege.

Whenever moneys are to be applied pursuant to the provisions of this Section 8.05, such moneys shall be applied at such times, and from time to time, as the Trustee shall

determine, having due regard to the amount of such moneys available for application and the likelihood of additional moneys becoming available for such application in the future. Subject to the provisions of Section 2.02 hereof concerning Special Record Dates for the payment of defaulted interest, whenever the Trustee shall apply such funds, it shall fix the date (which shall be an interest payment date unless it shall deem another date more suitable) upon which such application is to be made, and upon such date interest on the amounts of principal to be paid on such dates shall cease to accrue. Subject to the provisions of Section 2.02 hereof concerning Special Record Dates for the payment of defaulted interest, the Trustee shall give such notice as it may deem appropriate of the deposit with it of any such moneys and of the fixing of any such date, and shall not be required to make payment to the Registered Owner of any Bond until such Bond shall be presented to the Trustee for appropriate endorsement or for cancellation if fully paid.

Whenever the principal of and interest on all Bonds have been paid under the provisions of this Section 8.05 and all expenses and charges of the Trustee have been paid, any balance remaining in the Debt Service Account shall be disbursed as provided in Section 4.08 hereof.

Section 8.06. Remedies Vested in Trustee. All rights of action (including the right to file proof of claims) under this Indenture or under any of the Bonds may be enforced by the Trustee without the possession of any of the Bonds or the production thereof in any trial or other proceeding relating thereto, any such suit or proceeding instituted by the Trustee shall be brought in its name as the Trustee without the necessity of joining as plaintiffs or defendants any Registered Owner of the Bonds, and any recovery of judgment shall be for the equal and ratable benefit of the Registered Owners of the Outstanding Bonds.

Section 8.07. Rights of Registered Owners of Bonds. No Registered Owner of any Bond shall have any right to institute any suit, action or proceeding at law or in equity for the enforcement of this Indenture or for the execution of any trust hereof or for the appointment of a receiver or any other remedy hereunder, unless: (i) an Event of Default has occurred of which the Trustee has been notified as provided in Section 9.01(h) hereof, or of which by said subsection it is deemed to have notice, and the Registered Owners of twenty-five percent (25%) in aggregate principal amount of the Outstanding Bonds shall have made written request to the Trustee and shall have offered to the Trustee reasonable opportunity either to proceed to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in its own name, (ii) they have offered to the Trustee indemnity as provided in Section 9.01(1) hereof, and (iii) the Trustee shall thereafter fail or refuse to exercise the powers hereinbefore granted, or to institute such action, suit or proceeding in its own name. Such notification, request and offer of indemnity are hereby declared in every case at the option of the Trustee to be conditions precedent to the execution of the powers and trusts of this Indenture, and to any action or cause of action for the enforcement of this Indenture, or for the appointment of a receiver or for any other remedy hereunder; it being understood and intended that no one or more Registered Owner of the Bonds shall have any right in any manner whatsoever to affect, disturb or prejudice the lien of this Indenture by its, his, her or their action or to enforce any right hereunder except in the manner provided herein, and that all proceedings at law or in equity shall be instituted, had and maintained in the manner provided herein and for the equal and ratable benefit of the Registered Owners of all Outstanding Bonds. However, nothing set forth in this Indenture shall affect or

impair the right of any Registered Owner of any Bond to enforce the payment of the principal of and interest on any Bond at and after the maturity thereof, or the obligation of the Agency to pay the principal of and interest on each of the Bonds issued hereunder to the respective Registered Owners at the time, place, from the source and in the manner expressed in the Bonds.

Section 8.08. Termination of Proceedings. In case the Trustee shall have proceeded to enforce any right under this Indenture by the appointment of a receiver or otherwise, and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely, then and in every such case, the Agency, the Trustee and the Registered Owners of the Bonds shall be restored to their former positions and rights hereunder, respectively, with regard to the property subject to this Indenture, and all rights, remedies and powers of the Trustee shall continue as if no such proceedings had been taken.

Section 8.09. Waivers of Events of Default. The Trustee may, at its discretion, waive any Event of Default hereunder and its consequences and, notwithstanding anything to the contrary in Section 8.02 hereof (but subject to the provisions of Section 11.02 hereof), shall do so upon the written request of the Registered Owners of (i) more than two-thirds (2/3) in aggregate principal amount of all Outstanding Bonds in respect of which an Event of Default in the payment of principal or interest, or both, exists, or (ii) more than two-thirds (2/3) in aggregate principal amount of all Outstanding Bonds in the case of any other Event of Default; provided, however, that there shall not be waived any Event of Default in the payment of the principal of or interest on any Outstanding Bonds unless prior to such waiver or rescission, all arrears of principal and interest, and all fees and expenses of the Trustee in connection with such Event of Default or otherwise in connection with the performance of the Trustee's duties hereunder, shall have been paid or provided for. In case of any such waiver or rescission, then and in every such case the Agency, the Trustee and the Registered Owners of the Bonds shall be restored to their former positions and rights hereunder, respectively, but no such waiver or rescission shall extend to any subsequent or other Event of Default, or impair any right consequent thereon.

Section 8.10. Notice of Defaults Under Section 8.01(c); Opportunity of Agency to Cure Such Defaults. Anything herein to the contrary notwithstanding, no default under Section 8.01(c) hereof shall constitute an Event of Default until actual notice thereof by registered or certified mail shall be given to the Agency by the Trustee or by the Registered Owners of not less than twenty-five percent (25%) in aggregate principal amount of all Outstanding Bonds and the Agency shall have had 60 days after receipt of such notice to correct said default or cause said default to be corrected, and shall not have corrected said default or caused said default to be corrected within the applicable period; provided, however, that if said default be such that it cannot be corrected within the applicable period, it shall not constitute an Event of Default if corrective action is instituted by the Agency within the applicable period and diligently pursued until the default is corrected.

ARTICLE IX.

THE TRUSTEE

Section 9.01. Acceptance of Trusts. The Trustee hereby accepts the trusts imposed upon it by this Indenture, and agrees to perform said trusts, but only upon and subject to the following express terms and conditions:

(a) The Trustee, prior to the occurrence of an Event of Default and after the curing or waiver of all Events of Default which may have occurred, undertakes to perform such duties and only such duties as are specifically set forth in this Indenture. In case an Event of Default has occurred (which has not been cured or waived), the Trustee shall exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in the exercise of such rights and powers, as a reasonable and prudent man would exercise or use under the circumstances in the conduct of his own affairs.

(b) The Trustee may execute any of the trusts or powers of this Indenture and perform any of its duties by or through attorneys, agents, receivers or employees, but shall be answerable for the conduct of the same in accordance with the standard specified above, and shall be entitled to advice of counsel concerning its duties hereunder, and may in all cases pay such reasonable compensation to all such attorneys, agents, receivers and employees as may reasonably be employed in connection with the trusts hereof. The Trustee may act upon the opinion or advice of any attorney (who may be the attorney or attorneys for the Agency) approved by the Trustee in the exercise of reasonable care. The Trustee shall not be responsible for any loss or damage resulting from any action or inaction in good faith in reliance upon such opinion or advice.

(c) The Trustee shall not be responsible for any recital herein or in the Bonds (except with respect to the certificate of authentication of the Trustee endorsed on the Bonds), or for the validity of the execution by the Agency of this Indenture or of any supplements hereto or instruments of further assurance, or for the sufficiency of the security for the Bonds issued hereunder or intended to be secured hereby, and the Trustee shall not be bound to ascertain or inquire as to the performance or observance of any covenants, conditions or agreements on the part of the Agency, except as hereinafter set forth; but the Trustee may require of the Agency full information and advice as to the performance of the covenants, conditions and agreements aforesaid. The Trustee shall have no obligation to perform any of the duties of the Agency hereunder.

(d) The Trustee shall not be accountable for the use of any Bonds authenticated or delivered hereunder. The Trustee may become the owner of Bonds secured hereby and may otherwise deal with the Agency with the same rights which it would have if it were not the Trustee.

(e) The Trustee shall be protected in acting upon any notice, request, consent, certificate, order, affidavit, letter, telegram or other paper or document believed to be genuine and correct and to have been signed or sent by the proper Person or Persons. Any action taken by the Trustee pursuant to this Indenture upon the request or authority or consent of any Persons who at the time of making such request or giving such authority or consent is the

Registered Owner of any Bond shall be conclusive and binding upon all future Registered Owners of the same Bond and upon Bonds issued in exchange therefor or in place thereof. The Trustee shall be entitled to written direction from the Agency for any action to be taken hereunder by the Trustee at the request of the Agency.

(f) As to the existence or nonexistence of any fact or as to the sufficiency or validity of any instrument, paper or proceeding, the Trustee shall be entitled to rely upon a certificate signed by the Agency Representative as sufficient evidence of the facts therein contained and prior to the occurrence of an Event of Default of which the Trustee has been notified as provided in Section 9.01(h) hereof, or of which by Section 9.01(h) hereof it shall be deemed to have notice, may also accept a similar certificate to the effect that any particular dealing, transaction or action under this Indenture is necessary or expedient, but may at its discretion secure such further evidence deemed by it to be necessary or advisable, but shall in no case be bound to secure the same. The Trustee may accept a certificate of any of the officials of the Agency who executed the Bonds (or their successors in office) under the seal of the Agency to the effect that a resolution in the form therein set forth has been adopted by the Agency as conclusive evidence that such resolution has been duly adopted and is in full force and effect.

(g) The permissive right of the Trustee to do things enumerated in this Indenture shall not be construed as a duty, and the Trustee shall not be answerable for other than its negligence or willful default.

(h) 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 Agency to make the required deposits to the Debt Service Account or to file with the Trustee any document required by this Indenture to be so filed subsequent to the issuance of the Bonds, of which Events of Default the Trustee shall be deemed to have notice) unless the Trustee shall be specifically notified in writing of such Event of Default by the Agency or by the Registered Owners of at least twenty-five percent (25%) in aggregate principal amount of Outstanding Bonds, and all notices or other instruments required by this Indenture to be delivered to the Trustee, must, in order to be effective, be delivered at the principal corporate trust office of the Trustee, and in the absence of such notice so delivered the Trustee may conclusively assume there is no Event of Default except as aforesaid.

(i) At any and all reasonable times the Trustee and its duly authorized agents, attorneys, experts, engineers, accountants and representatives, shall have the right (but not any duty) to fully to inspect any and all of the books and records of the Agency pertaining to the Agency Improvements, the Pledged Revenues and the Bonds, and to make such copies and memoranda from and with regard thereto as may be desired.

(j) The Trustee shall not be required to give any bond or surety in respect of the execution of the said trusts and powers or otherwise in respect of the premises.

(k) Notwithstanding anything elsewhere in this Indenture with respect to the authentication of any Bonds, the withdrawal of any cash, the release of any property or any action whatsoever within the purview of this Indenture, the Trustee shall have the right, but shall not be required, to demand any showings, certificates, opinions, appraisals or other information, or corporate action or evidence thereof, in addition to that by the terms hereof required as a

condition of such action, deemed desirable by the Trustee for the purpose of establishing the right of the Agency to the authentication of any Bonds, the withdrawal of any cash or the taking of any other action by the Trustee.

(l) Before taking any of the actions referred to in Sections 8.02, 8.03 and 8.06 hereof, the Trustee may require that a satisfactory instrument of indemnity be furnished for the reimbursement of all expenses which it may be caused to incur and to protect it against all liability, except liability which is adjudicated to have resulted from its negligence or willful default in connection with any such action.

(m) All moneys received by the Trustee shall, until used or applied as provided herein, be held in trust for the purposes for which they were received.

Section 9.02. Fees, Charges and Expenses of Trustee. The Trustee shall be entitled to payment and reimbursement for reasonable fees for its services rendered hereunder and all advances, counsel fees and other expenses reasonably and necessarily made or incurred by the Trustee in connection with such services, and Pledged Revenues shall be applied thereto in the priority and manner provided by Section 4.03(f) hereof. Upon the occurrence of an Event of Default, but only upon the occurrence of an Event of Default, the Trustee shall have a first lien with right of payment prior to payment on account of principal of and interest on any Bond upon the Trust Estate for the foregoing fees, charges and expenses incurred by the Trustee.

Section 9.03. Intervention by Trustee. In any judicial proceeding which in the opinion of the Trustee and its counsel has a substantial bearing on the interests of the Registered Owners of the Bonds, the Trustee may intervene on behalf of Registered Owners of the Bonds and shall do so if requested in writing by the Registered Owners of at least twenty-five percent (25%) of the aggregate principal amount of Outstanding Bonds and if indemnified as provided in Section 9.01(l) hereof.

Section 9.04. Successor Trustee. Any corporation or association into which the Trustee may be converted or merged, or with which it may be consolidated, or to which it may sell or transfer its corporate trust business and assets as a whole or substantially as a whole, or any corporation or association resulting from any such conversion, sale, merger, consolidation or transfer to which it is a party, shall be and become successor Trustee hereunder and vested with all of the title to the Trust Estate and all the trusts, powers, discretions, immunities, privileges and all other matters as was its predecessor, without the execution or filing of any instrument or any further act, deed or conveyance on the part of any of the parties hereto.

Section 9.05. Resignation by Trustee. The Trustee and any successor Trustee may at any time resign from the trusts hereby created by giving 30 days' written notice by first class mail (i) to the Agency, and (ii) to the Registered Owner of each Bond as shown by the registration records; provided that such resignation shall not take effect until the appointment of a successor trustee as provided in Section 9.07 hereof.

Section 9.06. Removal of Trustee. The Trustee may be removed at any time by the Agency or by an instrument or concurrent instruments in writing delivered to the Trustee and to the Agency and signed by the Registered Owners (or by their attorneys in fact duly authorized) of at least a majority in aggregate principal amount of Outstanding Bonds. No

removal of the Trustee shall be effective until the appointment of a successor Trustee as provided in Section 9.07 hereof.

Section 9.07. Appointment of Successor Trustee. In case the Trustee shall resign or be removed, a successor may be appointed by the Registered Owners of at least a majority in aggregate principal amount of Outstanding Bonds by an instrument or concurrent instruments in writing signed by such Registered Owners, or by their attorneys in fact duly authorized, a copy of which shall be delivered personally or sent by certified or registered mail to the Agency. In case of any such vacancy, the Agency may appoint a Trustee to fill such vacancy (or, if the Agency fails to make such appointment within a reasonable time, the predecessor Trustee may make such appointment) unless and until a different Trustee shall be appointed by the Registered Owners of the Bonds in the manner above provided; and the Trustee so appointed by the Agency or the predecessor Trustee shall immediately and without further act be superseded by the Trustee so appointed by the Registered Owners of the Bonds. Any successor Trustee appointed pursuant to the provisions of this Section shall (i) be a trust company or bank in good standing, duly authorized to exercise trust powers and subject to examination by federal or state authority, and (ii) have a reported capital and surplus of not less than \$10,000,000.

Section 9.08. Acceptance by Any Successor Trustee. Every successor Trustee appointed shall execute, acknowledge and deliver to its predecessor and also to the Agency an instrument in writing accepting such appointment, and thereupon such successor, without any further act, deed or conveyance, shall become fully vested with all the estates, properties, rights, powers, trusts, duties, and obligations of its predecessor; but such predecessor shall, nevertheless, on the written request of the Agency, or of its successor, execute and deliver an instrument transferring to such successor all the estates, properties, rights, powers and trusts of such predecessor hereunder; and every predecessor Trustee shall deliver all securities and moneys held by it as the Trustee hereunder to its successor. Should any instrument in writing from the Agency be required by any successor Trustee for more fully and certainly vesting in such successor the estate, rights, powers and duties hereby vested or intended to be vested in the predecessor, any and all such instruments in writing shall, on request, be executed, acknowledged and delivered by the Agency.

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ARTICLE X.

SUPPLEMENTAL INDENTURES

Section 10.01. Supplemental Indentures Not Requiring Consent of Registered Owners of Bonds. The Agency and the Trustee may, without consent of, or notice to, any of the Registered Owners of the Bonds, enter into an indenture or indentures supplemental to this Indenture for any one or more of the following purposes:

(a) To cure any ambiguity or formal defect or omission in this Indenture;

(b) To grant to or confer upon the Trustee for the benefit of the Registered Owners of the Bonds any additional rights, remedies, powers or authorities that may lawfully be granted to or conferred upon the Registered Owners of the Bonds or the Trustee;

(c) To subject to this Indenture additional revenues, properties or collateral;

(d) To modify, amend or supplement this Indenture or any indenture supplemental hereto in such manner as to permit the qualification hereof and thereof under the Trust Indenture Act of 1939, as amended, or any similar federal statute hereafter in effect or to permit the qualification of the Bonds for sale under the securities laws of any of the states of the United States of America;

(e) To evidence the succession of a new Trustee hereunder; or

(f) To make any other amendment to the terms and provisions of this Indenture as is not adverse to the interests of the Registered Owners of the Bonds.

Section 10.02. Supplemental Indentures Requiring Consent of Registered Owners of Bonds. Exclusive of supplemental indentures permitted by Section 10.01 hereof and subject to the terms and provisions set forth in this Section 10.02, and not otherwise, the Registered Owners of not less than two-thirds (2/3) in aggregate principal amount of the Outstanding Bonds shall have the right, from time to time, anything set forth in this Indenture to the contrary notwithstanding, to consent to and approve the execution by the Agency and the Trustee of such other indenture or indentures supplemental hereto as shall be deemed necessary and desirable by the Agency for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions set forth in this Indenture or in any supplemental indenture; provided, however, that nothing in this Indenture shall permit, or be construed as permitting:

(a) An extension of the maturity of the principal of, or the interest on, any Bond, or a reduction in the principal amount of, or the rate of interest on, any Bond, or a privilege or priority of any Bond or Bonds over any other Bond or Bonds, or the deprivation of the Registered Owner of any Bond of the lien hereby created on the Trust Estate, without the consent of the Registered Owner of each Bond adversely affected thereby; or

(b) A reduction in the aggregate principal amount of the Bonds required for consent to such supplemental indentures, or the creation of any lien on the Trust Estate or any part thereof which is prior or superior to the lien of the Bonds (except as provided in Section 9.02 hereof with respect to the fees, charges and expenses of the Trustee upon an Event of Default), without the consent of the Registered Owners of all Bonds Outstanding.

If at any time the Agency shall request the Trustee to enter into any such supplemental indenture for any of the purposes of this Section, the Trustee shall, upon being satisfactorily indemnified with respect to expenses, cause notice of the proposed execution of such supplemental indenture to be given by registered or certified mail to the Registered Owner of each Bond. Such notices shall briefly set forth the nature of the proposed supplemental indenture and shall state that copies thereof are on file at the principal corporate trust office of the Trustee for inspection by all Registered Owners of the Bonds. If, within 60 days or such longer period as shall be prescribed by the Agency following such notices, the Registered Owners of not less than two-thirds (2/3) in aggregate principal amount of the Bonds Outstanding at the time of the execution of any such supplemental indenture shall have consented to and approved the execution thereof as provided herein, no Registered Owner of any Bond shall have any right to object to any of the terms and provisions contained therein, or the operation thereof, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the Trustee or the Agency from executing the same or from taking any action pursuant to the provisions thereof. Upon the execution of any such supplemental indenture as in this Section 10.02 permitted and provided, this Indenture shall be and be deemed to be modified and amended in accordance therewith.

Section 10.03. Amendments, Etc. to Bond Resolution Not Requiring Consent of Owners of the Bonds. The Agency and the Trustee shall without the consent of or notice to the Owners of the Bonds consent to any amendment, change or modification of the Bond Resolution (a) required by the provisions of the Bond Resolution or this Indenture, (b) for the purpose of curing any ambiguity or formal defect or omission so long as such cure does not adversely affect the interests of the Owners of the Bonds, (c) to add additional rights acquired in accordance with the provisions of the Bond Resolution, or (d) in connection with any other change therein which, in the judgment of Trustee, is not to the prejudice of Trustee or the Owners of the Bonds.

Section 10.04. Amendments, Etc. to Bond Resolution Requiring Consent of Owners of the Bonds. Except for the amendments, changes or modifications as provided in Section 10.03 hereof, neither the Agency nor the Trustee shall consent to any other amendment, change or modification of the Bond Resolution without the giving of notice and the written approval or consent of the Owners of not less than 66-2/3% in aggregate principal amount of the Bonds at the time Outstanding given and procured as in this Section provided. If at any time the Agency shall request the consent of the Trustee to any such proposed amendment, change or modification of the Bond Resolution, the Trustee shall, upon being satisfactorily indemnified with respect to expenses, cause notice of such proposed amendment, change or modification to be mailed in the same manner as provided by Section 10.02 hereof with respect to supplemental indentures. Such notice shall briefly set forth the nature of such proposed amendment, change or modification and shall state that copies of the instrument embodying the same are on file with the Trustee for inspection by all Owners of the Bonds. Nothing contained in this Section shall permit, or be construed as permitting, a reduction of the aggregate principal amount of Bonds,

the Owners of which are required to consent to any amendment, change or modification of the Bond Resolution or a reduction in, or a postponement of, the payments of Pledged Revenues, without the consent of the Owners of all the Bonds then Outstanding.

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ARTICLE XI.

MISCELLANEOUS

Section 11.01. Consents of Registered Owners of Bonds. Any consent, request, direction, approval, objection or other instrument required by this Indenture to be signed and executed by the Registered Owners of any Bonds may be in any number of concurrent documents and may be executed by such Registered Owner in person or by an agent appointed in writing. Proof of the execution of any such consent, request, direction, approval, objection or other instrument or of the written appointment of any such agent or the ownership of Bonds, if made in the following manner, shall be sufficient for any of the purposes of this Indenture, and shall be conclusive in favor of the Trustee with regard to any action taken by it under such request or other instrument, namely:

(a) The fact and date of the execution by any Person of any such writing may be proved by the certificate of any officer in any jurisdiction who by law has power to take acknowledgments within such jurisdiction that the Person signing such writing acknowledged before him or her the execution thereof, or by an affidavit of any witness to such execution.

(b) The fact of ownership of Bonds and the amounts, numbers and other identification of such Bonds, and the dates of ownership of the same shall be proved by the registration records maintained by the Trustee.

Any consent or waiver by the Registered Owner of any Bond shall be conclusive and binding upon such Registered Owner and upon all future Registered Owners of such Bond and of any Bond issued in replacement thereof, whether or not notation of such consent or waiver is made upon such Bond.

Section 11.02. Agency and Trustee Representatives. Whenever under the provisions hereof the approval of the Agency or the Trustee is required, or the Agency or the Trustee is required or authorized to take some action at the request or upon the approval of the other, unless otherwise provided, such approval or such request shall be given for the Agency by the Agency Representative and for the Trustee by the Trustee Representative, and the Agency and the Trustee, as the case may be, shall be authorized to act on any such approval or request. The designation of the Agency Representative or the Trustee Representative may be changed from time to time by furnishing a new certificate to the Trustee or the Agency, as the case may be.

Section 11.03. Limitation of Rights. With the exception of any rights herein expressly conferred, nothing expressed or mentioned in or to be implied from this Indenture or the Bonds is intended or shall be construed to give to any Person other than the parties hereto, and the Registered Owners of the Bonds, any legal or equitable right, remedy or claim under or with respect to this Indenture or any covenants, conditions and provisions herein contained; this Indenture and all of the covenants, conditions and provisions hereof being intended to be and being for the sole and exclusive benefit of the parties hereto, and the Registered Owners of the Bonds as provided herein.

Section 11.04. Severability. If any provision of this Indenture shall be held or deemed to be or shall, in fact, be invalid or unenforceable, the same shall not affect any other provision or provisions herein contained or render the same invalid or unenforceable to any extent whatever.

Section 11.05. Notices. Any notice, request, complaint, demand, or other communication shall be sufficiently given and shall be deemed given when delivered or mailed by registered or certified mail, postage prepaid, or sent by telegram, addressed as follows: if to the Agency, to Redevelopment Agency of the City of Sparks, 431 Prater Way, Sparks, Nevada 89432, Attention: Chief Financial Officer; if to the City, to 431 Prater Way, Sparks, Nevada 89432, Attention: Director of Financial Services; if to the Trustee, to U.S. Bank National Association, 101 North First Avenue, Suite 1600, Phoenix, Arizona 85003, Attention: Global Corporate Trust Services; and if to the Original Purchaser, to Umpqua Bank, 2998 Douglas Boulevard, Suite 100, Roseville, California 95661, Attention: Trevor Mael. A duplicate copy of each notice required to be given hereunder by the Trustee or the Agency shall also be given to the Original Purchaser. The Agency, the City, the Trustee and the Original Purchaser may designate by written notice given by each to the others any further or different addresses to which subsequent communications shall be sent.

Section 11.06. Payments Due on Saturdays, Sundays and Holidays. In any case where the payment date for interest on or principal of the Bonds or the date fixed for redemption of any Bonds shall be a Saturday, Sunday or a legal holiday or a day on which banking institutions in the city of the Trustee's principal corporate trust office are authorized by law to close, then payment of principal or interest need not be made on such date but may be made on the next succeeding Business Day with the same force and effect as if made on the payment date or the date fixed for redemption, and no interest shall accrue for the period from and after such date.

Section 11.07. Counterparts. This Indenture may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 11.08. Applicable Provisions of Law. This Indenture shall be governed by and construed in accordance with the laws of the State.

Section 11.09. Captions. The captions and headings in this Indenture are for convenience only and in no way define, limit or describe the scope or intent of any provisions or Sections of this Indenture.

Section 11.10. Rules of Interpretation.

(a) In this Indenture, unless the context otherwise requires:

(i) The terms "herein," "hereunder," "hereby," "hereto," "hereof" and any similar terms refer to this Indenture as a whole and not to any particular article, section or subdivision hereof; and the term "heretofore" means before the date of execution of this Indenture, the term "now" means at the date of execution of this Indenture, and the term "hereafter" means after the date of execution of this Indenture:

(ii) Words of the masculine gender include correlative words of the feminine and neuter genders and words importing the singular number include the plural number and vice versa; and

(iii) If at any time there shall be one Person who shall be the Registered Owner of all of the Outstanding Bonds and this Indenture shall require the consent of the Trustee for a particular purpose, then the consent of that Person shall be required in lieu of the consent of the Trustee for that purpose, unless that Person shall have been notified and shall not have responded within a reasonable period of time.

(b) Nothing expressed or implied in this Indenture is intended or shall be construed to confer upon or to give any Person, other than the Agency, the Trustee and the Registered Owners of the Bonds, any right, remedy or claim under or by reason of this Indenture or any covenant, agreement, condition or stipulation hereof.

Section 11.11. Certificates and Opinions. Except as otherwise specifically provided in this Indenture, each certificate or opinion with respect to compliance with a condition or covenant provided for in this Indenture shall include: (i) a statement that the Person making the certificate or opinion has read the covenant or condition and the definitions herein relating thereto; (ii) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate or opinion are based; (iii) a statement that, in the opinion of such Person, he or she has made such examination and investigation as is necessary to enable him or her to express an informed opinion as to whether the covenant or condition has been complied with; (iv) a statement as to whether, in the opinion of such Person, the condition or covenant has been complied with; and (v) an identification of any certificate or opinions relied on in such certificate or opinion.

Any opinion of Independent Counsel may be qualified by reference to the constitutional powers of the United States of America, the police powers of the State, judicial discretion and bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally.

In any case where several matters are required to be certified by, or covered by an opinion of, any specified Person, it is not necessary that all such matters be certified by, or covered by the opinion of, only one such Person, or that they be so certified or covered by only one document, but one such Person may certify or give an opinion with respect to some matters and one or more other such Persons as to other matters, and any such Persons may certify or give an opinion as to such matters in one or several documents.

Any certificate or opinion of an officer of the Agency may be based, insofar as it relates to legal matters, upon a certificate or opinion of, or representations by, Independent Counsel, unless such officer knows, or in the exercise of reasonable care should know, that the certificate or opinion or representations with respect to the matters upon which his or her certificate or opinion is based are erroneous. Any such certificate or opinion of Independent Counsel may be based, insofar as it relates to factual matters, upon a certificate or opinion of, or representations by, an officer or officers of the Agency stating that the information with respect to such factual matters is in the possession of the Agency, unless such Independent Counsel

knows, or in the exercise of reasonable care should know, that the certificates or opinion or representations with respect to such matters are erroneous.

When any Person is required to make, give or execute two or more applications, requests, consents, certificates, statements, opinions or other instruments under this Indenture, such instruments may, but need not, be consolidated and form one instrument.

Section 11.12. Exhibit. Exhibit A, the form of the Bonds (including certain other related forms and certifications), is attached to and by reference made a part of this Indenture.

Section 11.13. Additional Provisions and Rights so long as Bonds held by the Original Purchaser. The following provisions shall apply so long as the Original Purchaser is the Owner of 100% of the Bonds:

- (a) Notwithstanding any other provision of this Indenture, the Original Purchaser shall have the right to consent to the amendment of this Indenture and the removal and replacement of the Trustee.
- (b) The Agency shall inform the Original Purchaser promptly upon the occurrence of a Determination of Taxability or an Event of Default.
- (c) The Original Purchaser is hereby expressly made a third party beneficiary of this Indenture.
- (d) The Agency shall notify the Original Purchaser of any failure of the Successor Agency to provide relevant notices, certificates or other similar documents.
- (e) The Agency shall pay or reimburse the Original Purchaser for any and all charges, fees, costs and expenses that the Original Purchaser may reasonably pay or incur in connection with the following: (i) the administration, enforcement, defense, or preservation of any rights or security hereunder or under this Indenture; (ii) the pursuit of any remedies hereunder, under this Indenture, or otherwise afforded by law or equity; (iii) any amendment, waiver, or other action with respect to or related to this Indenture whether or not executed or completed; (iv) the violation by the Authority of any law, rule, or regulation or any judgment, order or decree applicable to it; or (v) any litigation or other dispute in connection with this Indenture.
- (f) The Bonds shall not be rated, shall not have a CUSIP number, shall not be issued pursuant to an offering document, and shall be registered in the name of the Original Purchaser.

Section 11.14. No Fiduciary Relationship. Inasmuch as the loan evidenced by the Bonds represents a negotiated transaction, the Agency understands, and hereby confirms, that the Original Purchaser is not acting as a fiduciary of the Agency, but rather is acting solely in its capacity as lender, for its own account. The Agency acknowledges and agrees that (i) the transaction contemplated herein is an arm's length commercial transaction between the Agency and the Original Purchaser and its affiliates, (ii) in connection with such transaction, the Original Purchaser and its affiliates are acting solely as a principal and not as an advisor including, without limitation, a "Municipal Advisor" as such term is defined in Section 15B of the Securities and Exchange Act of 1934, as amended, and the related final rules (the "Municipal Advisor Rules"), (iii) the Original Purchaser and its affiliates are relying on the purchaser exemption in the Municipal Advisor Rules, (iv) the Original Purchaser and its affiliates have not provided any advice or assumed any advisory or fiduciary responsibility in favor of the Successor Agency with respect to the transaction contemplated hereby and the discussions, undertakings and procedures leading thereto (whether or not the Original Purchaser, or any affiliate of the Original Purchaser, has provided other services or advised, or is currently providing other services or advising the Successor Agency on other matters), (v) the Original Purchaser and its affiliates have financial and other interests that differ from those of the Agency, and (vi) the Agency has consulted with its own financial, legal, accounting, tax and other advisors, as applicable, to the extent it deemed appropriate.

[The remainder of this page intentionally left blank. Signature page follows.]

IN WITNESS WHEREOF, the Agency has caused these presents to be executed in its corporate name and with its official seal hereunto affixed and attested by its duly authorized officials; and to evidence its acceptance of the trusts hereby created, the Trustee has caused these presents to be executed in its corporate name and with its corporate seal hereunto affixed and attested by its duly authorized officers, as of the date first above written.

[SEAL]

REDEVELOPMENT AGENCY OF THE
CITY OF SPARKS, NEVADA

By _____
Chairman of the Agency

Attest:

By _____
Secretary of the Agency

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

By: _____
Authorized Officer

[Signature page to Indenture of Trust]

EXHIBIT A

[FORM OF BOND]

REDEVELOPMENT AGENCY OF THE CITY OF SPARKS
TAX INCREMENT REVENUE REFUNDING BOND
(REDEVELOPMENT AREA NO. 2)
SERIES 2016

| | | |
|----------------------|----------------------|--------------------|
| No. R- | | \$ |
| INTEREST RATE | MATURITY DATE | DATED AS OF |
| % | | |

REGISTERED OWNER:

PRINCIPAL AMOUNT:

The REDEVELOPMENT AGENCY OF THE CITY OF SPARKS (the “Agency”), a public body corporate and politic duly organized and existing under the laws of the State of Nevada, for value received, hereby promises to pay, but solely from the special sources hereinafter designated, to the Registered Owner designated above, or registered assigns, on the Maturity Date specified above, the Principal Amount specified above, and in like manner to pay interest on said Principal Amount from the date hereof at the Interest Rate specified above (or at the Default Rate (as defined in the hereinafter defined Indenture) for so long as applicable pursuant to Section 5.14 or Section 8.02 of the Indenture (as hereinafter defined)), payable semiannually on June 1 and December 1 of each year, commencing December 1, 2016, until said Principal Amount is paid, unless this Bond shall have been called for prior redemption and payment hereof shall have been made or provided for. The principal of this Bond is payable at the corporate trust office of U.S. Bank National Association or its successors, as trustee (the “Trustee”), under an Indenture of Trust, dated as of October 1, 2016 (the “Indenture”), between the Agency and the Trustee, pursuant to which the Bonds of the series of which this Bond is one (the “Bonds”) are issued and secured or at such other office as may be designated by the Trustee. Principal payments made in respect of this Bond pursuant to the mandatory sinking fund schedule set forth in the Indenture (except the final payment indicated in such schedule) or pursuant to any partial optional redemption of this Bond shall be made by check or draft without presentation and surrender of this Bond to the Trustee. The final principal payment made in respect of this Bond at the Maturity Date or made upon any optional redemption of the entire remaining principal balance of this Bond shall be made by check or draft only upon presentation and surrender of this Bond to the Trustee. Payments of interest on this Bond shall be made on or before each interest payment date (or if such interest payment date is not a business day, on or before the next succeeding business day), by check or draft mailed by the Trustee to the person in whose name this Bond is registered in the registration records of the Trustee (the “Registered Owner”) at the address appearing thereon at the close of the business on the 15th day of the calendar month (whether or not a business day) next preceding such interest payment date (the “Record Date”). Alternative means of payment of principal and interest (i.e., other than checks or drafts) may be used if mutually agreed to in writing between the Registered Owner of any

Bond and the Trustee. Any such interest not so timely paid shall cease to be payable to the person who is the Registered Owner hereof at the close of business on the Record Date and shall be payable to the person who is the Registered Owner hereof at the close of business on a Special Record Date (as defined in the Indenture) for the payment of such defaulted interest. Such Special Record Date and the date fixed for payment of such defaulted interest shall be fixed by the Trustee whenever moneys become available for payment of the defaulted interest. Notice of the Special Record Date and the date fixed for payment of such defaulted interest shall be given to the Registered Owners of the Bonds not less than ten days prior to the Special Record Date. All such payments shall be made in lawful money of the United States of America.

From and after an Event of Taxability, following a Determination of Taxability, the Bonds shall bear interest at the Taxable Rate.

The Bonds are issued by the Agency pursuant to and in full compliance with the Constitution and laws of the State of Nevada, particularly the Community Redevelopment Law, consisting of NRS 279.382 to 279.685, inclusive (the "Act"), and pursuant to a resolution duly adopted by the Agency which authorizes the execution and delivery of the Indenture, for the purpose of (i) defeasing and refunding the "Redevelopment Agency of the City of Sparks, Nevada, Tax Increment Revenue Bonds (Redevelopment Area No. 2) Series 2008," and (ii) paying the costs of issuing the Bonds.

The Bonds are all issued under and are equally and ratably secured by and entitled to the protection of the Indenture, pursuant to which the Trust Estate (as defined therein) is pledged to the Trustee to secure the payment of the principal of and interest on the Bonds. The Indenture permits the issuance of additional obligations secured by the Pledged Revenues (as defined in the Indenture) subordinate to, or, subject to certain conditions, on a parity with, the Bonds. The Bonds are special, limited obligations of the Agency, equally and ratably secured by an irrevocable pledge of and lien on, and payable as to principal and interest solely from, the Trust Estate, without priority between or among the Bonds with respect to number, date of sale, date of execution or date of delivery and superior to the lien of the Subordinate Obligations (as defined in the Indenture) on all or a portion of the Pledged Revenues (as defined in the Indenture). Principal of and interest on the Bonds shall not constitute an indebtedness of the City, the State of Nevada or any other political subdivision thereof, and none of the City, the State or any political subdivision thereof other than the Agency shall be liable thereon, nor shall the principal of or interest on the Bonds constitute general obligations of the Agency or be payable out of any funds or properties of the Agency other than the Trust Estate granted by the Agency pursuant to the Indenture.

Reference is hereby made to the Indenture for a further and more detailed description of the Trust Estate (including the Pledged Revenues), the provisions, among others, with respect to the nature and extent of the security, the rights, duties and obligations of the Agency, the Trustee and the Registered Owners of the Bonds, and the terms upon which the Bonds are issued and secured.

The Bonds are issuable as fully registered bonds without coupons in denominations of \$250,000 and integral multiples of \$1 in excess thereof.

The Bonds shall not be transferable or exchangeable, except as set forth in the Indenture. THE BONDS MAY ONLY BE TRANSFERRED TO EITHER A “QUALIFIED INSTITUTIONAL BUYER” AS DEFINED IN RULE 144A PROMULGATED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “1933 ACT”), OR AN “ACCREDITED INVESTOR” AS DEFINED IN RULE 501 OF REGULATION D UNDER THE 1933 ACT.

The Bonds are subject to mandatory sinking fund redemption in the principal amounts and on the dates set forth in the Indenture.

The Bonds are subject to redemption prior to their fixed maturity date at the option of the Agency upon the direction of the Treasurer, from any legally available funds (including, but not limited to, proceeds from the sale of refunding bonds) at any time on or after June 1, 2017, in whole or in part, in integral multiples of \$1, and pro rata within a maturity (determined by dividing the principal amount of Outstanding Bonds owned by each Registered Owner by the total amount of Bonds Outstanding), upon notice as hereinafter described, at a redemption price equal to the sum of the principal amount of each Bond or portion thereof so redeemed, plus accrued interest thereon to the date of redemption, plus a redemption premium equal to the percentage of the principal amount to be redeemed as set forth below:

| <u>Redemption Dates</u> | <u>Redemption Premium</u> |
|-----------------------------------|---------------------------|
| June 1, 2017 through May 31, 2020 | 103% |
| June 1, 2020 through May 31, 2022 | 102% |
| June 1, 2022 through May 31, 2023 | 101% |
| On and after June 1, 2023 | 100% |

If the Bonds are redeemed in part, the Trustee shall credit the principal amount of the Bonds so redeemed against the principal amounts (or portions thereof) due on any mandatory sinking fund redemption date or dates in such manner as the Treasurer shall determine on behalf of the Agency, and the mandatory sinking fund schedule set forth in the Indenture shall be deemed automatically adjusted to the extent necessary to reflect such credits.

Notice of prior redemption shall be given by mailing a copy of the redemption notice not less than 30 days prior to the date fixed for redemption to the Registered Owner of each Bond to be redeemed at the address shown on the registration records maintained by the Trustee, in the manner set forth in the Indenture. All Bonds called for redemption will cease to bear interest after the specified redemption date.

The Trustee shall not be required to transfer or exchange: (i) all or any portion of any Bond subject to prior redemption during the period beginning at the opening of business fifteen days before the day of the mailing by the Trustee of notice calling any Bonds for prior redemption and ending at the close of business on the day of such mailing; or (ii) all or any portion of a Bond after the mailing of notice calling such Bond or any portion thereof for prior redemption. Except as otherwise provided with respect to record dates for the payment of interest, the Agency and the Trustee may deem and treat the Registered Owner of any Bond as the absolute owner thereof for all purposes (whether or not such Bond shall be overdue) and any notice to the contrary shall not be binding upon the Agency or the Trustee.

The Indenture imposes limitations and conditions on the rights of any Registered Owner to enforce the provisions of the Indenture or the Bonds. The Indenture permits, subject to certain conditions and limitations and with certain exceptions as provided therein, the amendment thereof and the modification of the rights and obligations of the Agency, the Trustee and the rights of the Registered Owners of the Bonds. Any consent or waiver by the Registered Owner of this Bond shall be conclusive and binding upon such Registered Owner and upon all future Registered Owners of this Bond and of any Bond issued in replacement hereof whether or not notation of such consent or waiver is made upon this Bond. The Indenture also contains provisions permitting and, under certain circumstances, requiring the Trustee to waive defaults under the Indenture and their consequences.

It is hereby certified, recited and declared that all acts, conditions and things required to exist, happen and be performed precedent to and in the execution and delivery of the Indenture, as defined herein, and the issuance of this Bond do exist, have happened and have been performed in due time, form and manner as required by law.

The Agency has designated this Bond as a qualified tax-exempt obligation for the purposes of and within the meaning of Section 265(b)(3)(B) of the Internal Revenue Code of 1986, as amended to the date of this Bond.

This Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Indenture until the certificate of authentication hereon shall have been manually signed on behalf of the Trustee.

[The remainder of this page intentionally left blank.]

IN WITNESS WHEREOF, the REDEVELOPMENT AGENCY OF THE CITY OF SPARKS, NEVADA, has caused this Bond to be executed in its name by the facsimile or manual signature of its Chairman and its corporate seal or a facsimile thereof to be impressed, imprinted or otherwise reproduced hereon and attested by the facsimile or manual signature of its Secretary, all as of the date set forth above.

REDEVELOPMENT AGENCY OF THE CITY OF SPARKS

ATTEST:

By: _____
Chairman

By: _____
Secretary

[SEAL]

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

Date of authentication and registration: October 11, 2016.

This is one of the Bonds issued pursuant to the within-mentioned Indenture, and such Bond has been duly registered in the registration records kept by the undersigned Trustee.

U.S. BANK NATIONAL ASSOCIATION, AS
TRUSTEE

By: _____

Authorized Officer

ASSIGNMENT FORM

FEES AND TAXES MAY BE CHARGED FOR TRANSFER OR
EXCHANGE OF THIS BOND

For value received, the undersigned hereby sells, assigns and transfers unto _____ the within Bond and hereby irrevocably constitutes and appoints _____ attorney, to transfer the same on the records of the Trustee, with full power of substitution in the premises.

Dated: _____

Signature guaranteed:

Address of transferee:

Social Security or other tax
identification number of transferee:

NOTE: The signature to this Assignment must correspond with the name as written on the face of the within Bond in every particular, without alteration, enlargement or any change whatsoever.

EXHIBIT B

Form of Investor Acknowledgement Letter

[Date]

Redevelopment Agency of the City of Sparks, Nevada
431 Prater Way
Sparks, Nevada 89432

Piper Jaffray & Co., as Placement Agent
800 Nicollet Mall
Minneapolis, MN

Re: \$9,660,000 Redevelopment Agency of the City of Sparks, Tax Increment Revenue
Refunding Bonds (Redevelopment Agency No. 2), Series 2016 (the “Bonds”)

Ladies and Gentlemen:

The undersigned, [name of investor] (the “Purchaser”) hereby represents and warrants to you as follows:

1. The Purchaser has purchased on the date hereof at the price of par, with no accrued interest, \$_____ in par amount of the above-referenced bonds (the “Bonds”) issued pursuant to an authorizing resolution adopted by the Redevelopment Agency of the City of Sparks, Nevada on September 26, 2016 (the “Resolution”), and an Indenture of Trust, dated as of October 1, 2016 (the “Trust Indenture”), between the Redevelopment Agency of the City of Sparks, Nevada (the “Agency”) and U.S. Bank National Association, as trustee. .

2. The Purchaser has sufficient knowledge and experience in business and financial matters in general, and investments such as the Bonds in particular, to enable the Purchaser to evaluate the Bonds, the credit of the borrower, the collateral and the bond terms and that the Purchaser will make its own independent credit analysis and decision to purchase the Bonds based on independent examination and evaluation of the transaction and the information deemed appropriate, without reliance on Piper Jaffray & Co. or its affiliates, its directors, officers, employees, attorneys or agents.

3. The Purchaser acknowledges that no credit rating has been sought or obtained with respect to the Bonds.

4. The Purchaser acknowledges that no official statement has been prepared for the Bonds, and that the Agency of the Bonds will not be entering into a continuing disclosure agreement to provide ongoing disclosure respecting the Bonds. The Purchaser has been offered copies of or full access to all documents relating to the Bonds and all records, reports, financial

statements and other information concerning the Agency and pertinent to the source of payment for the Bonds as deemed material by the Purchaser, which the Purchaser as a reasonable investor, has requested and to which the Purchaser, as a reasonable investor, would attach significance in making an investment decision.

5. The Purchaser confirms that its investment in the Bonds constitutes an investment that is suitable for and consistent with its investment program and that the Purchaser is able to bear the economic risk of an investment in the Bonds, including a complete loss of such investment.

6. The Purchaser states that: (a) it is a bank, savings and loan association, insurance company, or registered investment company; or an investment adviser registered either with the Securities and Exchange Commission under Section 203 of the Investment Advisers Act of 1940 or with a state securities commission (or any agency or office performing like functions); or any other entity (whether a natural person, corporation, partnership, trust, or otherwise) with total assets of at least \$50 million; and, (b) it is capable of evaluating investment risks and market value independently, both in general and with regard to transactions and investment strategies in municipal securities; (c) it is exercising independent judgment in evaluating: (i) the recommendation of the Placement Agent, if any, or its associated persons; and (ii) the quality of execution of the Purchaser's transactions by the Placement Agent; and (d) the Purchaser has timely access to material information that is available publicly through established industry sources as defined in Municipal Securities Rulemaking Board (MSRB) Rule G-47;¹

7. The Purchaser is purchasing the Bonds solely for its own account for investment purposes only, and not with a view to, or in connection with, any distribution, resale, pledging, fractionalization, subdivision or other disposition thereof (subject to the understanding that disposition of Purchaser's property will remain at all times within its control). Because the Purchaser has no immediate intent to trade the Bonds and as a condition to the purchase of the Bonds from the Agency, the Purchaser has directed the Placement Agent not to obtain a CUSIP number for the Bonds, or apply for DTC eligibility for the Bonds.

8. The Purchaser understands that the Bonds (i) have not been registered under the Securities Act of 1933, as amended (the "Act"), and (ii) have not been registered or qualified under any state securities or "Blue Sky" laws, and that the Resolution and the Trust Indenture have not been qualified under the Trust Indenture Act of 1939, as amended.

9. The Purchaser represents that (i) it is a sophisticated investor with extensive experience in purchasing and evaluating obligations similar to the Bonds, (ii) it is purchasing the Bonds for its own account with the present intent of holding it for investment and not with a present view toward resale or other distribution of the Bonds or any part thereof, and (iii) it has a net worth of at least \$500,000 or more.

10. The Purchaser has been furnished with and has examined the Bonds, Trust Indenture, the Resolution and other documents, certificates and the legal opinions delivered in

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

connection with the issuance of the Bonds.

11. The Purchaser understands that the Agency and Piper Jaffray & Co, and their respective counsel and Bond Counsel will rely upon the accuracy and truthfulness of the representations and warranties contained herein and hereby consents to such reliance.

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

Very truly yours,

By: _____

Name: _____

Title: