



**Agenda Item C.1  
PUBLIC HEARING  
Meeting Date: December 3, 2024**

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**TO:** Mayor and Councilmembers

**SUBMITTED BY:** Jaime A. Valdez, Assistant City Manager

**PREPARED BY:** Luke Rioux, Finance Director/Treasurer

**SUBJECT:** City of Goleta Authorizing the Issuance of Local Measure A Transportation Sales Tax Revenue Bonds (in an Aggregate Principal Amount Not to Exceed \$20 million) and Lease Revenue Bonds (in an Aggregate Principal Amount Not to Exceed \$23 million) to Finance All or a Portion of Costs Related to Certain Projects in the City of Goleta

**RECOMMENDATION:**

- A. City Council adopt Resolution No. 24-\_\_\_, entitled, "A Resolution of the City Council of the City of Goleta, California, Authorizing the Execution and Delivery by the City of Goleta of an Installment Sale Agreement, a Trust Agreement, and a Bond Purchase Agreement in Connection with the Issuance by the Goleta Facilities Financing Authority of its Local Measure A Transportation Sales Tax Revenue Bonds, Approving the Issuance of Such Bonds in an Aggregate Principal Amount of Not to Exceed \$20,000,000, and Authorizing the Execution of Final and Necessary Documents and Certificates and Related Actions"; and
- B. City Council adopt Resolution No. 24-\_\_\_, entitled, "A Resolution of the City Council of the City of Goleta, California, Authorizing the Execution and Delivery by the City of Goleta of a Ground Lease, Lease Agreement, Indenture, and Bond Purchase Agreement in Connection with the Issuance of Goleta Facilities Financing Authority Lease Revenue Bonds, Approving the Issuance of Such Bonds in an Aggregate Principal Amount of Not to Exceed \$23,000,000, and Authorizing the Execution of Final and Necessary Documents and Certificates and Related Actions".

**BACKGROUND:**

On December 19, 2023, the City Council awarded the construction contract for Project Connect, approved budget appropriations from various funds, and directed staff to

prepare a financing reimbursement resolution and pursue tax-exempt financing as a contingency.

On April 2, 2024, during a workshop on the Capital Improvement Program (CIP), staff presented updates on the CIP project sheets, funding estimates, and budget appropriations for FY2024/25. Funding strategies for active priority capital improvement projects with identified unfunded amounts were also discussed, focusing on Annual Work Program projects, must-do projects with grant deadlines, and emergency projects. Two main priority projects for potential tax-exempt financing were identified: the Cathedral Oaks Crib Wall Repair Project (Project No. 9053) and the San Jose Creek Bike Path—Northern and Southern Segments (CIP Project No. 9006). In addition, it was discussed that staff would bring back a reimbursement resolution for financial flexibility as part of the overall strategy. Staff was directed to continue working with its municipal financial advisor, Urban Futures, Inc. (“UFI”), to put together the financing team, evaluate financing, and consider issuing tax-exempt obligations.

On April 12, 2024, UFI distributed Requests for Proposals (“RFPs”) to bond/disclosure counsel firms and underwriter firms. The City received three responses to the underwriter RFP and four responses to the bond/disclosure counsel RFP. Based on experience and qualifications, Stradling Yocca Carlson & Rauth LLP (“SYCR”) and Orrick, Herrington & Sutcliffe LLP (“Orrick”) were selected as bond and disclosure counsels, and Stifel, Nicolaus & Company (“Stifel”) was selected as the underwriter.

On June 18, 2024, the City Council held a public hearing on the adoption of the FY 2024/25 Budget. During this public hearing, staff presented a summary of major updates to the CIP since the CIP Budget Workshop. This update included revised project cost estimates based on recent bids and discussed that the reimbursement resolution would include the Goleta Train Depot and South La Patera Improvements (CIP Project No. 9079) as a contingency.

On July 16, 2024, the City Council adopted Resolution No. 24-49, declaring its intention to reimburse certain expenditures from the proceeds of tax-exempt obligations. The Resolution, which did not authorize or otherwise bind the City into issuing obligations, stipulates a reasonably expected maximum principal amount of tax-exempt obligations of \$37 million to primarily finance the Cathedral Oaks Crib Wall Repair Project and the San Jose Creek Bike Path—Northern and Southern Segments among other projects named therein for accelerated delivery and for additional flexibility, included Ekwil Street and Fowler Road Extensions (CIP Project No. 9002), Hollister Avenue Old Town Interim Striping Project (CIP Project No. 9114—now a part of Ekwil Street and Fowler Road Extensions), Hollister Avenue Bridge Replacement (CIP Project No. 9033), and Goleta Train Depot and South La Patera Improvements (CIP Project No. 9079). Together, these projects constitute “the Project”.

On September 3, 2024, the City Council adopted Resolution No. 24-59, authorizing the execution and delivery of a Joint Exercise of Powers Agreement by and between the City and the California Statewide Communities Development Authority (“CSCDA”), which agreement has been executed and delivered. As a result, the Goleta Facilities Financing

Authority (the “GFFA”) was created and established. Among other things, GFFA has the power to issue bonds for the financing and refinancing of public capital improvements or projects whenever there are significant public benefits, as determined by the City.

Staff and the financing team are now ready to present, for consideration by the City Council and the Board of Directors, two financings that, together, would generate \$37 million in bond proceeds to finance all or a portion of the Project.

## **DISCUSSION:**

### Public Hearing

In accordance with Government Code Section 6586.5(a)(1), the City must hold a public hearing to consider public testimony concerning the possible issuance of bonds by the GFFA to finance certain public capital improvements within the boundaries of the City. The City Resolutions approve the sale of bonds by the GFFA and find that there are significant public benefits in connection with the Project, and the associated financing thereof, with bond proceeds.

This meeting has been convened as a joint meeting of the City Council and the GFFA Board of Directors in order to allow the City Council, and the Council Members acting in their capacity as the GFFA Board of Directors, to hold the hearing as described above. As separate bodies, the City of Goleta and the Goleta Facilities Financing Authority will consider adoption of resolutions of each body approving or authorizing the issuance of bonds by the GFFA and approving the form of related financing documents and other actions.

### Local Measure A Transportation Sales Tax Revenue Bonds, Series 2025

The Project being financed is made up of Measure A qualified projects: The City has received a letter from SBCAG (“SBCAG Approval Letter”) acknowledging that each of the projects constituting the Project is eligible to be funded with the City’s local share of Measure A funds. Given the size and scope of the Project, funding it on a pay-go basis (i.e., waiting to construct the Project until enough Measure A funds—which sunset in 2040—are accumulated) would severely delay the Project and likely result in much higher construction costs due to inflation.

Financing allows the Project to be undertaken more quickly using proceeds of the 2025 Bonds and the 2025A Lease Revenue Bonds (both described below). The GFFA would issue Local Measure A Transportation Sales Tax Revenue Bonds, Series 2025 (“2025 Bonds”), with a final maturity in 2040, to finance a portion of the Project. Debt service on the 2025 Bonds would be repaid with installment payments made by the City (from its annual local share Measure A receipts) to the GFFA to purchase the Project over time. The SBCAG Approval Letter acknowledges that the use over several years of the City’s local share of Measure A funds for the repayment of bonds issued by or on behalf of the City to accelerate the construction of one or more of the projects will be considered eligible

expenditures of the City's local share of Measure A funds. Measure A receipts, as and when received by the City, will be applied to make installment payments.

Not all the projected local share of Measure A funds would be consumed by debt service. For the 2025 Bonds to be marketable to investors, the financing would be structured with 1.50x debt service coverage. For example, the City received \$2,250,748 in local share of Measure A funds in Fiscal Year 2023-24. Assuming no growth or decline in revenues, the maximum annual debt service, through a final maturity of 2040, would be \$1.5 million to achieve 1.50x debt service coverage (\$2.25 million/\$1.5 million). Therefore, an estimated \$750,000 of local share Measure A funds would remain available each year for other qualified Measure A expenditures, such as paving. In the current market, approximately \$18.28 million in project proceeds could be generated with this type of financing structure.

The City Resolution No. 24-\_\_ and GFFA Resolution No. 24-\_\_ approve certain documents and actions needed to authorize the issuance and sale of the 2025 Bonds, including the following substantially final form financing documents together with any changes or additions deemed advisable and approved by any Authorized Officer:

- Installment Sale Agreement: The Installment Sale Agreement between the City and GFFA provides for GFFA to finance the costs of and transfer the completed financed portion of the Project to the City, in consideration of which the City will obligate itself to make installment payments for the Project to GFFA in the amounts and on the dates set forth in the Installment Sale Agreement. The installment payments will be due on dates and in amounts to enable the GFFA to pay scheduled debt service on the 2025 Bonds.
- Trust Agreement: The Trust Agreement defines the terms and conditions of the 2025 Bonds, including the flow of funds, redemption provisions, investment and management of funds and accounts, repayment mechanisms, and the rights and obligations of the City, GFFA, the municipal bond insurer, if any, the trustee (The Bank of New York Mellon Trust Company, N.A.), and the bondholders. Under the Trust Agreement, the trustee directly receives the installment payments made by the City under the Installment Sale Agreement, which are equal in amount to the interest and principal payments due on the 2025 Bonds. The Trustee receives and disburses the installment payments semiannually to holders of the 2025 Bonds as payments of interest and principal.
- Bond Purchase Agreement: The Bond Purchase Agreement among GFFA, the City, and Stifel defines the terms and conditions under which the 2025 Bonds will be purchased by the underwriter.

The resolutions also set forth certain not-to-exceed parameters for the 2025 Bonds, including a principal amount not exceeding \$20 million, a true interest cost not exceeding 4.5%, a final maturity not exceeding May 1, 2040, and an underwriter's discount not exceeding 0.5% of the principal amount of the 2025 Bonds. The not-to-exceed principal amount in excess of estimated project proceeds covers costs of issuance, including but

not limited to consultant fees, underwriter's discount, credit rating, bond insurance, and reserve surety policy.

### Lease Revenue Bonds, Series 2025A

As discussed in prior sections, the total estimated unfunded amount of the Project is \$37 million. Because of the limitations of the City's local share of Measure A funds (Measure A sunsets in 2040 and the City receives approximately \$2.25 million annually), the issuance of the 2025 Bonds alone would generate approximately \$18.28 million in proceeds and would therefore not be enough to fund the Project. The City can generate the remaining proceeds through the issuance of Lease Revenue Bonds, Series 2025A ("2025A LRBs"), which would be secured by legally available funds of the City's General Fund and would not require an increase in taxes to its residents.

Under this financing mechanism, GFFA would issue the 2025A LRBs. GFFA would simultaneously enter into a Ground Lease with the City whereby the City leases city-owned property ("Leased Asset") to GFFA in consideration of an upfront payment (generated by the issuance of the 2025A LRBs), and GFFA leases the Leased Asset back to the City in consideration for semi-annual lease payments, which in turn, are used to pay debt service on the 2025A LRBs.

The City entered into a similar financing mechanism with IBank for the purchase of City Hall (for which City Hall serves as the leased asset). Staff and the financing team discussed with IBank substituting City Hall with the Goleta Valley Library and the City Corporation Yard so that City Hall could be released and utilized as the Leased Asset for the 2025A LRBs. The IBank Board of Directors approved this asset substitution on November 20, 2024.

The Resolutions authorize certain documents and actions needed to approve or authorize the issuance and sale of the 2025A LRBs, including the following substantially final form financing documents together with any changes or additions deemed advisable and approved by any Authorized Officer:

- Ground Lease and Lease Agreement: The Ground Lease and Lease Agreement provide for the City to lease the Leased Asset (City Hall) to GFFA in consideration of an upfront rent payment, and for GFFA to lease the Leased Asset back to the City in consideration of the payment by the City to GFFA of semi-annual base rental payments, which are pledged to the repayment of the 2025A LRBs. The rental payments will be due on dates and in amounts to enable the GFFA to pay scheduled debt service on the 2025A LRBs. In addition, under the Lease Agreement the City would agree to annually budget for and appropriate the rental payments for the use and occupancy of the Leased Asset. The City would further agree in the Lease Agreement to provide specified forms of insurance and to maintain the Leased Asset.
- Indenture: The Indenture defines the terms and conditions of the 2025A LRBs, including the pledge of revenues, redemption provisions, investment and management of funds and accounts, repayment mechanisms, and the rights and

obligations of the City, GFFA, the municipal bond insurer, if any, the trustee (The Bank of New York Mellon Trust Company, N.A.), and the bondholders. Under the Indenture, the trustee directly receives rental payments made by the City under the Lease Agreement, which are equal in amount to the interest and principal payments due on the 2025A LRBs. The Trustee receives and disburses the rental payments semiannually to holders of the 2025A LRBs as payments of interest and principal.

- Assignment Agreement: Under the Assignment Agreement, GFFA agrees to assign to the trustee its right to receive the rental payments made under the Lease Agreement.
- Bond Purchase Agreement: The Bond Purchase Agreement among GFFA, the City, and Stifel defines the terms and conditions under which the 2025A LRBs will be purchased by the underwriter.

The City Resolution No. 24-\_\_ and the GFFA Resolution No. 24-\_\_ also set forth certain not-to-exceed parameters for the 2025A LRBs, including a principal amount not exceeding \$23 million, a true interest cost not exceeding 5.0%, a final maturity not exceeding May 1, 2056, and an underwriter's discount not exceeding 0.5% of the principal amount of the 2025A LRBs. The not-to-exceed principal amount for the 2025A LRBs is recommended at a higher amount than for the 2025 Bonds in case market conditions change, and the 2025 Bonds generate a lower amount of project proceeds than currently anticipated.

#### **FISCAL IMPACTS:**

Pursuant to Government Code Section 5852.1, good faith estimates (obtained from the underwriter and the municipal advisor) must be disclosed at a public meeting before the authorization of the 2025 Bonds and the 2025A LRBs. Required good faith estimates are provided in the applicable resolutions; the table below summarizes those estimates and includes additional information.

	<i>2025 Bonds</i>	<i>2025A LRBs</i>
Principal Amount:	\$16,900,000	\$17,410,000
Final Maturity:	May 1, 2040	May 1, 2055
True interest cost:	3.57%	4.27%
Finance charge:	\$500,057	\$436,734
Amount of Project proceeds received:	\$18,278,290	\$18,723,974
Average annual debt service:	\$1,579,445	\$1,130,882
Total debt service payment amount:	\$23,972,472	\$34,127,506

\* These are good faith estimates only and are based on market rates as of November 14, 2024. Final results will likely differ based on market conditions as of the actual sale date and other factors. However, for the financing to proceed, the not-to-exceed parameters described in the previous section must be met.

**NEXT STEPS:**

If the City Council and Board of Directors adopt the resolutions approving or authorizing the issuance of the 2025 Bonds and the 2025A LRBs, the financing team would proceed with developing the Preliminary Official Statements (the offering document for the marketing and sale of the bonds) and the Continuing Disclosure Certificates (agreements that would obligate the City to continue providing certain information to bondholders) as well as seeking credit ratings and bond insurance/surety policies (if applicable). Staff would then bring the Preliminary Official Statements and Continuing Disclosure Certificates for approval by the City Council and Board of Directors in January. The 2025 Bonds and the 2025A LRBs would be sold and delivered in February, at which time the City would receive the Project proceeds.

**ALTERNATIVES:**

The City Council may elect not to approve the Resolutions authorizing the issuance and sale of the 2025 Bonds and 2025A LRBs, in which case the funding of the Project would be delayed. The City Council may elect to approve one of the two bond issuances or to specify lesser principal amounts to be issued provided that direction is included on the specific projects which are expected to be completed with net proceeds of the approved issuances.

**LEGAL REVIEW BY:** Isaac Rosen, Acting City Attorney

**APPROVED BY:** Robert Nisbet, City Manager

**ATTACHMENTS:**

1. City Resolution No. - \_\_\_, entitled, "A Resolution of the City Council of the City of Goleta, California, Authorizing the Execution and Delivery by the City of Goleta of an Installment Sale Agreement, a Trust Agreement, and a Bond Purchase Agreement in Connection with the Issuance by the Goleta Facilities Financing Authority of its Local Measure A Transportation Sales Tax Revenue Bonds, Series 2025, Approving the Issuance of Such Bonds in an Aggregate Principal Amount of Not to Exceed \$20,000,000, and Authorizing the Execution of Final and Necessary Documents and Certificates and Related Actions."
2. Form of Installment Sale Agreement
3. Form of Trust Agreement
4. Form of Bond Purchase Agreement (2025 Bonds)
5. City Resolution No. 24-\_\_\_, entitled, "A Resolution of the City Council of the City of Goleta, California, Authorizing the Execution and Delivery by the City of Goleta of a Ground Lease, Lease Agreement, Indenture, and Bond Purchase Agreement in Connection with the Issuance of Goleta Facilities Financing Authority Lease Revenue Bonds, Series 2025A, Approving the Issuance of Such Bonds in an Aggregate Principal Amount of Not to Exceed \$23,000,000, and Authorizing the Execution of Final and Necessary Documents and Certificates and Related Actions."
6. Form of Ground Lease
7. Form of Lease Agreement
8. Form of Indenture
9. Form of Assignment Agreement
10. Form of Bond Purchase Agreement (2025A LRBs)



## **Attachment 1**

Resolution No. 24-\_\_\_, entitled, "A Resolution of the City Council of the City of Goleta, California, Authorizing the Execution and Delivery by the City of Goleta of an Installment Sale Agreement, a Trust Agreement, and a Bond Purchase Agreement in Connection with the Issuance by the Goleta Facilities Financing Authority of its Local Measure A Transportation Sales Tax Revenue Bonds, Approving the Issuance of Such Bonds in an Aggregate Principal Amount of Not to Exceed \$20,000,000, and Authorizing the Execution of Final and Necessary Documents and Certificates and Related Actions."

**RESOLUTION NO. 24-\_\_**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GOLETA, CALIFORNIA AUTHORIZING THE EXECUTION AND DELIVERY BY THE CITY OF GOLETA OF AN INSTALLMENT SALE AGREEMENT, A TRUST AGREEMENT, AND A BOND PURCHASE AGREEMENT IN CONNECTION WITH THE ISSUANCE BY THE GOLETA FACILITIES FINANCING AUTHORITY OF ITS LOCAL MEASURE A TRANSPORTATION SALES TAX REVENUE BONDS, APPROVING THE ISSUANCE OF SUCH BONDS IN AN AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED \$20,000,000, AND AUTHORIZING THE EXECUTION OF FINAL AND NECESSARY DOCUMENTS AND CERTIFICATES AND RELATED ACTIONS**

**WHEREAS**, the City of Goleta, California (the “City”) is a municipal corporation and general law city duly organized and existing under and pursuant to the Constitution and laws of the State of California; and

**WHEREAS**, the Goleta Facilities Financing Authority (the “Authority”) is a joint exercise of powers entity duly organized and existing pursuant to the laws of the State of California and that certain Joint Exercise of Powers Agreement between the City and the California Statewide Communities Development Authority (the “Joint Powers Agreement”); and

**WHEREAS**, pursuant to the Joint Powers Agreement and Section 6588(h) of the Marks-Roos Local Bond Pooling Act of 1985, commencing with Section 6584 of the California Government Code (the “Act”), the Authority has the legal authority to issue revenue bonds to assist the City in financing projects and programs consisting of certain public improvements or working capital or liability and other insurance needs whenever the City determines that there are significant public benefits from so doing; and

**WHEREAS**, the City and the Authority desire to finance all or a portion of the costs of the design, acquisition, installation, and construction of certain public capital improvements located in various sites in the City, including the Ekwil Street and Fowler Road extension (including the Hollister Avenue Old Town interim striping project), Cathedral Oaks crib wall repair, San Jose Creek bike path, Hollister Avenue Bridge replacement, and Goleta Train Depot and South La Patera Lane improvements, and related street resurfacing and public walkway improvements (collectively, the “Project”), as more particularly described in Exhibit B to the Installment Sale Agreement (as defined below); and

**WHEREAS**, the City is a member of the Authority and the Project is located within the boundaries of the City; and

**WHEREAS**, the City has, prior to the consideration of this Resolution, held a duly noticed public hearing on the financing of the Project in accordance with Section 6586.5 of the Act, which hearing was held at 130 Cremona Drive, Goleta, California

93117 on December 3, 2024, and otherwise complied with Section 6586.5 of the Act; and

**WHEREAS**, in accordance with Section 6586.5 of the Act, notice of such hearing was published once at least five days prior to the hearing in *The Santa Barbara Independent*, an adjudicated local newspaper of general circulation in the City; and

**WHEREAS**, the Authority and the City have determined that it would be in the best interests of the City and residents of the City to authorize the preparation, sale and issuance of the “Goleta Facilities Financing Authority Local Measure A Transportation Sales Tax Revenue Bonds, Series 2025” (the “Bonds”) for the purpose of financing the Project; and

**WHEREAS**, to assist the City with the acquisition and construction of the Project, the Authority will acquire and construct the Project for, and sell the Project to, the City, pursuant to an Installment Sale Agreement between the City and the Authority, in the form presented to this meeting (with such changes, insertions and omissions as are made pursuant to this Resolution, being referred to herein as the “Installment Sale Agreement”); and

**WHEREAS**, the rights of the Authority under the Installment Sale Agreement will be assigned by the Authority to The Bank of New York Mellon Trust Company, N.A., as trustee (the “Trustee”), under a Trust Agreement, among the Authority, the Trustee and the City (such Trust Agreement, in the form presented to this meeting, with such changes, insertions and omissions as are made pursuant to this Resolution, being referred to herein as the “Trust Agreement”), pursuant to which the Bonds will be issued; and

**WHEREAS**, the Authority will issue the Bonds pursuant to the Act; and

**WHEREAS**, on April 20, 2018, the City Council of the City adopted a revised Debt Management Policy for the City, that complies with Government Code Section 8855(i) (the “Debt Management Policy”), and the obligations under the Installment Sale Agreement as contemplated by this Resolution is in compliance with the Debt Management Policy; and

**WHEREAS**, the City and the Authority desire to provide for the negotiated sale of the Bonds; and

**WHEREAS**, the City and the Authority have selected Stifel, Nicolaus & Company, Incorporated to act as underwriter (the “Underwriter”) and to purchase the Bonds from the Authority pursuant to a Bond Purchase Agreement, among the Underwriter, the Authority and the City, in the form presented to this meeting (with such changes, insertions and omissions as are made pursuant to this Resolution, being referred to herein as the “Bond Purchase Agreement”); and

**WHEREAS**, good faith estimates of certain information relating to the Bonds are disclosed and set forth in Exhibit A attached to this Resolution as required by California Government Code Section 5852.1; such estimates were provided by Urban

Futures, Inc. (the “Municipal Advisor”) based on preliminary bond pricing information provided by the Underwriter; and

**WHEREAS**, the City Council has been presented with the form of each document referred to herein relating to the financing contemplated hereby, and the City Council has examined and approved each document and desires to authorize and direct the execution of such documents and the consummation of such financing; and

**WHEREAS**, all acts, conditions and things required by the laws of the State of California to exist, to have happened and to have been performed precedent to and in connection with the consummation of such financing authorized hereby do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the City is now duly authorized and empowered, pursuant to each and every requirement of law, to consummate such financing for the purpose, in the manner and upon the terms herein provided.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF GOLETA AS FOLLOWS:**

**SECTION 1.**

Each of the above recitals is true and correct. Following a duly noticed public hearing, the City Council hereby approves the financing of the Project described in this Resolution and further finds and determines that there are significant public benefits to the citizens of the City through the issuance of the Bonds and execution and delivery of the Installment Sale Agreement pursuant to the Act and otherwise within the meaning of Section 6586(a) through (d), inclusive, of the Act, in that the issuance of the Bonds by the Authority and related transactions will result in demonstrable savings in effective interest rate to the City and enable the City to undertake the Project on a timely basis, and provide a more efficient delivery of public safety services to the community.

**SECTION 2.**

The form of the Installment Sale Agreement, on file with the City Clerk, is hereby approved, and the Mayor, the Mayor Pro Tem, the City Manager, the Finance Director, and the City Clerk, and each of their authorized designees (the “Authorized Officers”), are each hereby authorized and directed, for and in the name and on behalf of the City, to execute and deliver the Installment Sale Agreement in substantially said form, with such changes, insertions and omissions therein as the Authorized Officer executing the same may require or approve, such requirement or approval to be conclusively evidenced by the execution and delivery thereof; provided, however, that the aggregate amount of the principal components of the 2025 Installment Sale Payments shall not exceed \$20,000,000, the final maturity date of the Bonds is not later than May 1, 2040 and the true interest cost for the Bonds is not in excess of 4.50%.

**SECTION 3.**

The form of Trust Agreement, on file with the City Clerk, is hereby approved, and the Authorized Officers are each hereby authorized and directed, for and in the name and on behalf of the City, to execute and deliver the Trust

Agreement in substantially said form, with such changes, insertions and omissions therein as the Authorized Officer executing the same may require or approve, such requirement or approval to be conclusively evidenced by the execution and delivery thereof; provided, however, that the aggregate amount of the Bonds shall not exceed \$20,000,000, the final maturity date of the Bonds is not later than May 1, 2040 and the true interest cost for the Bonds is not in excess of 4.50%.

**SECTION 4.**

The Bond Purchase Agreement, on file with the City Clerk, is hereby approved and the Authorized Officers are each hereby authorized and directed, for and in the name of the City, to execute and deliver the Bond Purchase Agreement in substantially said form, with such changes, insertions and omissions as the Authorized Officer executing the same may require or approve, such requirement or approval to be conclusively evidenced by the execution of the Bond Purchase Agreement by such Authorized Officer; provided, however, that the underwriter's discount for the sale of the Bonds shall not exceed 0.50% of the aggregate principal amount of such Bonds.

**SECTION 5.**

The issuance by the Authority of not to exceed \$20,000,000 aggregate principal amount of the Bonds, in the principal amounts, bearing interest at the rates and maturing on the dates as specified in the Trust Agreement as finally executed, is hereby approved.

**SECTION 6.**

Orrick, Herrington & Sutcliffe LLP, is hereby approved and appointed as Bond Counsel, Stradling Yocca Carlson & Rauth LLP, is hereby approved and appointed as Disclosure Counsel, Urban Futures, Inc., is hereby approved and appointed as Municipal Advisor, and The Bank of New York Mellon Trust Company, N.A. is hereby appointed as Trustee, each to provide such services to the City and any other related services as may be required to issue the Bonds.

**SECTION 7.**

With the passage of this Resolution, the City hereby confirms that it has adopted a Debt Management Policy and certifies that such Debt Management Policy complies with Government Code Section 8855(i), and that the City's financing described in this Resolution and its obligations under the Installment Sale Agreement as contemplated by this Resolution is in compliance with the Debt Management Policy, and to the extent the sale and issuance of the Bonds is not in compliance with the City's Debt Management Policy, such noncompliance is waived in accordance with the terms of the City's Debt Management Policy, and instructs Orrick, Herrington & Sutcliffe LLP, as Bond Counsel, on behalf of the City, with respect to the Bonds described in this Resolution, (a) to cause notices of the proposed sale and final sale of the Bonds to be filed in a timely manner with the California Debt and Investment Advisory Commission pursuant to Government Code Section 8855, and (b) to

check, on behalf of the City, the “Yes” box relating to such certifications in the notice of proposed sale filed pursuant to Government Code Section 8855.

**SECTION 8.**

The officers, employees and agents of the City are hereby authorized and directed, jointly and severally, to execute and deliver any and all documents, which in consultation with City Attorney or with Bond Counsel, they may deem necessary or advisable, in order to consummate the transactions herein authorized and otherwise to carry out, give effect to and comply with the terms and intent of this Resolution. Anything to the contrary herein notwithstanding, in the event the Finance Director determines in consultation with the Municipal Advisor that the cost efficient marketing of the Bonds requires creation of a funded reserve under the Trust Agreement, each of the Trust Agreement, Installment Sale Agreement and other documents approved herein may be revised to reflect the funding of such a reserve. Specifically and without limiting the foregoing, the Finance Director is authorized and directed to solicit and accept bids for bond insurance and, if applicable, a reserve account insurance policy, for the Bonds, provided he determines acceptance of the best bid will result in lower overall debt service or lower interest cost, and appropriate changes to each of the documents referenced herein to evidence such bond insurance, and, if applicable, a reserve account insurance policy, and the terms thereof, are hereby authorized and approved. All actions heretofore taken by the officers, employees and agents of the City with respect to the transactions set forth above are hereby approved, confirmed and ratified.

**SECTION 9.**

All actions heretofore taken by any officer of the City with respect to the sale and issuance of the Bonds, or in connection with or related to any of the agreements or documents referenced herein, are hereby approved, confirmed and ratified in all respects.

**SECTION 10.**

The City Council hereby approves the execution and delivery of any and all agreements, documents, certificates and instruments referred to herein with electronic signatures as may be permitted under the California Uniform Electronic Transactions Act and digital signatures as may be permitted under Section 16.5 of the Government Code using DocuSign.

**SECTION 11.**

This Resolution will take effect from and after its date of adoption.

**PASSED, APPROVED AND ADOPTED** this 3<sup>rd</sup> day of December 2024.

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PAULA PEROTTE  
MAYOR

ATTEST:

APPROVED AS TO FORM:

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DEBORAH S. LOPEZ  
CITY CLERK

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ISAAC ROSEN  
ACTING CITY ATTORNEY

STATE OF CALIFORNIA            )  
COUNTY OF SANTA BARBARA    )        ss.  
CITY OF GOLETA                 )

I, DEBORAH S. LOPEZ, City Clerk of the City of Goleta, California, DO HEREBY CERTIFY that the foregoing Resolution No. 24-\_\_ was duly adopted by the City Council of the City of Goleta at a regular meeting held on the 3<sup>rd</sup> day of December 2024 by the following vote of the Council:

AYES:

NOES:

ABSENT:

ABSTENTIONS:

(SEAL)

\_\_\_\_\_  
DEBORAH S. LOPEZ  
CITY CLERK



## EXHIBIT A

### GOOD FAITH ESTIMATES

The good faith estimates set forth herein are provided with respect to the Bonds in accordance with California Government Code Section 5852.1. Such good faith estimates have been provided to the City by its Municipal Advisor, Urban Futures, Inc., in consultation with Stifel, Nicolaus & Company, Incorporated, the Underwriter of the Bonds.

*Principal Amount.* The Municipal Advisor has informed the City that, based on the City's financing plan and current market conditions, its good faith estimate of the aggregate principal amount of the Bonds to be issued and sold is \$16,900,000 (the "Estimated Principal Amount").

*True Interest Cost of the Bonds.* The Municipal Advisor has informed the City that, assuming that the Estimated Principal Amount of the Bonds is issued and sold, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the true interest cost of the Bonds, which means the rate necessary to discount the amounts payable on the respective principal and interest payment dates to the purchase price received for the Bonds, is 3.57%.

*Finance Charge of the Bonds.* The Municipal Advisor has informed the City that, assuming that the Estimated Principal Amount of the Bonds is issued and sold, and based on market interest rates prevailing at the time of preparation of such estimate and expectation to purchase bond insurance at a net beneficial cost to the City (meaning the cost of the insurance premium will be less than the reduced interest cost to the City), its good faith estimate of the finance charge for the Bonds, which means the sum of all fees and charges paid to third parties (or costs associated with the Bonds), is \$500,057.

*Amount of Proceeds to be Received.* The Municipal Advisor has informed the City that, assuming that the Estimated Principal Amount of the Bonds is issued and sold, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the amount of proceeds expected to be received by the City for sale of the Bonds, less the finance charge of the Bonds, as estimated above, and any reserves or capitalized interest paid or funded with proceeds of the Bonds, is \$18,278,290.

*Total Payment Amount.* The Municipal Advisor has informed the City that, assuming that the Estimated Principal Amount of the Bonds is issued and sold, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the total payment amount, which means the sum total of all payments the City will make to pay debt service on the Bonds, plus the finance charge for the Bonds, as described above, not paid with the proceeds of the Bonds, calculated to the final maturity of the Bonds, is \$23,972,472, which excludes any reserves or capitalized interest paid or funded with proceeds of the Bonds (which may offset such total payment amount).

The foregoing estimates constitute good faith estimates only and are based on market conditions prevailing at the time of preparation of such estimates. The actual principal amount of the Bonds issued and sold, the true interest cost thereof, the finance charges thereof, the amount of proceeds received therefrom and total payment amount with respect thereto may

differ from such good faith estimates due to (a) the actual date of the sale of the Bonds being different than the date assumed for purposes of such estimates, (b) the actual principal amount of Bonds issued and sold being different from the Estimated Principal Amount, (c) the actual amortization of the Bonds being different than the amortization assumed for purposes of such estimates, (d) the actual market interest rates at the time of sale of the Bonds being different than those estimated for purposes of such estimates, (e) other market conditions, (f) alterations to the City's financing plan, or a combination of such factors.

## **Attachment 2**

Form of Installment Sale Agreement

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**INSTALLMENT SALE AGREEMENT**

**by and between the**

**CITY OF GOLETA,  
as Purchaser**

**and the**

**GOLETA FACILITIES FINANCING AUTHORITY,  
as Seller**

**for the**

**GOLETA FACILITIES FINANCING AUTHORITY  
LOCAL MEASURE A TRANSPORTATION SALES TAX REVENUE BONDS, SERIES 2025**

**Dated as of \_\_\_\_\_ 1, 2025**

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**INSTALLMENT SALE AGREEMENT**

**This INSTALLMENT SALE AGREEMENT** (the “Installment Sale Agreement”), dated as of \_\_\_\_\_ 1, 2025, by and between the CITY OF GOLETA, a municipal corporation organized and existing under the Constitution of the State of California (the “City”), and the GOLETA FACILITIES FINANCING AUTHORITY, a joint exercise of powers authority duly organized and existing under and by virtue of the laws of the State of California (the “Authority”),

**W I T N E S S E T H:**

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

**WHEREAS**, Article 4 of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California authorizes and empowers the Authority to cause revenue bonds to be issued to assist the City to finance and refinance certain public improvements upon a determination that there are significant public benefits from so doing;

**WHEREAS**, the City has determined that the design, acquisition, installation, and construction of certain public capital improvements located in various sites in the City, including the Ekwill Street and Fowler Road extension (including the Hollister Avenue Old Town interim striping project), Cathedral Oaks crib wall repair, San Jose Creek bike path, Hollister Avenue Bridge replacement, and Goleta Train Depot and South La Patera Lane improvements, and related street resurfacing and public walkway improvements (collectively, the “Project”) is necessary and proper for City purposes and uses, and under the terms of applicable law, the payment for such Project may be made from Measure A Receipts, as hereinafter defined, and is for the common benefit of the City as a whole;

**WHEREAS**, to assist the City with the acquisition and construction of the Project, the Authority has determined to acquire and construct the Project for, and sell the Project to, the City;

**WHEREAS**, the City has determined to make installment sale payments as hereinafter described to the Authority for the repayment of the costs of the design, acquisition and construction of the Project and the incidental costs and expenses related thereto paid by the Authority; and

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

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

**ARTICLE I**

**DEFINITIONS**

**Section 1.01. Definitions.** Unless the context otherwise requires, the terms defined in this Section shall for all purposes hereof and of any amendment hereof or supplement hereto and of any opinion

or report or other document mentioned herein or therein have the meanings defined herein, the following definitions to be equally applicable to both the singular and plural forms of any of the terms defined herein:

**Accountant’s Report**

“Accountant’s Report” means a report signed by an Independent Certified Public Accountant.

**Acquisition Fund**

“Acquisition Fund” means the fund by that name established pursuant to Section 2.11 of the Trust Agreement.

**Administration Fee**

“Administration Fee” means an amount equal to the sum of the Trustee’s fees, the Rebate Analyst fees and any other similar fee payable in connection with the administration of this Installment Sale Agreement and the Trust Agreement, payable on the 15th day of the month preceding each Interest Payment Date.

**Authority**

“Authority” means the Goleta Facilities Financing Authority, a joint exercise of powers authority duly organized and existing under and by virtue of the laws of the State of California and the Joint Powers Agreement, and its successors and assigns as provided in the Trust Agreement.

**Authorized Authority Representative**

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

**Authorized City Representative**

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

**Bonds**

“Series 2025 Bonds” means the Goleta Facilities Financing Authority Local Measure A Transportation Sales Tax Revenue Bonds, Series 2025, issued in accordance with the Trust Agreement.

**Business Day**

“Business Day” means any day of the year, other than (i) a Saturday, (ii) a Sunday, (iii) a day on which banks located in the city in which either the designated corporate trust office of the Trustee is located is required or authorized by law to be closed, or (iv) a day on which the New York Stock Exchange or the payment system of the Federal Reserve System is not operational.



## **City**

“City” means the City of Goleta, a municipal corporation and general law city duly organized and existing under and by virtue of the Constitution and laws of the State of California.

## **Code**

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

## **Continuing Disclosure Certificate**

“Continuing Disclosure Certificate” means the Continuing Disclosure Certificate, dated as of the date hereof, executed by the City, as originally executed and as it may from time to time be amended or supplemented in accordance with its terms.

## **Contracts**

“Contracts” means all installment sale contracts, capital leases or similar obligations of the City authorized and executed by the City under and pursuant to applicable law, the interest and principal and prepayment premium, if any, payments under and pursuant to which are payable from Measure A Receipts on a parity with the payment of the 2025 Installment Sale Payments, including, without limitation, the Lease Agreement, dated as of \_\_\_\_\_ 1, 2025 (the “Lease Agreement”), by and between the City, as lessee, and the Authority, as lessor.

## **Debt Service**

[“Debt Service” means, for any Fiscal Year, the sum of that portion of the Installment Sale Payments required to be made at the times provided in the Contracts that would have accrued during such Fiscal Year if such Installment Sale Payments were deemed to accrue daily in equal amounts from, in each case, the next preceding Installment Sale Payment Date of interest or principal or the date of the pertinent Contract, as the case may be; *provided*, that (a) if any of the Installment Sale Payments due under any such Contracts bear interest payable pursuant to a variable interest rate formula, the interest rate on such Contracts for periods when the actual interest rate cannot yet be determined, shall be assumed to be equal to the greater of (i) the actual rate on the date of calculation, or if such Contracts are not yet outstanding, the initial rate (if then established and binding), (ii) if the Contracts have been outstanding for at least twelve months, the average rate over the twelve months immediately preceding the date of calculation, and (iii)(1) if interest on such Contracts is excludable from gross income under the applicable provisions of the Code, the most recently published “Bond Buyer 25 Bond Revenue Index” (or comparable index if no longer published), or (2) if interest is not so excludable, the interest rate on direct U.S. Treasury obligations with comparable maturities; (b) if any of the Contracts is secured by an irrevocable letter of credit issued by a bank having a combined capital and surplus of at least \$75,000,000, the principal payments or deposits with respect to such Contracts nominally due in the last Fiscal Year in which such Contracts mature may, at the option of the City, be treated as if they were due as specified in any loan agreement or reimbursement agreement issued in connection with such letter of credit or pursuant to the repayment provisions of such letter of credit and interest on such Contracts after such Fiscal Year shall be assumed to be payable pursuant to the terms of such loan agreement or reimbursement agreement or repayment provisions and (c) if any of such Contracts is not secured by a letter of credit as described in clause (b) of this definition and 20% or more of the original principal of the Installment Sale Payments due under such Contracts is not due until the final stated maturity of the Installment Sale Payments due under such Contracts, such principal may, at

the option of the City, be treated as if it were due based upon a level amortization of such principal over the term of such Installment Sale Payments or 30 years, whichever is greater.]

**Event of Default**

“Event of Default” means an event described in Section 6.01.

**Federal Securities**

“Federal Securities” means United States of America Treasury bills, notes, bonds or certificates of indebtedness, or obligations for which the full faith and credit of the United States of America are pledged for the payment of interest and principal and interest strips of the Resolution Funding Corporation for which separation of principal and interest is maintained in book-entry form.

**Fiscal Year**

“Fiscal Year” means the period beginning on July 1 of each year and ending on the next succeeding June 30, or any other annual accounting period hereafter selected and designated by the City Council of the City as the Fiscal Year of the City.

**Independent Certified Public Accountant**

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

**Installment Sale Agreement**

“Installment Sale Agreement” means this installment sale agreement by and between the City and the Authority, dated as of \_\_\_\_\_ 1, 2025, as originally executed and as it may from time to time be amended or supplemented in accordance herewith and with the terms of the Trust Agreement.

**Installment Sale Payments; 2025 Installment Sale Payments**

“Installment Sale Payments” means the installment sale, rental or other periodic payments scheduled to be paid by the City under and pursuant to the Contracts.

“2025 Installment Sale Payments” means the installment sale payments scheduled to be paid by the City under and pursuant to this Installment Sale Agreement.

**Installment Sale Payment Date; 2025 Installment Sale Payment Date**

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

“2025 Installment Sale Payment Date” means any date on which 2025 Installment Sale Payments are scheduled to be paid by the City under and pursuant to this Installment Sale Agreement.

**Insurance Agreement**

[“Insurance Agreement” means the insurance agreement, dated \_\_\_\_\_ \_\_, 2025, by and among the Authority, the City and the Insurer.]

**Insurance Policy**

["Insurance Policy" means the Municipal Insurance Policy issued by the Insurer, dated \_\_\_\_\_, 2025.]

**Insurer**

["Insurer" means \_\_\_\_\_, a New York stock insurance corporation, or any successor thereto or assignee thereof.]

**Interest Payment Date**

"Interest Payment Date" means a date on which interest on the Bonds is due and payable, being May 1 and November 1 of each year, commencing May 1, 2025.

**Joint Powers Agreement**

"Joint Powers Agreement" means the Joint Exercise of Powers Agreement, dated as of November 1, 2024, between the City and the California Statewide Communities Development Authority, as originally executed and as it may from time to time be amended or supplemented in accordance with its terms.

**Maximum Annual Debt Service**

"Maximum Annual Debt Service" means the greatest total Debt Service payable in any Fiscal Year during the period commencing with the then current Fiscal Year and terminating with the Fiscal Year in which payments are due under the last Contract.

**Measure A Ordinance**

"Measure A Ordinance" means Ordinance No. 5, the "Road Repair, Traffic Relief and Transportation Safety Measure for Santa Barbara County," approved by the Santa Barbara County Local Transportation Authority on June 19, 2008 and approved by at least two-thirds of electors voting on such proposition in the November 4, 2008 election, as supplemented and amended, including the Transportation Investment Plan (the "Investment Plan"), Appendix A, Appendix B-1 and Appendix B-2 to the Investment Plan, adopted by the Santa Barbara County Local Transportation Authority, as supplemented and amended.

**Measure A Project**

"Measure A Project" means a capital project for which Measure A Receipts may be expended, including the related Administration Fee.

**Measure A Receipts**

"Measure A Receipts" means Measure A Revenues allocated by the Santa Barbara County Local Transportation Authority to the City as the City's share of local program funding pursuant to Section 18 of the Measure A Ordinance, to the extent the Project constitutes a Measure A Project, in an amount not greater than the 2025 Installment Sale Payments related to such Measure A Project.

**Measure A Receipts Fund**

"Measure A Receipts Fund" means the fund by that name established as provided in Section 3.02 hereof.

**Measure A Receipts Coverage Amount**

["Measure A Receipts Coverage Amount" means an amount in any Fiscal Year equal to Measure A Revenues allocated to the City in excess of Measure A Receipts but not more than 50% of Measure A Receipts for such Fiscal Year.]

**Measure A Revenues**

"Measure A Revenues" means revenues of the Santa Barbara County Local Transportation Authority pursuant to the Measure A Ordinance derived from a retail transactions and use tax imposed in the County of Santa Barbara pursuant to Part 1.6 of Division 2 of the Revenue and Taxation Code of the State of California, as now in effect and as it may from time to time hereafter be amended or supplemented, Division 12 (Section 130350 *et seq.*) of the Public Utilities Code of the State of California, as now in effect and as it may from time to time hereafter be amended or supplemented, and the Measure A Ordinance. [Collection of the Measure A Revenues commenced on April 1, 2010 and by terms of the Measure A Ordinance will terminate on March 31, 2040].

**Opinion of Counsel**

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

**Other Available Revenues**

"Other Available Revenues" means revenues, other than Measure A Receipts as herein defined, legally available to the City to make Installment Sale Payments, if any.

**Policy Costs**

["Policy Costs" has the meaning set forth in the Insurance Agreement.]

**Pro Rata Share of Principal**

"Pro Rata Share of Principal" means, during any month, an amount of principal becoming due and payable hereunder on the next succeeding Interest Payment Date that would have accrued if such principal were deemed to accrue monthly in equal amounts from the preceding Interest Payment Date.

**Project**

"Project" means the design, acquisition, installation, and construction of certain public capital improvements located in various sites in the City, including the Ekwill Street and Fowler Road extension (including the Hollister Avenue Old Town interim striping project), Cathedral Oaks crib wall repair, San Jose Creek bike path, Hollister Avenue Bridge replacement, and Goleta Train Depot and South La Patera Lane improvements, and related street resurfacing and public walkway improvements, all as described more particularly in Exhibit B, attached hereto and incorporated herein, and, if the contexts suggests, as described under and pursuant to any Contract.

**Purchase Price**

“Purchase Price” means the total of all 2025 Installment Sale Payments owed by the City to the Authority under the conditions and terms hereof for the repayment of the costs of the design, acquisition and construction of the Project and the incidental costs and expenses related thereto paid by the Authority [(including amounts owed to the Insurer in connection with the Insurance Policy and the Reserve Policy)].

**Rebate Amount**

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

**Rebate Analyst**

“Rebate Analyst” means \_\_\_\_\_.

**Rebate Fund**

“Rebate Fund” means the fund by that name established in Section 4.06 of the Trust Agreement.

**Reserve Account**

“Reserve Account” means the account by that name established pursuant to Section 3.03 of the Trust Agreement.

**Reserve Account Requirement**

[“Reserve Account Requirement” means, as of any date of calculation, an amount equal to the least of (i) 10% of the initial stated principal amount (within the meaning of Section 148 of the Code) of the 2025 Installment Sale Payments; (ii) 125% of the average annual 2025 Installment Sale Payments, or (iii) the Maximum Annual Debt Service.]

**Reserve Policy**

[“Reserve Policy” means the Municipal Bond Debt Service Reserve Insurance Policy issued by the Insurer, dated \_\_\_\_\_, 2025, and credited to the Reserve Account.]

**SBCAG**

“SBCAG” means Santa Barbara County Association of Governments, a public agency established in 1966 as Metropolitan Planning Organization (MPO), for the Santa Barbara County region, as administrator of the Measure A Ordinance and the Investment Plan on behalf of the Santa Barbara County Local Transportation Authority, and its successors.

**Tax Certificate**

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

## **Trust Agreement**

“Trust Agreement” means that certain Trust Agreement dated as of \_\_\_\_\_ 1, 2025, by and among the Authority, the Trustee and the City, as originally executed and as it may from time to time be amended or supplemented in accordance with its terms.

## **Trustee**

“Trustee” means The Bank of New York Mellon Trust Company, N.A., a national banking association duly organized and existing under and by virtue of the laws of the United States, acting in its capacity as trustee under and pursuant to the Trust Agreement, and its successors and assigns as provided in the Trust Agreement.

**Section 1.02. Terms defined in the Trust Agreement.** Capitalized terms not otherwise defined herein have the meanings set forth in the Trust Agreement.

**ARTICLE II**

**THE PROJECT**

**Section 2.01. Design, Acquisition, Construction and Sale of the Project.** The Authority hereby agrees to cause the design, acquisition and construction of the Project for, and to sell the Project to, the City; and the City agrees to transfer whatever real or personal property interest it may possess which may be required in order for the Authority to cause such design, acquisition and construction of the Project. In order to implement this provision, the Authority hereby appoints the City as its agent for the purpose of such design, acquisition and construction, and the City hereby agrees to enter into such engineering, design and construction contracts and purchase orders as may be necessary, as agent for the Authority, to provide for the complete design, acquisition and construction of the Project. The City hereby agrees that as such agent it will cause the acquisition and construction of the Project to be diligently completed after the deposit of funds in the Acquisition Fund for such purpose pursuant to Section 2.11 of the Trust Agreement, and that it will use its best efforts to cause the design, acquisition and construction of the Project to be completed by \_\_\_\_\_ 2027, except for unforeseeable delays beyond the reasonable control of the City. The Authority hereby agrees to sell, and hereby sells, the Project to the City. The City hereby agrees to purchase, and hereby purchases, the Project from the Authority. Notwithstanding the foregoing, it is hereby expressly understood and agreed that the Authority shall be under no liability of any kind or character whatsoever for the payment of any costs or expenses incurred by the City (whether as agent for the Authority or otherwise) for the acquisition and construction of the Project and that all such costs and expenses shall be paid by the City, regardless of whether the funds deposited in the Acquisition Fund are sufficient to cover all such costs.

**ARTICLE III**

**2025 INSTALLMENT SALE PAYMENTS; ADMINISTRATION FEE**

**Section 3.01. Purchase Price and Administration Fee.**

(a) The Purchase Price to be paid by the City to the Authority hereunder is the sum of the principal amount of the City's obligation hereunder plus the interest to accrue on the unpaid balance of such principal amount from the date hereof over the term hereof, subject to prepayment as provided in Section 3.03.

(b) The principal amount of the Purchase Price to be paid by the City to the Authority hereunder is \$\_\_\_\_\_.

(c) The interest to accrue on the unpaid balance of such principal amount shall be paid by the City as and shall constitute interest paid on the principal amount of the City's Purchase Price obligation hereunder.

(d) Interest on the unpaid balance of the principal amount of the Purchase Price shall accrue, from the date of the initial issuance of the Bonds, on the principal h of each Installment Sale Payment at the following rates calculated on the basis of a 360-day year comprised of twelve 30-day months:

<b>Principal Payment Due Date (May 1)</b>	<b>Principal Amount</b>	<b>Interest Rate</b>
2025		
2026		
2027		
2028		
2029		
2030		
2031		
2032		
2033		
2034		
2035		
2036		
2037		
2038		
2039		
2040		

(e) In addition, the City shall pay the Administration Fee for the administrative cost of the Project and the financing.

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

**Section 3.02. Payment of 2025 Installment Sale Payments and Administration Fee.** The City shall, subject to prepayment as provided in Section 3.03, pay the Authority or the Trustee, as appropriate, the Purchase Price, without offset or deduction of any kind, by paying (i) the principal installments of the 2025 Installment Sale Payments, which principal installments shall be due annually on each Interest Payment Date, (ii) the interest installments of the 2025 Installment Sale Payments, which interest installments shall be due semiannually on each Interest Payment Date and (iii) the Administration Fee which shall be due annually on each Interest Payment Date. The 2025 Installment Sale Payments Schedule is set forth in Exhibit A attached hereto. Each 2025 Installment Sale Payment and the Administration Fee shall be payable on and shall be required to be deposited with the Trustee on or before the fifteenth day of the calendar month immediately preceding its due date.

The obligation of the City to pay the Purchase Price by paying the 2025 Installment Sale Payments and the Administration Fee is, subject to Section 8.01, absolute and unconditional, and until such time as the 2025 Installment Sale Payments shall have been paid in full (or provision for the payment thereof shall have been made pursuant to Section 7.01), the City will not discontinue or suspend any 2025 Installment Sale Payments or Administration Fee required to be paid by it under this Section when due, whether or not the Project or any part thereof is complete, or its use is suspended, interfered with, reduced, curtailed or terminated in whole or in part, and such payments shall not be subject to reduction whether by offset or



otherwise and shall not be conditional upon the performance or nonperformance by any party to any agreement for any cause whatsoever.

[The City shall pay or reimburse the Insurer any and all charges, fees, costs and expenses that the Insurer may reasonably pay or incur in connection with (i) the administration, enforcement, defense or preservation of any rights or security in the Trust Agreement, the Insurance Agreement or this Installment Sale Agreement (each a “Related Document”); (ii) the pursuit of any remedies under the any Related Document or otherwise afforded by law or equity, (iii) any amendment, waiver or other action with respect to, or related to any Related Document whether or not executed or completed, or (iv) any litigation or other dispute in connection with any other Related Document or the transactions contemplated thereby, other than costs resulting from the failure of the Insurer to honor its obligations under the Insurance Policy. The Insurer reserves the right to charge a reasonable fee as a condition to executing any amendment, waiver or consent proposed in respect of any Related Document.]

The City has established in accordance with the Measure A Ordinance, the City’s Transportation Improvement Account (referred to as the “Measure A Receipts Fund” herein), as provided in Section 30 of the Measure A Ordinance, which fund the City agrees and covenants to maintain in accordance with the Measure A Ordinance and this Installment Sale Agreement so long as any 2025 Installment Sale Payments remain unpaid, and all money on deposit therein shall be applied and used only as provided herein including, without limitation, to pay the Purchase Price by paying the 2025 Installment Sale Payments and the Administration Fee. The City agrees and covenants that all Measure A Revenues received by it shall be deposited when and as received in the Measure A Receipts Fund.

The City covenants and agrees to apply Measure A Revenues as received on an annual basis to the payment of 2025 Installment Sale Payments prior to any other expenditure of such funds, subject to the release for expenditure as provided in this section below and only in an amount not exceeding the Measure A Receipts.

[The City covenants and agrees to include all Insurer Reimbursement Amounts (as more fully described in the Trust Agreement) and Policy Costs (as more fully described in the Trust Agreement and the Insurance Agreement) in its calculation of 2025 Installment Sale Payments and shall pay all such payments from the Measure A Receipts.]

All of the Measure A Receipts and all money in the Measure A Receipts Fund, and in the funds or accounts so specified and provided for in this Installment Sale Agreement, are hereby irrevocably pledged to the punctual payment of the 2025 Installment Sale Payments and the Administration Fee, and the Measure A Receipts shall not be used for any other purpose while any of the 2025 Installment Sale Payments remain outstanding; subject to the provisions of this Installment Sale Agreement permitting application thereof as set forth below and for the purposes and on the terms and conditions set forth herein. This pledge shall constitute a first lien on the Measure A Receipts for the payment of the 2025 Installment Sale Payments and the Administration Fee in accordance with the terms thereof.

Notwithstanding the foregoing, the City may satisfy its obligation to deposit 2025 Installment Sale Payments with the Trustee by depositing Other Available Revenues with the Trustee, and if and when so deposited, shall be irrevocably pledged to the payment of 2025 Installment Sale Payments.

All Revenues on deposit in the Measure A Receipts Fund shall be set aside and deposited by the City in the various funds and accounts within the Revenue Fund at the following times in the following order of priority:

(a) Interest and Principal Account Deposits. On or before the 15th day preceding each Interest Payment Date, the City shall, from the Measure A Revenues in the Measure A Receipts Fund, transfer to the Trustee for deposit in the Interest Account within the Revenue Fund established under the Trust Agreement, a sum equal to the interest becoming due and payable hereunder on the next succeeding Interest Payment Date, except that no such deposit need be made if the Trustee then holds money in the Interest Account equal to the amount of interest becoming due and payable hereunder on the next succeeding Interest Payment Date; and on or before the 15th day preceding each Interest Payment Date, the City shall, from the Measure A Revenues in the Measure A Receipts Fund, transfer to the Trustee for deposit in the Principal Account within the Revenue Fund established under the Trust Agreement, a sum equal to the principal becoming due and payable hereunder on the next succeeding Installment Sale Payment Date, except that no such deposit need be made if the Trustee then holds money in the Principal Account equal to the amount of Principal becoming due and payable hereunder on the next succeeding Installment Sale Payment Date; and all money on deposit in the Interest Account and the Principal Account shall be used to make and satisfy the 2025 Installment Sale Payments due on each date and such payments shall be deposited by the Trustee to the Interest Account or the Principal Account, as the case may be, as defined in, created under and in accordance with the terms of, the Trust Agreement.

(b) Reserve Account Deposit. On or before the 15th day of each month, the City shall, from the Measure A Revenues in the Measure A Receipts Fund, transfer to the Trustee for deposit in the Reserve Account that sum, if any, necessary to restore the Reserve Account to an amount equal to the Reserve Account Requirement, all in accordance with and subject to the terms and conditions of Section 3.03 of the Trust Agreement. All money in the Reserve Account shall be used and withdrawn by the Trustee for the purposes specified in Section 3.03(3) of the Trust Agreement. [The City further agrees to pay to the Insurer all amounts owed to it under the Insurance Agreement in connection with any draw on the Reserve Policy, and all related reasonable expenses incurred by the Insurer and shall pay interest thereon from the date of payment by the Insurer at the Late Payment Rate, in each case solely from available Measure A Receipts and subject to the first pledge of and lien upon the Measure A Receipts for the payment of the Bonds.]

["Late Payment Rate" means the lesser of (x) the greater of (i) the per annum rate of interest, publicly announced from time to time by JPMorgan Chase Bank at its principal office in the City of New York, as its prime or base lending rate ("Prime Rate") (any change in such Prime Rate to be effective on the date such change is announced by JPMorgan Chase Bank) plus 3%, and (ii) the then applicable highest rate of interest on the Bonds and (y) the maximum rate permissible under applicable usury or similar laws limiting interest rates. The Late Payment Rate shall be computed on the basis of the actual number of days elapsed over a year of 360 days. In the event JPMorgan Chase Bank ceases to announce its Prime Rate publicly, Prime Rate shall be the publicly announced prime or base lending rate of such national bank as the Insurer shall specify. If the interest provisions of this subparagraph shall result in an effective rate of interest which, for any period, exceeds the limit of the usury or any other laws applicable to the indebtedness created herein, then all sums in excess of those lawfully collectible as interest for the period in question shall, without further agreement or notice between or by any party hereto, be applied as additional interest for any later periods of time when amounts are outstanding hereunder to the extent that interest otherwise due hereunder for such periods plus such additional interest would not exceed the limit of the usury or such other laws, and any excess shall be applied upon principal immediately upon receipt of such moneys by the Insurer, with the same force and effect as if the City had specifically designated such extra sums to be so applied and the Insurer had agreed to accept such extra payment(s) as additional interest for such later periods. In no event shall any agreed-to or actual exaction as consideration for the indebtedness created herein exceed the limits imposed or

provided by the law applicable to this transaction for the use or detention of money or for forbearance in seeking its collection.]

Repayment of draws and payment of expenses and accrued interest thereon at the Late Payment Rate (collectively, "Policy Costs") shall commence in the first month following each draw, and each such monthly payment shall be in an amount at least equal to 1/12 of the aggregate of Policy Costs related to such draw.

Amounts in respect of Policy Costs paid to the Insurer shall be credited first to interest due, then to the expenses due and then to principal due. As and to the extent that payments are made to the Insurer on account of principal due, the coverage under the Reserve Policy will be increased by a like amount, subject to the terms of the Reserve Policy.

If the City shall fail to pay any Policy Costs in accordance with the requirements above, the Insurer shall be entitled to exercise any and all legal and equitable remedies available to it, including those provided under the Trust Agreement and this Installment Sale Agreement other than (i) acceleration of the maturity of the Bonds or (ii) remedies which would adversely affect owners of the Bonds.

[Neither the Trust Agreement nor this Installment Sale Agreement shall be discharged until all Policy Costs owing to the Insurer shall have been paid in full. The City's obligation to pay such amounts shall expressly survive payment in full of the Bonds.]

(c) Administration Account Deposit. On or before the 15th day preceding each Interest Payment Date, the City shall, from the remaining Measure A Receipts on deposit in the Measure A Receipts Fund, transfer to the Trustee for deposit in the Administration Account a sum equal to the Administration Fee becoming due and payable hereunder on the next Interest Payment Date, and all money on deposit in the Administration Account shall be used to pay the Administration Fee due on such Interest Payment Date, in accordance with the terms of the Trust Agreement.

[If at or as of the end of each Fiscal Year (i) Measure A Receipts remain in the Measure A Receipts Fund after providing (or otherwise reserving) for all deposits required by subsections (a), (b), and (b) above during such Fiscal Year and (ii) the City is not in default hereunder, then any amount remaining on deposit in the Measure A Receipts Fund to the City to be used for any lawful purpose of the City consistent with the Measure A Ordinance.]

[Notwithstanding the foregoing, provided all transfers required by subparagraphs (a), (b) and (c) above have been made, on any Business Day moneys on deposit in the Measure A Receipts Fund in excess of the sum of (i) interest becoming due and payable hereunder on the next succeeding Interest Payment Date (less amounts then held by the Trustee in the Interest Account) and (ii) the Pro Rata Share of Principal (less amounts then held by the Trustee in the Principal Account) may be expended by the City at any time for any purpose permitted by law.]

**Section 3.03. Prepayment of 2025 Installment Sale Payments.** The City may prepay from any source of available funds as a whole or in part on any date, on or after May 1, 20\_\_, all or any part of the principal amount of the unpaid 2025 Installment Sale Payments becoming due on or after May 1, 20\_\_, in such order of redemption as the City may determine upon written direction to the Authority and the Trustee (or, if the City fails to designate the order of redemption, on a proportionate basis among the 2025 Installment Sale Payments and by lot within an Installment Sale Payment Date), at a prepayment price equal to the principal amount prepaid and Bonds to be redeemed, plus accrued interest to the date of redemption.

Before making any prepayment pursuant to this section, the City shall give written notice to the Authority and the Trustee describing such event and specifying the date on which the redemption will be paid and the order thereof, which date shall be not less than thirty (30) days nor more than sixty (60) days from the date such notice is given.

## ARTICLE IV

### ADDITIONAL CONTRACTS

**Section 4.01. Additional Contracts.** [So long as the City is not in default hereunder, the City may at any time execute any Contract, the Installment Sale Payments under and pursuant to which, as the case may be, are payable from the Measure A Receipts on a parity with the payment by the City of the 2025 Installment Sale Payments as provided herein; *provided*, that the audited Measure A Receipts, plus the Measure A Receipts Coverage Amount, for the Fiscal Year next preceding the date of the adoption by the City Council of the City of the resolution authorizing the execution of such Contract, as evidenced by both a calculation prepared by the City and a special report prepared by an Independent Certified Public Accountant on such calculation on file with the City shall have produced a sum equal to at least 150% of the Maximum Annual Debt Service on all Contracts outstanding after the execution of such amendment or Contract. [Policy Costs due and owing to the Insurer, and similar costs due and owing to any other provider of a municipal bond insurance policy or debt service reserve insurance policy or surety with respect to all Contracts outstanding and to be outstanding after the execution of such amendment or Contract, shall be included in the Maximum Annual Debt Service requirement for purposes of the foregoing calculation and the calculation of Maintenance of Revenues in Section 5.04 of this Installment Sale Agreement.]

Notwithstanding the foregoing provisions, there shall be no limitations on the ability of the City to execute any Contract at any time to refund any outstanding Contract.

## ARTICLE V

### REPRESENTATIONS AND COVENANTS OF THE CITY AND THE AUTHORITY

**Section 5.01. Authority; Compliance with Installment Sale Agreement and Trust Agreement.** The City is a municipal corporation organized and existing under the Constitution of the State of California, with full legal right, power and authority to execute, deliver and perform its obligations under this Installment Sale Agreement, and compliance with the provision hereof will not materially conflict with or constitute a material breach of or default under any applicable provision of law, or any applicable regulation or agreement to which the City is a party or may be subject.

The City will punctually pay the 2025 Installment Sale Payments in strict conformity with the terms hereof, and will faithfully observe and perform all the agreements, conditions, covenants and terms contained herein required to be observed and performed by it, and will not terminate the Installment Sale Agreement for any cause including, without limiting the generality of the foregoing, any acts or circumstances that may constitute failure of consideration, destruction of or damage to the Project, commercial frustration of purpose, any change in the tax or other laws of the United States of America or of the State of California or any political subdivision of either or any failure of the Authority to observe or perform any agreement, condition, covenant or term contained herein required to be observed and performed by it, whether express or implied, or any duty, liability or obligation arising out of or connected herewith or the insolvency, or deemed insolvency, or bankruptcy or liquidation of the Authority or any force majeure, including Acts of God, tempest, storm, earthquake, war, rebellion, riot, civil disorder, acts of public enemies, blockade or embargo, strikes, industrial disputes, lockouts, lack of transportation facilities, fire, explosion, or acts or regulations of governmental authorities.

The Authority will faithfully observe and perform all the agreements, conditions, covenants and terms contained in the Trust Agreement required to be observed and performed by it, and it is expressly understood and agreed by and among the parties to the Installment Sale Agreement and the Trust Agreement that each of the agreements, conditions, covenants and terms contained in each such agreement is an essential and material term of the obligation of the City to repay the costs of the acquisition and construction of the Project and the costs and expenses incidental thereto paid by the Authority pursuant to, and in accordance with, and as authorized under law and the Installment Sale Agreement.

**Section 5.02. Use of Proceeds of Bonds.** The Authority and the City agree that the proceeds of the Bonds deposited in the Acquisition Fund will be used by the City, as agent for the Authority, to pay the costs of the acquisition and construction of the Project and to pay the incidental costs and expenses related thereto as provided herein and in the Trust Agreement.

**Section 5.03. Against Encumbrances.** The City will pay or cause to be paid when due all sums of money that may become due or purporting to be due for any labor, services, materials, supplies or equipment furnished, or alleged to have been furnished, to or for the City payable from the Measure A Receipts or which may impair the security for the 2025 Installment Sale Payments and will keep the Measure A Receipts free of any and all liens against any portion of the Measure A Receipts. In the event any such lien attaches to or is filed against any portion of the Measure A Receipts, the City will cause each such lien to be fully discharged and released at the time the performance of any obligation secured by any such lien matures or becomes due, except that if the City desires to contest any such lien it may do so. If any such lien shall be reduced to final judgment and such judgment or any process as may be issued for the enforcement thereof is not promptly stayed, or if so stayed and such stay thereafter expires, the City will forthwith pay or cause to be paid and discharged such judgment. The City will, to the maximum extent permitted by law, indemnify and hold the Authority and the Trustee harmless from, and defend each of them against, any claim, demand, loss, damage, liability or expense (including attorneys' fees) as a result of any such lien or claim of lien against any portion of the Measure A Receipts.

The City may pledge, encumber or otherwise secure its obligations with the Measure A Receipts, *provided*, that except as permitted by Section 4.01 hereof, in all instances any such pledge, lien or security is wholly subordinate and junior to the obligations of the City contained herein.

**Section 5.04. Maintenance of Measure A Revenues.** The City will use its best efforts to comply with all provisions of law and any regulations issued thereunder relating to the Measure A Revenues, including, but not limited to, the Measure A Ordinance, and Sections 65089.3 and 65089.4 of the California Government Code relating to conformance with the congestion management program relating to the City, and will take any and all reasonable actions required in order to maintain the City's ability to receive the Measure A Revenues and apply the same as provided herein; *provided*, that nothing herein shall require the City to take any action or expend any City funds to comply with any such requirements deemed unreasonable in the sole discretion of the City, so long as failure to take such action or expend such funds will not cause the amount of estimated Measure A Revenues to be received by the City in the next Fiscal Year to be less than 150% of the Maximum Annual Debt Service as of the date of calculation.

**Section 5.05. Tax Covenants.** The City will not directly or indirectly use or permit the use of the proceeds of the obligation provided herein or any other funds of the City or take or omit to take any action which would cause such obligation to be an "arbitrage bond" within the meaning of Section 148 of the Code, or a "federally guaranteed obligation" under Section 149(b) of the Code, or a "private activity bond" as described in Section 141 of the Code. To that end, so long as any 2025 Installment Sale Payment is unpaid, the City will comply with all requirements of such sections of the Code to the extent applicable to the obligation provided herein and with the provisions of the Tax Certificate. Upon calculation by the Rebate Analyst of a Rebate Amount, the City shall, from any source of available funds, immediately transfer

an amount of money equal to the Rebate Amount to the Trustee for deposit in the Rebate Fund established pursuant to Section 4.06 of the Trust Agreement.

The Authority and the City will at all times do and perform all acts and things permitted by law which are necessary or desirable in order to assure that the interest on the Bonds will not be included in the gross income of the owners of such bonds for federal income tax purposes under the Code and will take no action that would result in such interest being so included.

**Section 5.06. Prompt Acquisition and Construction of the Project.** The City will take all necessary and appropriate steps to acquire and construct the Project, as agent of the Authority, with all practicable dispatch and in an expeditious manner and in conformity with law so as to complete the same as soon as possible.

**Section 5.07. Accounting Records and Financial Statements.**

(a) The City will keep appropriate accounting records in which complete and correct entries shall be made of all transactions relating to the Measure A Receipts and the Project, which records shall be available for inspection by the Authority and the Trustee at reasonable hours and under reasonable conditions.

(b) The City will prepare and file with the Trustee annually within six months after the close of each Fiscal Year or, if not then available, as soon thereafter as possible, audited financial statements of the City for the preceding Fiscal Year.

**Section 5.08. Protection of Security and Rights of the Authority and the Trustee.** The City will preserve and protect the security hereof and the rights of the Authority and the Trustee to the 2025 Installment Sale Payments hereunder and will warrant and defend such rights against all claims and demands of all persons.

**Section 5.09. Further Assurances.** The City will adopt, deliver, execute and make any and all further assurances, instruments and resolutions as may be reasonably necessary or proper to carry out the intention or to facilitate the performance hereof and for the better assuring and confirming unto the Authority of the rights and benefits provided to it herein.

**Section 5.10. Continuing Disclosure.** The City hereby covenants and agrees that it will enter into and comply with and carry out all of the provisions of the Continuing Disclosure Certificate. Notwithstanding any other provision of this Installment Sale Agreement, failure of the City to comply with the Continuing Disclosure Certificate shall not be considered an Event of Default hereunder; however, the Trustee shall at the written request of any Participating Underwriter (as defined in the Continuing Disclosure Certificate) or the Owner of at least 25% aggregate principal amount of Outstanding Bonds, or any Owner or Beneficial Owner may take such actions as may be necessary and appropriate, including seeking specific performance by court order, to cause the City to comply with its obligations under this Section. For purposes of this Section, "Beneficial Owner" means any person which has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries).

[When the Trustee incurs expenses or renders services pursuant to this Section, the Trustee shall be entitled to compensation for such expenses and services rendered.]

## ARTICLE VI

### EVENTS OF DEFAULT AND REMEDIES

**Section 6.01. Events of Default and Acceleration of Principal.** If one or more of the following “Events of Default” shall happen, that is to say --

(1) if default shall be made in the due and punctual payment of any 2025 Installment Sale Payment when and as the same shall become due and payable;

(2) if default shall be made by the City in the performance of any of the agreements or covenants contained herein required to be performed by it, and such default shall have continued for a period of 30 days after the City shall have been given notice in writing of such default by the Authority or the Trustee; or

(3) if the City shall file a petition or answer seeking arrangement or reorganization under the federal bankruptcy laws or any other applicable law of the United States of America or any state therein, or if a court of competent jurisdiction shall approve a petition filed with or without the consent of the City seeking arrangement or reorganization under the federal bankruptcy laws or any other applicable law of the United States of America or any state therein, or if under the provisions of any other law for the relief or aid of debtors any court of competent jurisdiction shall assume custody or control of the City or of the whole or any substantial part of its property;

then and in each and every such case during the continuance of such Event of Default specified in clause (1) above, the Trustee shall, and for any other such Event of Default the Trustee may [(with the prior written consent of the Insurer), by notice in writing to the City and the Insurer], declare the entire principal amount of the unpaid 2025 Installment Sale Payments and the accrued interest thereon to be due and payable immediately, and upon any such declaration the same shall become immediately due and payable, anything contained herein to the contrary notwithstanding. This subsection is subject to the condition, however, that if at any time after the entire principal amount of the unpaid 2025 Installment Sale Payments and the accrued interest thereon shall have been so declared due and payable and before any judgment or decree for the payment of the money due shall have been obtained or entered the City shall deposit with the Trustee a sum sufficient to pay the unpaid principal amount of the 2025 Installment Sale Payments due and payable prior to such declaration and the accrued interest thereon, with interest on such overdue installments at the rate or rates applicable to such unpaid principal amounts of the 2025 Installment Sale Payments if paid in accordance with their terms, and the reasonable expenses of the Trustee, and any and all other defaults known to the Trustee (other than in the payment of the entire principal amount of the unpaid 2025 Installment Sale Payments and the accrued interest thereon due and payable solely by reason of such declaration) shall have been made good or cured to the satisfaction of the Trustee or provision deemed by the Trustee to be adequate shall have been made therefor, then and in every such case the Trustee, by written notice to the City, may rescind and annul such declaration and its consequences; but no such rescission and annulment shall extend to or shall affect any subsequent default or shall impair or exhaust any right or power consequent thereon.

**Section 6.02. Application of Measure A Receipts Upon Acceleration.** All Measure A Receipts upon the date of the declaration of acceleration by the Trustee as provided in Section 6.01 and all Measure A Receipts thereafter received shall be applied in the following order --

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

Second, to the payment of the interest then due and payable on the entire principal amount of the unpaid 2025 Installment Sale Payments, and, if the amount available shall not be sufficient to pay in full all such interest then due and payable, then to the payment thereof ratably, according to the amounts due thereon without any discrimination or preference;

Third, to the payment of the unpaid principal amount of the 2025 Installment Sale Payments which has become due and payable, whether on the original due date or upon acceleration, with interest on the overdue principal and interest amounts of the unpaid 2025 Installment Sale Payments at the rate or rates of interest then applicable to such 2025 Installment Sale Payments if paid in accordance with their terms, and, if the amount available shall not be sufficient to pay in full all the amounts due with respect to the 2025 Installment Sale Payments on any date, together with such interest, then to the payment thereof ratably, according to the principal amount due on such date, without any discrimination or preference; and

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

**Section 6.03. Other Remedies.** The Trustee shall have the right --

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

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

(c) by suit in equity upon the happening of an Event of Default to require the City and its council members, officers and employees to account as the trustee of an express trust.

**Section 6.04. Non-Waiver.** Nothing in this article or in any other provision hereof shall affect or impair the obligation of the City, which is absolute and unconditional, to pay the 2025 Installment Sale Payments from the Measure A Receipts to the Trustee at the respective due dates or upon prepayment, or shall affect or impair the right of the Trustee, which is also absolute and unconditional, to institute suit to enforce such payment by virtue of the contract embodied herein.

A waiver of any default or breach of duty or contract by the Trustee shall not affect any subsequent default or breach of duty or contract or impair any rights or remedies on any such subsequent default or breach of duty or contract. No delay or omission by the Trustee to exercise any right or remedy accruing upon any default or breach of duty or contract shall impair any such right or remedy or shall be construed to be a waiver of any such default or breach of duty or contract or an acquiescence therein, and every right or remedy conferred upon the Trustee by law or by this Article may be enforced and exercised from time to time and as often as shall be deemed expedient by the Trustee.

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

**Section 6.05. Remedies Not Exclusive.** No remedy herein conferred upon or reserved to the Trustee is intended to be exclusive of any other remedy, and each such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing in law or in equity or by statute or otherwise and may be exercised without exhausting and without regard to any other remedy



conferred by law. The exercise of remedies hereunder shall be subject to the provisions of the Trust Agreement, including Articles VII and IX thereof.

## ARTICLE VII

### DISCHARGE OF OBLIGATIONS

#### **Section 7.01. Discharge of Obligations.**

(a) If the City shall pay or cause to be paid all the 2025 Installment Sale Payments at the times and in the manner provided herein, [and all amounts owed the Insurer shall have been paid in full], the right, title and interest of the Authority herein and the obligations of the City hereunder shall thereupon cease, terminate, become void and be completely discharged and satisfied.

(b) Any unpaid principal installment of the 2025 Installment Sale Payments shall on its payment date or date of prepayment be deemed to have been paid within the meaning of and with the effect expressed in subsection (a) of this section if the City makes payment of such Installment Sale Payments and the redemption premium, if applicable, in the manner provided herein.

(c) All or any portion of unpaid principal installments of the 2025 Installment Sale Payments shall, prior to their payment dates or dates of prepayment, be deemed to have been paid within the meaning of and with the effect expressed in subsection (a) of this section if (i) notice is provided by the City to the Trustee as required by the Trust Agreement, (ii) there shall have been deposited with the Trustee either money in an amount which shall be sufficient, or Defeasance Obligations (as that term is defined in the Trust Agreement), the interest on and principal of which when paid will provide money which, together with money, if any, deposited with the Trustee, shall be sufficient, in the opinion of an Independent Certified Public Accountant, to pay when due the interest to become due with respect to the principal installments of such 2025 Installment Sale Payments and the principal installments of such 2025 Installment Sale Payments or such portions thereof on and prior to their payment dates or their dates of prepayment, as the case may be, and the redemption premiums, if any, applicable thereto and (iii) an opinion of nationally recognized bond counsel is filed with the Trustee to the effect that the action taken pursuant to this subsection will not cause the interest on the Bonds to be includable in gross income under the Code for federal income tax purposes.

(d) After the payment of all Installment Sale Payments and redemption premiums, if any, as provided in this section, and payment of all fees and expenses of the Trustee, the Trustee, upon request of the City, shall cause an accounting for such period or periods as may be requested by the City to be prepared and filed with the City and the Authority and shall execute and deliver to the City and the Authority all such instruments as may be necessary or desirable to evidence such total discharge and satisfaction of the Installment Sale Agreement, and the Trustee shall pay over and deliver to the City, as an overpayment of Installment Sale Payments, all such money or investments held by it pursuant hereto other than such money and such investments as are required for the payment or prepayment of the 2025 Installment Sale Payments, which money and investments shall continue to be held uninvested by the Trustee in trust for the payment of the 2025 Installment Sale Payments and shall be applied by the Trustee pursuant to the Trust Agreement.

## ARTICLE VIII

### MISCELLANEOUS

**Section 8.01. Liability of City Limited to Measure A Receipts.** Notwithstanding anything contained herein, the City shall not be required to advance any moneys derived from any source of income other than the Measure A Receipts for the payment of the 2025 Installment Sale Payments or for the performance of any agreements or covenants required to be performed by it contained herein.

The obligation of the City to make the 2025 Installment Sale Payments is a special obligation of the City payable solely from the Measure A Receipts as provided herein, and does not constitute a debt of the City or of the State of California or of any political subdivision thereof within the meaning of any constitutional or statutory debt limitation or restriction.

**Section 8.02. Benefits of Installment Sale Agreement.** Nothing contained herein, expressed or implied, is intended to give to any person other than the Authority, the City, [the Insurer] or the Trustee any right, remedy or claim under or pursuant hereto, and any agreement or covenant required herein to be performed by or on behalf of the Authority, the City or the Trustee shall be for the sole and exclusive benefit of the other parties. [The Insurer is a third party beneficiary of this Installment Sale Agreement.]

**Section 8.03. Successor Is Deemed Included in all References to Predecessor.** Whenever either the Authority or the City or the Trustee is named or referred to herein, such reference shall be deemed to include the successor to the powers, duties and functions that are presently vested in the Authority or the City or the Trustee, and all agreements and covenants required hereby to be performed by or on behalf of the Authority or the City or the Trustee shall bind and inure to the benefit of the respective successors thereof whether so expressed or not.

**Section 8.04. Waiver of Personal Liability.** No councilmember, officer or employee of the City shall be individually or personally liable for the payment of the 2025 Installment Sale Payments, but nothing contained herein shall relieve any councilmember, officer or employee of the City from the performance of any official duty provided by any applicable provisions of law or hereby.

**Section 8.05. Article and Section Headings, Gender and References.** The headings or titles of the several articles and sections hereof and the table of contents appended hereto shall be solely for convenience of reference and shall not affect the meaning, construction or effect hereof, and words of any gender shall be deemed and construed to include all genders. All references herein to “Articles,” “Sections,” “Exhibits” and other subdivisions or clauses are to the corresponding articles, sections, exhibits, subdivisions or clauses hereof; and the words “hereby,” “herein,” “hereof,” “hereto,” “herewith” and other words of similar import refer to the Installment Sale Agreement as a whole and not to any particular article, section, exhibit, subdivision or clause hereof.

**Section 8.06. Partial Invalidity.** If any one or more of the agreements or covenants or portions thereof required hereby to be performed by or on the part of the Authority or the City shall be contrary to law, then such agreement or agreements, such covenant or covenants or such portions thereof shall be null and void and shall be deemed separable from the remaining agreements and covenants or portions thereof and shall in no way affect the validity hereof. The Authority and the City hereby declare that they would have executed the Installment Sale Agreement, and each and every other article, section, paragraph, subdivision, sentence, clause and phrase hereof irrespective of the fact that any one or more articles, sections, paragraphs, subdivisions, sentences, clauses or phrases hereof or the application thereof to any person or circumstance may be held to be unconstitutional, unenforceable or invalid.

**Section 8.07. Assignment.** The Installment Sale Agreement and any rights hereunder shall be assigned by the Authority to the Trustee as provided in the Trust Agreement; to which assignment the City hereby expressly acknowledges and consents. [Any other assignment without the consent of the Trustee and the Insurer shall be void.]

**Section 8.08. Net Contract.** The Installment Sale Agreement shall be deemed and construed to be a net contract, and the City shall pay absolutely net during the term hereof the 2025 Installment Sale Payments and all other payments required hereunder, free of any deductions and without abatement, diminution or set-off whatsoever.

**Section 8.09. California Law.** The Installment Sale Agreement shall be construed and governed in accordance with the laws of the State of California.

**Section 8.10. Indemnification.** The City shall, to the full extent then permitted by law, indemnify, protect, hold harmless, save and keep harmless the Authority and its directors, officers and employees and the Trustee and its directors, officers and employees from and against any and all liability, obligations, losses, claims and damages whatsoever, regardless of the cause thereof, and expenses in connection therewith, including, without limitation, reasonable counsel fees and expenses, penalties and interest arising out of or as the result of the acquisition, construction, installation and use of the Project and each portion thereof or any accident in connection with the operation, use, condition or possession of the Project or any portion thereof resulting in damage to property or injury to or death to any person including, without limitation, any claim alleging latent and other defects, whether or not discoverable by the City or the Authority; any claim for patent, trademark or copyright infringement; and any claim arising out of strict liability in tort. The indemnification arising under this Section shall continue in full force and effect notwithstanding the full payment of all obligations hereunder or the termination hereof for any reason. The City agrees not to withhold or abate any portion of the payments required pursuant hereto by reason of any defects, malfunctions, breakdowns or infirmities of the Project. The City and the Authority mutually agree to promptly give notice to each other of any claim or liability hereby indemnified against following either's learning thereof.

**Section 8.11. Funds.** Any fund required to be established and maintained herein by the City may be established and maintained in the accounting records of the City either as an account or a fund, and may, for the purpose of such accounting records, any audits thereof and any reports or statements with respect thereto, be treated either as an account or a fund; but all such records with respect to any such fund shall at all times be maintained in accordance with sound accounting practice and with due regard for the protection of the security of the Bonds and the rights of the owners of such Bonds.

**Section 8.12. Notices.** Any written notice, statement, demand, consent, approval, authorization, offer, designation, request or other communication to be given hereunder shall be given to the party entitled thereto at its address set forth below, or at such other address as such party may provide to the other parties in writing from time to time, namely:

If to the City:

City of Goleta  
130 Cremona Drive  
Goleta, California 93117  
Attention: City Manager

If to the Authority:

Goleta Facilities Financing Authority  
c/o City of Goleta  
130 Cremona Drive  
Goleta, California 93117  
Attention: Executive Director

If to the Insurer:

Attention:  
Re: Policy No.  
Policy No.

Telephone:  
Telecopier:

In each case in which notice or other communication refers to an Event of Default, then a copy of such notice or other communication shall also be sent to the attention of the Deputy General Counsel-Public Finance and shall be marked to indicate "URGENT MATERIAL ENCLOSED."

**Section 8.13. Notices to Insurer; Miscellaneous Insurer Provisions.** [THE PROVISIONS BELOW ARE EXEMPLARY AS A PLACEHOLDER FOR FINAL TERMS: The Insurer shall be provided with the following information by the City:

(a) Annual audited financial statements within 180 days after the end of the City's fiscal year (together with a certification of the City that it is not aware of any default or Event of Default under the Installment Sale Agreement or the Trust Agreement), and the City's annual budget within 30 days after the approval thereof together with such other information, data or reports as the Insurer shall reasonably request from time to time;

(b) Notice of the commencement of any proceeding by or against the City commenced under the United States Bankruptcy Code or any other applicable bankruptcy, insolvency, receivership, rehabilitation or similar law (an "Insolvency Proceeding");

(c) Notice of the making of any claim in connection with any Insolvency Proceeding seeking the avoidance as a preferential transfer of any payment of principal or interest on the Bonds;

(d) All reports, notices and correspondence to be delivered to Owners under the terms of this Agreement.

(e) All information furnished pursuant to the Continuing Disclosure Certificate entered into in connection with the Bonds shall also be provided to the Insurer, simultaneously with the furnishing of such information (the provision of which may be by posting with the MSRB).

The Insurer shall have the right to receive such additional information as it may reasonably request.

The City will permit the Insurer to discuss the affairs, finances and accounts of the City or any information the Insurer may reasonably request regarding the security for the Bonds with appropriate officers of the City and will use commercially reasonable efforts to enable the Insurer to have access to the facilities, books and records of the City on any Business Day upon reasonable prior notice.]

**Section 8.14. Agreement Represents Complete Agreement; Amendments.** This Installment Sale Agreement (together with the Trust Agreement) represents the entire contract between the parties. This Installment Sale Agreement may not be effectively amended, changed, modified, altered or terminated

except by the written agreement of the City and the Authority, given in accordance with the provisions of the Trust Agreement. [Any amendment, supplement, modification to, or waiver of, this Installment Sale Agreement that requires the consent of Owners of the Bonds or adversely affects the rights and interests of the Insurer shall be subject to the prior written consent of the Insurer.]

**Section 8.15. Effective Date.** The Installment Sale Agreement shall become effective upon its execution and delivery, and shall terminate when the Purchase Price shall have been fully paid (or provision for the payment thereof shall have been made pursuant to Article VII).

**Section 8.16. Electronic Signatures.** Each of the parties hereto agrees that the transaction consisting of this Installment Sale Agreement may be conducted by electronic means. Each party agrees, and acknowledges that it is such party's intent (i) that, by signing this Installment Sale Agreement using an electronic signature, it is signing, adopting and accepting this Installment Sale Agreement, and (ii) that signing this Installment Sale Agreement using an electronic signature is the legal equivalent of having placed the undersigned officer's handwritten signature on this Installment Sale Agreement on paper. Each party acknowledges that it is being provided with an electronic or paper copy of this Installment Sale Agreement in a usable format.

**Section 8.17. Execution in Counterparts.** The Installment Sale Agreement may be executed in several counterparts, each of which shall be deemed an original, and all of which shall constitute but one and the same instrument.

**IN WITNESS WHEREOF**, the parties hereto have executed and attested the Installment Sale Agreement by their officers thereunto duly authorized as of the day and year first written above.

**CITY OF GOLETA**

By: \_\_\_\_\_  
City Manager

ATTEST

By: \_\_\_\_\_  
City Clerk

**GOLETA FACILITIES FINANCING  
AUTHORITY**

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

ATTEST

By: \_\_\_\_\_  
Secretary of the Board of Directors

**EXHIBIT A**

**2025 SALE PAYMENTS SCHEDULE**

<u>Payment Date*</u>	<u>Interest Installment</u>	<u>Principal Installment</u>	<u>Total Installment Sale Payments</u>
05/01/2025			
11/01/2025			
05/01/2026			
11/01/2026			
05/01/2027			
11/01/2027			
05/01/2028			
11/01/2028			
05/01/2029			
11/01/2029			
05/01/2030			
11/01/2030			
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11/01/2035			
05/01/2036			
11/01/2036			
05/01/2037			
11/01/2037			
05/01/2038			
11/01/2038			
05/01/2039			
11/01/2039			
05/01/2040			

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\* Each 2025 Installment Sale Payment shall be payable on and shall be required to be deposited with the Trustee on or before the fifteenth day of the calendar month immediately preceding the respective May 1 and November 1 payment dates as provided in Section 3.02.



## **EXHIBIT B**

### **DESCRIPTION OF PROJECT**

The construction of streets and roadways within the corporate limits of the City of Goleta, which improvements are eligible costs payable from Measure A Receipts including, without limitation, the financing of the design, acquisition, installation, and construction of certain public capital improvements located in various sites in the City of Goleta, including the Ekwil Street and Fowler Road extension (including the Hollister Avenue Old Town Interim Striping Project), Cathedral Oaks crib wall repair, San Jose Creek bike path, Hollister Avenue Bridge replacement, and Goleta Train Depot and South La Patera Lane improvements, and related street resurfacing and public walkway improvements, as more particularly described below:

#### **1. Ekwil Street and Fowler Road Extensions (CIP Project No. 9002)**

The Ekwil Street and Fowler Road Extensions Project will construct Ekwil Street across Goleta Old Town from Kellogg Avenue to Fairview Avenue and extend existing South Kellogg Avenue (to be renamed Fowler Road) from its terminus to the existing Technology Drive. The new streets will be two-lane roads and include Class II Bike Lanes and sidewalks/parkways. The project also includes three roundabouts: two at the Hollister Avenue/State Route 217 Interchange and one at the intersection of Pine Avenue and Ekwil Street. The project will improve traffic flow on Hollister Avenue and provide new east/west corridors in Old Town. The work budgeted includes environmental, design, permitting, right-of-way acquisition, and construction of the project.

#### **2. Hollister Avenue Old Town Interim Striping Project (CIP Project No. 9114 — Now a part of Ekwil Street and Fowler Road Extensions - CIP Project No. 9002)**

The Hollister Avenue Old Town Interim Striping Project will design and construct an interim striping project consisting of implementing the two-lane alternative for Hollister Avenue developed as part of the Hollister Avenue Complete Streets Corridor Project. The project consists of implementing a road diet by changing roadway striping, legends, and signage and adding Class II bike lanes where none currently exist. Other improvements identified in the Complete Streets Corridor Plan, such as sidewalk widening, new medians, landscaping, and other hardscape improvements, would be deferred. The project would follow the standard Project Delivery Process with Conceptual Design, Environmental, Design and Construction. The project includes one vehicle and bike lane in each direction, A non-traversable painted median, back-in angled 90-minute parking along the north side of the street, parallel 90-minute parking along the south side of the street, pavement restoration, traffic signal equipment and timing upgrades.

#### **3. Hollister Avenue Bridge Replacement (CIP Project No. 9033)**

This is the second phase of the San Jose Creek Capacity and Fish-Passage Improvement Project. The project includes the replacement of the Hollister Avenue Bridge over San Jose Creek and extends upstream the San Jose Creek Channel capacity and fish-passage improvements both under and downstream of Hollister Avenue. The new bridge will have a 100-year storm flow capacity.

#### **4. San Jose Creek Bike Path — Northern and Southern Segments (CIP Project No. 9006)**

The San Jose Creek Bike Path Project as a whole extends approximately three miles alongside San Jose Creek from the California Coast Route path in the south to Cathedral Oaks Road and the Goleta Crosstown Bicycle Route in the north. The northern portion of the project begins north of Calle Real extending south along San Jose Creek to Armitos Avenue where it connects to the San Jose Creek Middle

Extent Project at Armitos Ave. The southern portion of the project then continues south from the Ekwill Street intersection at Kellogg Avenue, crosses over the San Jose Creek channel and continues along SR 217 to cross underneath SR 217 in a culvert/tunnel just north of the SR 217 bridge over San Jose Creek. The project lies within both the City and Santa Barbara County and within the California Coastal Zone. Project improvements include: either 8-foot-wide paved with 2 foot graded shoulders or 10-foot wide paved path, bicycle and pedestrian bridge over San Jose Creek channel, tunnel undercrossing at SR 217, retaining walls, concrete barriers, drainage features, crossing improvements, lighting, striping, and ADA accessibility.

#### **5. Cathedral Oaks Crib Wall Repair (CIP Project No. 9053)**

The Cathedral Oaks Crib Wall Repair Project includes repairing the crib walls and multi-purpose path along the north side of Cathedral Oaks Road, which was damaged during past storm events. A Geotechnical Engineering firm performed a comprehensive and systematic full-scale geotechnical investigation of the two crib walls along the northern side of Cathedral Oaks Road to determine the potential failure mechanisms related to the crib wall design and construction. The work included drilling approximately 23 geotechnical borings ranging between 25 feet to 80 feet below ground surface (equal to twice the height of the retaining wall), performing geophysical crosshole logging and ground penetrating radar (GPR) that was not performed during previous investigations, collecting and analyzing soil sample in the laboratory, and developing and providing recommended structural repair options and cost estimates. This project will be entering the design phase.

#### **6. Goleta Train Depot and South La Patera Improvements (CIP Project No. 9079)**

The Goleta Train Depot and South La Patera Improvements include the construction of a new multi-modal train station at the location of the existing Amtrak platform. The new Train Depot will include facilities for ticketing, passenger waiting, dining, meeting rooms, restrooms/showers, and bike storage. The project site is adjacent to the existing AMTRAK platform at the northern end of South La Patera Lane. The project will also include expanded parking, bus facilities, and on-site bicycle and pedestrian improvements.

## **Attachment 3**

Form of Trust Agreement

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**TRUST AGREEMENT**

**among**

**GOLETA FACILITIES FINANCING AUTHORITY,**

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

**and**

**CITY OF GOLETA**

**Dated as of \_\_\_\_\_ 1, 2025**

**GOLETA FACILITIES FINANCING AUTHORITY  
LOCAL MEASURE A TRANSPORTATION SALES TAX REVENUE BONDS  
SERIES 2025**

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**TRUST AGREEMENT**

**THIS TRUST AGREEMENT**, made and entered into and dated as of \_\_\_\_\_ 1, 2025 (the “Trust Agreement”) among the GOLETA FACILITIES FINANCING AUTHORITY, a joint powers authority duly organized and existing under and by virtue of the laws of the State of California (the “Authority”), THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., a national banking association duly organized and existing under and by virtue of the laws of the United States of America (the “Trustee”), and the CITY OF GOLETA, a municipal corporation organized and existing under the Constitution of the State of California (the “City”);

**W I T N E S S E T H:**

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

**WHEREAS**, Article 4 of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California authorizes and empowers the Authority to issue revenue bonds to assist the City in financing projects and programs that the Authority determines are necessary or convenient for the financing of public capital improvements, or any portion thereof, upon a determination that there are significant public benefits from so doing;

**WHEREAS**, the City has determined as provided in that Installment Sale Agreement, dated as of the date hereof (the “Agreement”), by and between the City and the Authority, that the design, acquisition, installation, and construction of certain public capital improvements located in various sites in the City, including the Ekwill Street and Fowler Road extension (including the Hollister Avenue Old Town interim striping project), Cathedral Oaks crib wall repair, San Jose Creek bike path, Hollister Avenue Bridge replacement, and Goleta Train Depot and South La Patera Lane improvements, and related street resurfacing and public walkway improvements (collectively, the “Project”) is necessary and proper for City purposes and uses, and under the terms of applicable law;

**WHEREAS**, the Authority desires to assist the City in financing the Project;

**WHEREAS**, to assist the City with the design, acquisition, installation, and construction of the Project, the Authority has determined to acquire and construct the Project for, and sell the Project to, the City;

**WHEREAS**, in order to provide funds to refinance the Project, the Authority desires to issue its Goleta Facilities Financing Authority Local Measure A Transportation Sales Tax Revenue Bonds, Series 2025 (the “Bonds”);

**WHEREAS**, the Bonds will be payable from and secured by installment payments to be made by the City pursuant to the Agreement;

**WHEREAS**, in order to provide for the authentication and issuance of the Bonds, to establish and declare the terms and conditions upon which the Bonds are to be issued and secured and to secure the payment of the principal thereof, premium, if any, and interest thereon, the Authority has authorized the execution and delivery of this Trust Agreement; and

**WHEREAS**, the Authority and the City have executed a Bond Purchase Agreement, in connection with the sale to Stifel, Nicolaus & Company, Incorporated (the “Purchaser”) of the Bonds;



**WHEREAS**, the Authority is empowered pursuant to the Agreement and the aforementioned Article 4 to cause the acquisition of the Project (as hereinafter defined) and to finance the Project through the issuance and sale of the Bonds;

**WHEREAS**, in order to provide for the and issuance of the Bonds (as hereinafter defined), to establish and declare the terms and conditions upon which the Bonds are to be executed, delivered and secured and to secure the payment of the principal of, and interest on, the Bonds, the Authority has authorized the execution and delivery of this Trust Agreement; and

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

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

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

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

## **ARTICLE I**

### **DEFINITIONS; EQUAL SECURITY**

**Section 1.01. Definitions.** Unless the context otherwise requires, the terms defined in this section shall for all purposes hereof and of any Supplemental Trust Agreement and of any certificate, opinion, request or other document herein or therein mentioned have the meanings herein specified:

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

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

**“Administration Fee”** means an amount equal to the sum of the Trustee’s fees, the Rebate Analyst Fee and any other similar fee payable in connection with the administration of the Agreement and this Trust Agreement, payable by the City, in accordance with the Agreement, on the 15th day of the month preceding each May 1 on which principal of the Bonds is due and payable.

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

**“Agreement”** means the Installment Sale Agreement, dated as of \_\_\_\_\_ 1, 2025, between the Authority and the City as originally executed and as it may from time to time be amended or supplemented pursuant to the provisions hereof and thereof.

**“Authority”** means the Goleta Facilities Financing Authority, a joint exercise of powers authority duly organized and existing under and by virtue of the laws of the State of California and the Joint Powers Agreement, and its successors and assigns as provided in this Trust Agreement.

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

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

**“Authorized Denominations”** means \$5,000 and any integral multiple thereof.

**“Bonds”** means the Goleta Facilities Financing Authority Local Measure A Transportation Sales Tax Revenue Bonds, Series 2025. The term **“Serial Bonds”** means Bonds for which no sinking fund payments are provided. The term **“Term Bonds”** means Bonds which are payable on or before their specified payment dates from sinking fund payments established for that purpose and calculated to redeem such Bonds on or before their specified payment dates.

**“Business Day”** means any day of the year, other than (i) a Saturday, (ii) a Sunday, (iii) a day on which banks located in the city in which either the designated corporate trust office of the Trustee is located is required or authorized by law to be closed or (iv) a day on which the New York Stock Exchange or the payment system of the Federal Reserve System is not operational.

**“Cash Flow Consultant”** means Stifel, Nicolaus & Company, Incorporated or any successor thereto appointed by the Authority.

**“Cash Flow Report”** means a report prepared by the Cash Flow Consultant identifying Bonds to be redeemed as a result of any redemption pursuant to Section 2.10 hereof. In the case of any optional redemption pursuant to section 2.10(a) hereof, such report shall demonstrate that Revenues expected to be received following such redemption shall be sufficient to pay the regularly scheduled principal of, and interest on, the Bonds as such amounts become due and payable. In the case of a mandatory redemption pursuant to section 2.10(b) hereof, such report shall identify maturities of Bonds to be redeemed in a manner consistent with Section 7.02 hereof and Section 6.02 of the Agreement relating to the application of Revenues upon acceleration.

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

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

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

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

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

**“Defeasance Obligations”** means the following: (1) cash, (2) non callable direct obligations of the United States of America (“Treasuries”), (3) evidences of ownership of proportionate interests in future interest and principal payments on Treasuries held by a bank or trust company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor and the underlying Treasuries are not available to any person claiming through the custodian or to whom the custodian may be obligated, (4) [subject to the prior written consent of the Insurer, pre refunded municipal obligations rated “AAA” and “Aaa” by S&P and Moody’s, respectively, or (5) subject to the prior written consent of the Insurer, securities eligible for “AAA” defeasance under then existing criteria of S&P or any combination thereof, which shall be used to effect defeasance of the Bonds].

**“Electronic Means”** shall mean the following communications methods: e-mail, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys issued by the Trustee, or another method or system specified by the Trustee as available for use in connection with its services hereunder.

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

- (1) is in fact independent according to the Statement of Auditing Standards No. 1 and not under the domination of the Authority;
- (2) does not have a substantial financial interest, direct or indirect, in the operations of the City; and
- (3) is not connected with the City as a member, officer or employee of the City, but who may be regularly retained to audit the accounting records of and make reports thereon to the City.

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

[**“Insurance Agreement”** means the insurance agreement, dated \_\_\_\_\_, 2025, by and among the Authority, the City and the Insurer.]

[**“Insurance Policy”** means the insurance policy issued by the Insurer guaranteeing the scheduled payment of principal of and interest on the Bonds when due.]

[**“Insurer”** means \_\_\_\_\_, a New York stock insurance company, or any successor thereto or assignee thereof.]

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

**“Interest Payment Date”** means a date on which interest on the Bonds is due and payable, being May 1 and November 1 of each year, commencing May 1, 2025.

**“Joint Powers Agreement”** means the Joint Exercise of Powers Agreement, dated as of November 1, 2024, by and between the City and the California Statewide Communities Development Authority, as originally executed and as it may from time to time be amended or supplemented in accordance with its terms.

**“Measure A Ordinance”** means Ordinance No. 5, the “Road Repair, Traffic Relief and Transportation Safety Measure for Santa Barbara County,” approved by the Santa Barbara County Local Transportation Authority on June 19, 2008 and approved by at least two-thirds of electors voting on such proposition in the November 4, 2008 election, as supplemented and amended, including the Transportation Investment Plan (the “Investment Plan”), Appendix A and Appendix B-1 to the Investment Plan, adopted by the Santa Barbara County Local Transportation Authority, as supplemented and amended.

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

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

**“Opinion of Counsel”** means a written opinion of counsel of recognized national standing in the field of law relating to municipal obligations, appointed and paid by the City and satisfactory to and approved by the Trustee (who shall be under no liability by reason of such approval).

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

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

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

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

- (1) (a) Direct obligations (other than an obligation subject to—variation in principal repayment) of the United States of America (“United States Treasury Obligations”), (b) obligations fully and unconditionally guaranteed as to timely payment of principal and interest by the United States of

America, (c) obligations fully and unconditionally guaranteed as to timely payment of principal and interest by any agency or instrumentality of the United States of America when such obligations are backed by the full faith and credit of the United States of America, or (d) evidences of ownership of proportionate interests in future interest and principal payments on obligations described above held by a bank or trust company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor and the underlying government obligations are not available to any person claiming through the custodian or to whom the custodian may be obligated (collectively “United States Obligations”). These include, but are not necessarily limited to:

- U.S. Treasury obligations
  - All direct or fully guaranteed obligations
- Farmers Home Administration
  - Certificates of beneficial ownership
- General Services Administration
  - Participation certificates
- U.S. Maritime Administration
  - Guaranteed Title XI financing
- Small Business Administration
  - Guaranteed participation certificates
  - Guaranteed pool certificates
- Government National Mortgage Association (GNMA)
  - GNMA-guaranteed mortgage-backed securities
  - GNMA-guaranteed participation certificates
- U.S. Department of Housing & Urban Development
  - Local authority bonds
- Washington Metropolitan Area Transit Authority
  - Guaranteed transit bonds

(2) Federal Housing Administration debentures.

(3) The listed obligations of government-sponsored agencies which are not backed by the full faith and credit of the United States of America:

- Federal Home Loan Mortgage Corporation (FHLMC)
  - Participation certificates (excluded are stripped mortgage securities which are purchased at prices exceeding their principal amounts)
  - Senior debt obligations
- Farm Credit Banks (formerly: Federal Land Banks, Federal intermediate Credit Banks and Banks for Cooperatives)
  - Consolidated systemwide bonds and notes
- Federal Home Loan Banks (FHL Banks)
  - Consolidated debt obligations
- Federal National Mortgage Association (FNMA)
  - Senior debt obligations
  - Mortgage-backed securities (excluded are stripped mortgages securities which are purchased at prices exceeding their principal amounts)
- Financing Corporation (FICO)
  - Debt obligations
- Resolution Funding Corporation (REFCORP)
  - Debt obligations

(4) Bank deposit products, unsecured certificates of deposit (including those placed by a third party pursuant to an agreement between the [Authority] and the Trustee), trust funds, trust accounts, overnight banking deposits, interest bearing deposits, interest bearing money market accounts, time deposits, demand deposits, other deposit products, and bankers' acceptances of depository institutions including the Trustee or any of its affiliates (having maturities of not more than 30 days) or the short-term obligations of which are rated "A-1" or "A-2" without regard to qualifier by a nationally recognized rating agency service.

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

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

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

(8) Repurchase agreements:

With (1) any domestic bank, or domestic branch of a foreign bank or any non-bank financial institution or primary dealer as designated by the Federal Reserve the long term debt of which is rated at least "BBB+" by Standard & Poor's or Moody's (including the Trustee or any of its affiliates); or (2) any broker-dealer with "retail customers" or a related affiliate thereof which broker-dealer has, or the parent company (which guarantees the provider) of which has, long-term debt rated at least "BBB+" by Standard & Poor's or Moody's, which broker-dealer falls under the jurisdiction of the Securities Investors Protection Corporation; or (3) any other entity rated "BBB+" or better by Standard & Poor's or Moody's, provided that:

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

(b) The Trustee or a third party acting solely as agent therefor or for the [Authority] (the "Holder of the Collateral") has possession of the collateral or the collateral has been transferred to the Holder of the Collateral in accordance with applicable state and federal laws (other than by means of entries on the transferor's books);

(c) The repurchase or reverse repurchase agreement shall state and an opinion of counsel shall be rendered at the time such collateral is delivered that the Holder of the Collateral has a first priority security interest in the collateral, any substituted collateral and all proceeds thereof (in the case of bearer securities, this means the Holder of the Collateral is in possession);

(d) The repurchase or reverse repurchase agreement shall provide that if during its term the provider's rating by either Moody's or Standard & Poor's is withdrawn or suspended or falls below "BBB" by Standard & Poor's or "Baa2" by Moody's, as appropriate, the provider must,

at the direction of Trustee, within 10 days of receipt of such direction, repurchase all collateral and terminate the agreement, with no penalty or premium to the Trustee or the [Authority].

Notwithstanding the above, if a repurchase agreement has a term of 270 days or less (with no evergreen provision), collateral levels need not be as specified in (a) above, so long as such collateral levels are 103% or better and the provider is rated at least “A” by Standard & Poor’s or Moody’s, respectively.

(9) State Obligations

(a) Direct general obligations of any state of the United States or any subdivision or agency thereof to which is pledged the full faith and credit of a state the unsecured general obligation debt of which is rated “A2” by Moody’s and “A” by S&P, or better, or any obligation fully and unconditionally guaranteed by any state, subdivision or agency whose unsecured general obligation debt is so rated.

(b) Direct, general short-term obligations of any state agency or subdivision described in (a) above and rated “A-1+” by S&P and “Prime-1” by Moody’s.

(c) Special Revenue Bonds (as defined in the United States Bankruptcy Code) of any state, state agency or subdivision described in (a) above and rated “AA” or better by S&P and “Aa” or better by Moody’s.

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

(11) Investment agreements with a domestic or foreign bank or corporation (other than a life or property casualty insurance company) the long-term debt of which, or, in the case of a guaranteed corporation the long-term debt of the guarantor, or in the case of a monoline financial guaranty insurance company the claims paying ability of the guarantor, is rated at least “A+” by S&P and “A1” by Moody’s; *provided*, that prior written notice of an investment in the investment agreement is provided to S&P and, *provided, further*, by the terms of the investment agreement:

(a) interest payments are to be made to the Trustee at times and in amounts as necessary to pay debt service on the Bonds;

(b) the invested funds are available for withdrawal without penalty or premium, at any time for purposes identified in this Trust Agreement other than acquisition of alternative investment property upon not more than seven days prior notice (which notice may be amended or withdrawn at any time prior to the specified withdrawal date); *provided* that the Trust Agreement specifically requires the Trustee or the [Authority] to give notice in accordance with the terms of the investment agreement so as to receive funds thereunder with no penalty or premium paid;

(c) the investment agreement shall state that it is the unconditional and general obligation of, and is not subordinated to any other obligation of, the provider thereof;

(d) a guaranteed rate of interest is to be paid on invested funds and all future deposits, if any, required to be made to restore the amount of such funds to the level specified under the Trust Agreement;

(e) the Trustee and the [Authority] receive the opinion of domestic counsel (which opinion shall be addressed to the Authority and the City) that such investment agreement is legal,

valid and binding and enforceable against the provider in accordance with its terms and of foreign counsel (if applicable);

(f) the investment agreement shall provide that if during its term (A) the provider's or the guarantor's rating by either Moody's or S&P is withdrawn or suspended or falls below "A+" or "A1", respectively, or, with respect to a foreign bank, below the ratings of such provider at the delivery date of the investment agreement, the provider must, at the direction of the [Authority] or the Trustee (acting at the direction of the City) within 10 days of receipt of such direction, either (1) collateralize the investment agreement by delivering or transferring in accordance with applicable state and federal laws (other than by means of entries on the provider's books) to the Trustee, the [Authority] or a Holder of the Collateral, United States Treasury Obligations which are free and clear of any third-party liens or claims at the Collateral Levels set forth below; or (2) repay the principal of and accrued but unpaid interest on the investment (the choice of (1) or (2) above shall be that of the [Authority] or Trustee (acting at the direction of the City), as appropriate), and (B) the provider's or the guarantor's rating by either Moody's or S&P is withdrawn or suspended or falls below "BBB" or "Baa2," or, with respect to a foreign bank, below "A+" or "A1" by S&P or Moody's, as appropriate, the provider must, at the direction of the [Authority] or the Trustee (acting at the direction of the City), within 10 days of receipt of such direction, repay the principal of and accrued but unpaid interest on the investment, in either case with no penalty or premium to the Authority, City or Trustee;

(g) the investment agreement shall state, and an opinion of counsel shall be rendered to the effect, that the Trustee has a perfected first priority security interest in the collateral, any substituted collateral and all proceeds thereof (in the case of bearer securities, this means the Trustee is in possession); and

(h) the investment agreement must provide that if during its term (A) the provider shall default in its payment obligations, the provider's obligation under the investment agreement shall, at the direction of the [Authority] or the Trustee, be accelerated and amounts invested and accrued but unpaid interest thereon shall be repaid to the [Authority] or Trustee, as appropriate, and (B) the provider shall become insolvent, not pay its debts as they become due, be declared or petition to be declared bankrupt, etc. ("event of insolvency"), the provider's obligations shall automatically be accelerated and amounts invested and accrued but unpaid interest thereon shall be repaid to the [Authority] or Trustee, as appropriate.

(12) Pre-refunded municipal obligations rated "AAA" by S&P and "Aaa" by Moody's meeting the following requirements:

(a) the municipal obligations are (1) not subject to redemption prior to maturity or (2) the trustee for the municipal obligations has been given irrevocable instructions concerning their call and redemption and the issuer of the municipal obligations has covenanted not to redeem such municipal obligations other than as set forth in such instructions;

(b) the municipal obligations are secured by cash or United States Treasury Obligations which may be applied only to payment of the principal of, interest and premium on such municipal obligations;

(c) the principal of and interest on the United States Treasury Obligations (plus any cash in the escrow) has been verified by the report of independent certified public accountants to be sufficient to pay in full all principal of, interest, and premium, if any, due and to become due on the municipal obligations ("Verification");



(d) the cash or United States Treasury Obligations serving as security for the municipal obligations are held by an escrow agent or trustee in trust for owners of the municipal obligations;

(e) no substitution of a United States Treasury Obligation shall be permitted except with another United States Treasury Obligation and upon delivery of a new Verification; and

(f) the cash or United States Treasury Obligations are not available to satisfy any other claims, including those by or against the trustee or escrow agent.

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

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

**“Project”** has the meaning ascribed to such term in the Agreement.

**“Project Costs”** means all costs of payment of, or reimbursement for, the engineering, design, acquisition, installation, provision and financing of the Project, including but not limited to, engineering and installation management costs, administrative costs and capital expenditures relating to financing payments, costs of accounting, feasibility, environmental and other reports, interest during the period of acquisition and installation of the Project, insurance costs, inspection costs, permit fees, filing and recording costs, printing costs, reproduction and binding costs, initial fees and charges of the Authority and the Trustee, escrow fees, financing discounts, legal fees and charges, financial and other professional consultant fees and charges in connection with the foregoing.

**“Purchase Agreement”** means that certain Purchase Agreement by and between the City and the Purchaser relating to the Agreement and the Bonds.

**“Purchaser”** means Stifel, Nicolaus & Company, Incorporated as initial purchaser of the Bonds.

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

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

**“Rating Agency”** means \_\_\_\_\_.

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

**“Rebate Analyst”** means \_\_\_\_\_.

**“Rebate Analyst Fee”** means the fee payable to the Rebate Analyst, payable by the City in accordance with the Agreement.

**“Rebate Fund”** means the fund by that name established and maintained pursuant to Section 4.06.

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

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

**“Request” or “Certificate”** means with respect to the City an instrument in writing signed on behalf of the City by an Authorized City Representative, and with respect to the Authority means an instrument in writing signed on behalf of the Authority by an Authorized Authority Representative or other person at the time designated to act on behalf of the Authority by written certificate furnished to the Trustee.

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

**“Reserve Account Requirement”** means, as of any date of calculation, [an amount equal to the least of (i) 10% of the initial stated principal amount (within the meaning of Section 148 of the Code) of the 2025 Installment Sale Payments; (ii) 125% of the average annual 2025 Installment Sale Payments, or (iii) the Maximum Annual Debt Service, as defined in the Agreement.]

[**“Reserve Policy”** means the debt service reserve fund insurance policy issued by the Insurer and credited to the Reserve Account. The Reserve Policy is a Qualified Reserve Instrument.]

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

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

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

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

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

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

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

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

“**Trust Agreement**” means this Trust Agreement, dated as of \_\_\_\_\_ 1, 2025, by and among the Authority, the Trustee and the City, as originally executed and as it may from time to time be amended or supplemented by all Supplemental Trust Agreements executed pursuant to the provisions hereof.

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

**Section 1.02. Equal Security.** In consideration of the acceptance of the Bonds by the Owners, this Trust Agreement shall be deemed to be and shall constitute a contract among the Trustee, the City, and the Owners to secure the full and final payment of the interest on and principal of the Bonds, subject to the agreements, conditions, covenants and terms contained herein; and all agreements, conditions, covenants and terms contained herein required to be observed or performed by or on behalf of the Trustee shall be for the equal and proportionate benefit, protection and security of all Owners without distinction, preference or priority as to benefit, protection or security of any Bonds over any other Bonds by reason of the number or date thereof or the time of authorization, sale, execution, issuance or delivery thereof or for any cause whatsoever, except as expressly provided herein or therein.

## ARTICLE II

### THE BONDS

**Section 2.01. Preparation and Purpose of Bonds.** The Authority has reviewed all proceedings heretofore taken relative to the authorization of the Bonds and has found, as a result of such review, and hereby finds and determines that all acts, conditions and things required by law to exist, to have happened and to have been performed precedent to and in the and issuance of the Bonds do exist, have happened and have been performed in due time, form and manner as required by law, and that the Authority is now duly authorized, pursuant to each and every requirement of the Act, to issue the Bonds in the form and manner provided herein for the purpose of providing funds to pay for and construct the Project, and that the Bonds shall be entitled to the benefit, protection and security of the provisions hereof. The Authority hereby authorizes the issuance of the Bonds under and subject to the terms of this Trust Agreement, the Act and other applicable laws of the State. The Bonds shall be limited obligations of the Authority and shall be payable solely from the Revenues and the other assets pledged therefor hereunder. The Bonds do not constitute a debt or liability of the City or of the State and neither the faith and credit of the City nor of the State are pledged to the payment of the Bonds.

**Section 2.02. Terms of the Bonds.** The Bonds shall be designated “Goleta Facilities Financing Authority Local Measure A Transportation Sales Tax Revenue Bonds, Series 2025.” The Bonds shall be dated \_\_\_\_\_ \_\_, 2025, shall be issued only in fully registered form in denominations of \$5,000 or any integral multiple of \$5,000 (not exceeding the principal amount of Bonds payable at any one time), and shall be payable on the respective maturity dates in the principal amounts, and bear interest at the rates (based on a 360-day year comprised of twelve 30-day months) as set forth in the following schedule:

<b>Maturity Date (May 1)</b>	<b>Principal Amount</b>	<b>Interest Rate</b>
2025		
2026		
2027		
2028		
2029		
2030		
2031		
2032		
2033		
2034		
2035		
2036		
2037		
2038		
2039		
2040		

(c) Interest on the Bonds shall be payable from the Interest Payment Date next preceding the date of authentication thereof unless (i) a Bond is authenticated on or before an Interest Payment Date and after the close of business on the preceding Record Date, in which event interest thereon shall be payable from such Interest Payment Date, (ii) a Bond is authenticated on or before the first Record Date, in which event interest thereon shall be payable from the Closing Date, or (iii) interest on any Bond is in default as of the date of authentication thereof, in which event interest thereon shall be payable from the date to which interest has previously been paid or duly provided for. Interest shall be paid in lawful money of the United States on each Interest Payment Date. Interest shall be paid by check of the Trustee mailed by first-class mail, postage prepaid, on each Interest Payment Date to the Owners of the Bonds at their respective addresses shown on the Registration Books as of the close of business on the preceding Record Date. Notwithstanding the foregoing, interest on any Bond which is not punctually paid or duly provided for on any Interest Payment Date shall, if and to the extent that amounts subsequently become available therefor, be paid on a payment date established by the Trustee to the Person in whose name the ownership of such Bond is registered on the Registration Books at the close of business on a special record date to be established by the Trustee for the payment of such defaulted interest, notice of which shall be given to such Owner not less than ten days prior to such special record date.

(d) The principal of the Bonds shall be payable in lawful money of the United States of America upon presentation and surrender thereof upon maturity or earlier redemption at the Office of the Trustee.

(e) The Bonds shall be subject to redemption as provided in Section 2.10 hereof.

(f) The Bonds shall be in substantially the form set forth in Exhibit A hereto, with appropriate or necessary insertions, omissions and variations as permitted or required hereby.

**Section 2.03. Issuance of Bonds.** The Bonds shall be executed in the name and on behalf of the Authority with the manual or facsimile signature of the [Executive Director] of the Authority attested by the manual or facsimile signature of the Secretary of the Authority. The Bonds shall then be delivered to the Trustee for authentication by it. In case any of such officers who shall have signed or attested any of the Bonds shall cease to be such officers before the Bonds so signed or attested shall have been authenticated or delivered by the Trustee, or issued by the Authority, such Bonds may nevertheless be authenticated,

delivered and issued and, upon such authentication, delivery and issue, shall be as binding upon the Authority as though those who signed and attested the same had continued to be such officers, and also any Bonds may be signed and attested on behalf of the Authority by such Persons as at the actual date of execution of such Bonds shall be the proper officers of the Authority although at the nominal date of such Bonds any such Person shall not have been such officer of the Authority.

**Section 2.04. Authentication of Bonds.** Only such of the Bonds as shall bear thereon a certificate of authentication substantially in the form forth in Exhibit A hereto, manually executed by the Trustee, shall be valid or obligatory for any purpose or entitled to the benefits of this Trust Agreement, and such certificate of the Trustee shall be conclusive evidence that the Bonds so authenticated have been duly executed, authenticated and delivered hereunder and are entitled to the benefits of this Trust Agreement.

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

**Section 2.06. Transfer and Exchange of Bonds.** (a) Any Bond may be transferred upon the Registration Books by the Person in whose name it is registered, in person or by such Person's duly authorized attorney, upon surrender of such Bond to the Trustee for cancellation, accompanied by delivery of a written instrument of transfer, duly executed in a form acceptable to the Trustee. Whenever any Bond or Bonds shall be so surrendered for transfer, the Authority shall execute and the Trustee shall authenticate and shall deliver a new Bond or Bonds of the same maturity in a like aggregate principal amount, in any Authorized Denomination. The Trustee shall require the Owner requesting such transfer to pay any tax or other governmental charge required to be paid with respect to such transfer.

(b) The Bonds may be exchanged at the Office of the Trustee for a like aggregate principal amount of Bonds of the same maturity of other Authorized Denominations. The Trustee shall require the payment by the Owner requesting such exchange of any tax or other governmental charge required to be paid with respect to such exchange.

(c) The Trustee shall not be obligated to make any transfer or exchange of Bonds pursuant to this Section during the period established by the Trustee for the selection of Bonds for redemption, or with respect to any Bonds selected for redemption.

(d) The transferor shall also provide or cause to be provided to the Trustee all information necessary to allow the Trustee to comply with any applicable tax reporting obligations, including without limitation any cost basis reporting obligations under Internal Revenue Code Section 6045. The Trustee may rely on the information provided to it and shall have no responsibility to verify or ensure the accuracy of such information.

**Section 2.07. Book-Entry System.** (a) The Bonds shall initially be issued as Book-Entry Bonds, and the Bonds for each maturity date shall be in the form of a separate single fully-registered Bond (which may be typewritten). Upon initial issuance, the ownership of each such Bond shall be registered in the Registration Books in the name of the Nominee, as nominee of the Depository.

Payment of principal of, and interest and premium, if any, on, any Book-Entry Bond registered in the name of the Nominee shall be made on the applicable payment date by wire transfer of New York clearing house or equivalent next day funds or by wire transfer of same day funds to the account of the

Nominee. Such payments shall be made to the Nominee at the address which is, on the Record Date, shown for the Nominee in the Registration Books.

(b) With respect to Book-Entry Bonds, the Authority and the Trustee shall have no responsibility or obligation to any Participant or to any Person on behalf of which such a Participant holds an interest in such Book-Entry Bonds. Without limiting the immediately preceding sentence, the Authority and the Trustee shall have no responsibility or obligation with respect to (i) the accuracy of the records of the Depository, the Nominee or any Participant with respect to any ownership interest in Book-Entry Bonds, (ii) the delivery to any Participant or any other Person, other than an Owner as shown in the Registration Books, of any notice with respect to Book-Entry Bonds, including any notice of redemption, (iii) the selection by the Depository and its Participants of the beneficial interests in Book-Entry Bonds of a maturity to be redeemed in the event such Book-Entry Bonds are redeemed in part, (iv) the payment to any Participant or any other Person, other than an Owner as shown in the Registration Books, of any amount with respect to principal of, or premium, if any, or interest on Book-Entry Bonds, or (v) any consent given or other action taken by the Depository as Owner.

(c) The Authority and the Trustee may treat and consider the Person in whose name each Book-Entry Bond is registered in the Registration Books as the absolute Owner of such Book-Entry Bond for the purpose of payment of principal of, and premium, if any, and interest on such Bond, for the purpose of selecting any Bonds, or portions thereof, to be redeemed, for the purpose of giving notices of redemption and other matters with respect to such Book-Entry Bond, for the purpose of registering transfers with respect to such Book-Entry Bond, for the purpose of obtaining any consent or other action to be taken by Owners and for all other purposes whatsoever, and the Authority and the Trustee shall not be affected by any notice to the contrary.

(d) In the event of a redemption of all or a portion of a Book-Entry Bond, the Depository, in its discretion (i) may request the Trustee to authenticate and deliver a new Book-Entry Bond, or (ii) if the Depository is the sole Owner of such Book-Entry Bond, shall make an appropriate notation on the Book-Entry Bond indicating the date and amounts of the reduction in principal thereof resulting from such redemption, except in the case of final payment, in which case such Book-Entry Bond must be presented to the Trustee prior to payment.

(e) The Trustee shall pay all principal of, and premium, if any, and interest on the Book-Entry Bonds only to or “upon the order of” (as that term is used in the Uniform Commercial Code as adopted in the State) the respective Owner, as shown in the Registration Books, or such Owner’s respective attorney duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the obligations with respect to payment of principal of, and premium, if any, and interest on the Book-Entry Bonds to the extent of the sum or sums so paid. No Person other than an Owner, as shown in the Registration Books, shall receive an authenticated Book-Entry Bond. Upon delivery by the Depository to the Owners, the Authority and the Trustee of written notice to the effect that the Depository has determined to substitute a new nominee in place of the Nominee, and subject to the provisions herein with respect to Record Dates, the word Nominee in this Trust Agreement shall refer to such nominee of the Depository.

(f) In order to qualify the Book-Entry Bonds for the Depository’s book-entry system, the Authority shall execute and deliver to the Depository a Letter of Representations. The execution and delivery of a Letter of Representations shall not in any way impose upon the Authority or the Trustee any obligation whatsoever with respect to Persons having interests in such Book-Entry Bonds other than the Owners, as shown on the Registration Books. Such Letter of Representations may provide the time, form, content and manner of transmission, of notices to the Depository. In addition to the execution and delivery of a Letter of Representations by the Authority, the Authority and the Trustee shall take such other actions,

not inconsistent with this Trust Agreement, as are reasonably necessary to qualify Book-Entry Bonds for the Depository's book-entry program.

(g) In the event the Authority determines that it is in the best interests of the Beneficial Owners that they be able to obtain certificated Bonds and that such Bonds should therefore be made available, and notifies the Depository and the Trustee of such determination, the Depository will notify the Participants of the availability through the Depository of certificated Bonds. In such event, the Trustee shall transfer and exchange certificated Bonds as requested by the Depository and any other Owners in appropriate amounts. In the event (i) the Depository determines not to continue to act as securities depository for Book-Entry Bonds, or (ii) the Depository shall no longer so act and gives notice to the Trustee of such determination, then the Authority shall discontinue the Book-Entry system with the Depository. If the Authority determines to replace the Depository with another qualified securities depository, the Authority shall prepare or direct the preparation of a new single, separate, fully-registered Bond for each maturity date of such Book-Entry Bonds, registered in the name of such successor or substitute qualified securities depository or its nominee. If the Authority fails to identify another qualified securities depository to replace the Depository, then the Book-Entry Bonds shall no longer be restricted to being registered in the Registration Books in the name of the Nominee, but shall be registered in whatever name or names the Owners transferring or exchanging such Bonds shall designate, in accordance with the provisions of Sections 2.06, 2.08 and 2.09 hereof. Whenever the Depository requests the Authority to do so, the Authority shall cooperate with the Depository in taking appropriate action after reasonable notice (i) to make available one or more separate certificates evidencing the Book-Entry Bonds to any Participant having Book-Entry Bonds credited to its account with the Depository, and (ii) to arrange for another securities depository to maintain custody of certificates evidencing the Book-Entry Bonds.

(h) Notwithstanding any other provision of this Trust Agreement to the contrary, if the Depository is the sole Owner of the Bonds, so long as any Book-Entry Bond is registered in the name of the Nominee, all payments of principal of, and premium, if any, and interest on such Book-Entry Bond and all notices with respect to such Book-Entry Bond shall be made and given, respectively, as provided in the Letter of Representations or as otherwise instructed by the Depository.

(i) In connection with any notice or other communication to be provided to Owners pursuant to this Trust Agreement by the Authority or the Trustee, with respect to any consent or other action to be taken by Owners of Book-Entry Bonds, the Trustee shall establish a record date for such consent or other action and give the Depository notice of such record date not less than 15 calendar days in advance of such record date to the extent possible.

(j) In connection with any proposed transfer outside the Book-Entry Only system, the Authority or DTC shall provide or cause to be provided to the Trustee all information necessary to allow the Trustee to comply with any applicable tax reporting obligations, including without limitation any cost basis reporting obligations under Internal Revenue Code Section 6045. The Trustee may rely on the information provided to it and shall have no responsibility to verify or ensure the accuracy of such information.

**Section 2.08. Bonds Mutilated, Lost, Destroyed or Stolen.** If any Bond shall become mutilated, the Authority, at the expense of the Owner of said Bond, shall execute, and the Trustee shall thereupon authenticate and deliver, a new Bond of the same maturity in a like principal amount in exchange and substitution for the Bond so mutilated, but only upon surrender to the Trustee of the Bond so mutilated. Every mutilated Bond so surrendered to the Trustee shall be canceled by it and delivered to, or upon the order of, the Authority. If any Bond shall be lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the Trustee and, if such evidence and indemnity satisfactory to the Trustee shall be given, the Authority, at the expense of the Owner, shall execute, and the Trustee shall thereupon

authenticate and deliver, a new Bond of the same maturity in a like aggregate principal amount in lieu of and in replacement for the Bond so lost, destroyed or stolen (or if any such Bond shall have matured or shall have been selected for redemption, instead of issuing a replacement Bond, the Trustee may pay the same without surrender thereof). The Authority may require payment by the Owner of a sum not exceeding the actual cost of preparing each replacement Bond issued under this Section and of the expenses which may be incurred by the Authority and the Trustee. Any Bond issued under the provisions of this Section in lieu of any Bond alleged to be lost, destroyed or stolen shall constitute an original additional contractual obligation on the part of the Authority whether or not the Bond so alleged to be lost, destroyed or stolen be at any time enforceable by anyone, and shall be entitled to the benefits of this Trust Agreement with all other Bonds secured by this Trust Agreement.

**Section 2.09. Temporary Bonds.** The Bonds may be issued in temporary form exchangeable for definitive Bonds when ready for delivery. Any temporary Bonds may be printed, lithographed or typewritten, shall be of such Authorized Denominations as may be determined by the Authority, shall be in fully-registered form without coupons and may contain such reference to any of the provisions of this Trust Agreement as may be appropriate. Every temporary Bond shall be executed by the Authority and authenticated by the Trustee upon the same conditions and in substantially the same manner as the definitive Bonds. If the Authority issues temporary Bonds it shall execute and deliver definitive Bonds as promptly thereafter as practicable, and thereupon the temporary Bonds may be surrendered, for cancellation, at the Office of the Trustee and the Trustee shall authenticate and deliver, in exchange for such temporary Bonds, an equal aggregate principal amount of definitive Bonds of such maturities in Authorized Denominations. Until so exchanged, the temporary Bonds shall be entitled to the same benefits under this Trust Agreement as definitive Bonds authenticated and delivered hereunder.

**Section 2.10. Redemption of Bonds.**

(a) Optional Redemption. The Bonds maturing on or after May 1, 20\_\_, shall be subject to optional redemption prior to maturity, at the option of the Authority upon direction of the City, on or after May 1, 20\_\_ in whole or in part (by lot within any maturity), on any date, at a Redemption Price equal to the principal amount to be redeemed, plus accrued interest to the date fixed for redemption, without premium. The City shall provide notice to the Authority and the Trustee at least forty-five (45) days prior to the redemption date (or such lesser period of time acceptable to the Trustee in its sole discretion) specifying the principal amount to be redeemed.

(b) Mandatory Redemption. The Bonds shall be subject to mandatory redemption prior to maturity, in whole or in part (by lot among Bonds with the same maturity in any manner which the Trustee in its sole discretion shall deem appropriate), on any date, from amounts received upon the acceleration of 2025 Installment Sale Payments upon the occurrence of an event of default under the Agreement, at a Redemption Price equal to the principal amount to be redeemed, plus accrued interest to the date fixed for redemption, without premium.

(c) Mandatory Sinking Fund Redemption. The Bonds maturing on May 1, 20\_\_, are subject to mandatory redemption on May 1 of each year commencing May 1, 20\_\_, in part, from mandatory sinking fund payments, on each May 1 specified below, at a Redemption Price equal to the principal amount of the Bonds to be redeemed, without premium, plus accrued interest thereon to the date of redemption, in the aggregate respective principal amounts in the respective years as follows:



<b>Mandatory Redemption Date (May 1)</b>	<b>Principal Amount</b>
20__	
20__	
20__	
20__	
20__*	

\* Maturity date

If some but not all of the Bonds maturing on May 1, 20\_\_ are redeemed pursuant to Section 2.10(a) hereof upon an optional prepayment pursuant to the Agreement applied to the redemption of Bonds maturing on May 1, 20\_\_, or Section 2.10(b), the principal amount of Bonds maturing on May 1, 20\_\_ to be redeemed pursuant to Section 2.10(c) hereof on any subsequent May 1 shall be reduced, by \$5,000 or an integral multiple thereof, as designated by the City in a Certificate of the City filed with the Trustee; *provided, however*, that the aggregate amount of such reductions shall not exceed the aggregate amount of Bonds maturing on May 1, 20\_\_ redeemed pursuant to Section 2.10(a) or Section 2.10(b) hereof.

The Bonds maturing on May 1, 20\_\_, are subject to mandatory redemption on May 1 of each year commencing May 1, 20\_\_, in part, from mandatory sinking fund payments, on each May 1 specified below, at a Redemption Price equal to the principal amount of the Bonds to be redeemed, without premium, plus accrued interest thereon to the date of redemption, in the aggregate respective principal amounts in the respective years as follows:

<b>Mandatory Redemption Date (May 1)</b>	<b>Principal Amount</b>
20__	
20__	
20__	
20__	
20__*	

\* Maturity date

If some but not all of the Bonds maturing on May 1, 20\_\_ are redeemed pursuant to Section 2.10(a) hereof upon an optional prepayment pursuant to the Agreement applied to the redemption of Bonds maturing on May 1, 20\_\_, or Section 2.10(b), the principal amount of Bonds maturing on May 1, 20\_\_ to be redeemed pursuant to Section 2.10(c) hereof on any subsequent May 1 shall be reduced, by \$5,000 or an integral multiple thereof, as designated by the City in a Certificate of the City filed with the Trustee; *provided, however*, that the aggregate amount of such reductions shall not exceed the aggregate amount of Bonds maturing on May 1, 20\_\_ redeemed pursuant to Section 2.10(a) or Section 2.10(b) hereof.

(d) Selection of Bonds. Whenever provision is made in this Trust Agreement for the redemption or purchase of less than all of the Bonds or any given portion thereof, the Trustee shall, subject to the following sentence, select the Bonds to be redeemed or purchased, from all Bonds subject to redemption or purchase or such given portion thereof equal to a multiple of \$5,000 or any integral multiple thereof not previously called for redemption or purchase. Upon notice of any redemption pursuant to Section 2.10(a) hereof or receipt of moneys resulting in a redemption

pursuant to Section 2.10(b) hereof, the Trustee shall request the Cash Flow Consultant to prepare a Cash Flow Report identifying the principal amount and maturities of the Bonds to be redeemed. The Trustee shall promptly notify the Authority in writing of any redemption or purchase of Bonds and of the Bonds or portions thereof so selected for redemption or purchase.

(e) Purchase in Lieu of Redemption. In lieu of redemption of any Bonds, amounts on deposit in the Revenue Fund or in any sinking account therein may also be used and withdrawn by the Trustee at any time, upon the Request of the Authority, upon direction of the City, for the purchase of such Bonds at public or private sale as and when and at such prices (including brokerage and other charges, but excluding accrued interest, which is payable from the Interest Account) as the Authority, upon direction of the City, may in its discretion determine, but not in excess of the principal amount thereof plus accrued interest to the purchase date. The principal amount of any Bonds so purchased by the Trustee in any twelve-month period ending 60 days prior to any principal payment date in any year shall be credited towards and shall reduce the principal amount of such Term Bonds, if any, required to be redeemed on such principal payment date in such year.

(f) Notice of Redemption or Purchase. Notice of redemption or purchase shall be mailed by first-class mail by the Trustee, upon direction of the City, not less than thirty (30) nor more than sixty (60) days prior to the redemption or purchase date, to (i) the respective Owners of any Bonds designated for redemption or purchase at their addresses appearing on the registration books of the Trustee, and (ii) if the Bonds are no longer held by the Depository, to the Securities Depositories and the Municipal Securities Rulemaking Board through its Electronic Municipal Marketplace Access (EMMA) System. Notice of redemption or purchase shall be given by Electronic Means, certified, registered, or overnight mail to the Securities Depositories and the Municipal Securities Rulemaking Board through its Electronic Municipal Marketplace Access (EMMA) System. Each notice of redemption or purchase shall state the date of such notice, the date of initial delivery of the Bonds, the redemption or purchase date, the Redemption Price or Purchase Price, the place or places of redemption or purchase (including the name and appropriate address or addresses of the Trustee), the CUSIP number (if any) of the Bonds of each maturity date or dates, and, if less than all of the Bonds of any such maturity date, the distinctive certificate numbers of the Bonds with such maturity date, to be redeemed or purchased and, in the case of Bonds to be redeemed or purchased in part only, the respective portions of the principal amount thereof to be redeemed or purchased. Each such notice shall also state that on said date there will become due and payable on each of said Bonds the Redemption Price or Purchase Price represented thereby or of said specified portion of the principal amount thereof in the case of a Bond to be redeemed or purchased in part only, together with interest accrued with respect thereto to the redemption or purchase date, and that from and after such redemption or purchase date, interest thereon shall cease to accrue, and shall require that such Bonds be then surrendered at the address or addresses of the Trustee specified in the redemption or purchase notice.

If any of the Bonds are redeemed pursuant to an advance refunding, notice of such advance refunding and redemption or purchase shall be given in the same manner as above provided, and also within the same time period with respect to the actual redemption or purchase date.

Notice of redemption or purchase of Bonds shall be given by the Trustee, upon direction of the City, at the expense of the Authority. Conditional notice of optional redemption may be given at the direction of the Authority and shall be given if funds sufficient to redeem the Bonds are not then on deposit with the Trustee. If at the time of mailing of notice, funds are not then on deposit with the Trustee, such notice shall state that it is conditional upon the deposit of the funds

not later than the opening of business on the date of redemption or purchase of the Bonds, and such notice shall be of no effect unless such moneys are so deposited.

Failure by the Trustee to give notice pursuant to this Section 2.10(f) to the Municipal Securities Rulemaking Board through its Electronic Municipal Marketplace Access (EMMA) System or Securities Depositories shall not affect the sufficiency of the proceedings for redemption or purchase and the sole remedy available shall be an action by the Owners of the Bonds in mandamus for specific performance or similar remedy to compel performance. Failure by the Trustee to mail notice of redemption or purchase pursuant to this Section 2.10(f) to any one or more of the respective Owners of any Bonds designated for redemption or purchase shall not affect the sufficiency of the proceedings for redemption or purchase with respect to the Owner or Owners to whom such notice was mailed and the sole remedy available shall be an action by the Owners of the Bonds in mandamus for specific performance or similar remedy to compel performance.

(g) Partial Redemption or Purchase of Bonds. Upon surrender of any Bond to be redeemed or purchased in part only, the Authority shall execute and the Trustee shall authenticate and deliver to the Owner thereof, at the expense of the Authority, a new Bond or Bonds with the same maturity in Authorized Denominations in an aggregate principal amount equal to the unredeemed portion of the Bonds surrendered.

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

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

**Section 2.11. Establishment of Funds and Accounts; Deposit of Proceeds.** At any time after the sale of the Bonds, Bonds shall be delivered by to the purchaser thereof upon the Request of the Authority and upon receipt of payment therefor from the purchaser thereof. Upon receipt of payment for the Bonds from the purchaser thereof, the Trustee shall set aside and deposit the proceeds received from such sale in the following respective accounts or funds or with the following respective persons, in the following order of priority:

(a) The Trustee shall credit the Reserve Policy to the Reserve Account within the Revenue Fund established pursuant to Section 3.03 hereof. The initial maximum amount available under the Reserve Policy is equal to the Reserve Account Requirement.

(b) The Trustee shall establish and maintain in trust in the name of the Trustee a separate Fund designated the "Costs of Issuance Fund." The Trustee shall deposit the amount of \$\_\_\_\_\_, which is equal to the amount set forth in such Request of the Authority in the Costs of Issuance Fund. The moneys in the Costs of Issuance Fund shall be disbursed, upon the Request of the Authority, to pay Costs of Issuance. Upon the earlier of payment in full of the Costs of Issuance

or the making of adequate provision for the payment thereof, evidenced by a Certificate of the Authority to the Trustee, any balance remaining in such Fund shall be transferred to the Acquisition Fund, and pending such transfer and application, the moneys in such Fund may be invested as permitted by Section 3.04 hereof; *provided, however*, that investment income resulting from any such investment shall be retained in the Costs of Issuance Fund. Any residual earnings received after the transfer referenced above will, as and when convenient, be transferred to the Acquisition Fund.

(c) The Trustee shall establish and maintain in trust in the name of the Trustee a separate Fund designated the "Acquisition Fund." The Trustee shall deposit the amount of \$\_\_\_\_\_, which is equal to the amount set forth in such Request of the Authority in the Acquisition Fund. Moneys in the Acquisition Fund shall be disbursed to the City pursuant to a Requisition in the form attached hereto as Exhibit B. Such Requisition shall be in the form of a sequentially numbered requisition and shall set forth the name and address of the person or persons to whom said amounts are to be disbursed and state the amounts to be disbursed are for Project Costs properly chargeable to the Acquisition Fund and have not been the subject of any previous requisition. Upon delivery to the Trustee of a Request of the City, any Bond proceeds remaining in the Acquisition Fund upon completion of its Project (which completion shall be evidenced by such Request of the City) shall be applied by the Trustee to offset scheduled 2025 Installment Sale Payments required to be paid by the City under the Agreement or in such other manner as may be directed in such Request of the City. Upon the occurrence and continuance of an Event of Default or an event which with notice or lapse of time would constitute an Event of Default, amounts on deposit in the Acquisition Fund shall not be disbursed, but shall instead be applied to the payment of the scheduled principal of and interest on the Bonds as such amounts become due and payable or the Redemption Price of the Bonds.

The Trustee shall fully rely on any such Request or Requisition delivered pursuant to this Section and shall not be required to make any investigation in connection therewith. The Trustee shall be under no duty or obligation to analyze or verify any documentation supporting the payments or reimbursements pursuant to this Section, but shall hold and provide to Owners upon request such documentation supporting the payments or reimbursements, solely as a repository for the benefit of Owners.

**Section 2.13. Validity of Bonds.** The validity of the Bonds shall not be dependent on or affected in any way by the proceedings taken by the Authority, the City or the Trustee for the financing of the Project or by any contracts made by the Authority or its agents in connection therewith, and shall not be dependent upon the completion of any of the Project or upon the performance by any person, firm or corporation of their or its obligation with respect thereto. The recital contained in the Bonds that the same are issued pursuant to this Trust Agreement shall be conclusive evidence of their validity and of the regularity of their issuance and sale, and all Bonds shall be incontestable from and after their delivery.

### ARTICLE III

#### REVENUES

**Section 3.01. Pledge of Revenues; Assignment.** Subject only to the provisions of this Trust Agreement permitting the application thereof for the purposes and on the terms and conditions set forth herein, the Authority hereby pledges and grants a lien on the Revenues and a security interest in all right, title and interest of any other amounts held by the Trustee in any fund or account established hereunder (other than amounts on deposit in the Acquisition Fund created pursuant to Section 2.11 and the Rebate Fund created pursuant to Section 4.06) whether now or hereafter arising as security for the payment of the principal of, premium, if any, and interest on the Bonds in accordance with their terms, the provisions of

this Trust Agreement and the Act. Said pledge and grant shall constitute a first lien on such assets and shall be valid and binding from the date hereof for the benefit of the Owners of the Bonds and successors thereto. This pledge and grant shall secure the payment of such Bonds and shall be effective, binding, and enforceable against the Authority, its successors, creditors and all others irrespective of whether those parties have notice of the pledge or grant and without the need of any physical delivery, recordation, filing, or further act. The pledge and grant is an agreement between the Authority and the Owners of Bonds to provide security for the Bonds in addition to any statutory lien that may exist. The Authority hereby transfers, conveys and assigns to the Trustee, for the benefit of the Owners, all of the Authority's right, title and interest in and to the Agreement (excepting its right to indemnification thereunder), including the right to receive 2025 Installment Payments from the City. The Trustee hereby accepts said assignment for the benefit of the Owners, subject to the provisions of this Trust Agreement. The Trustee shall be entitled to and shall receive all of the Revenues, and any Revenues collected or received by the Authority shall be deemed to be held, and to have been collected or received, by the Authority as agent of the Trustee and shall forthwith be paid by the Authority to the Trustee.

**Section 3.02. Receipt and Deposit of Revenues in the Revenue Fund.** In order to carry out and effectuate the pledge, lien, and security interest described herein, the Authority agrees and covenants that all Revenues when and as received shall be received by the Authority in trust hereunder for the benefit of the Owners and shall be deposited when and as received by the Authority in the Revenue Fund" which fund the Trustee shall establish and maintain in trust in the name of the Trustee a separate fund so long as any Bonds shall be Outstanding under this Trust Agreement. All Revenues shall be accounted for separately and held in trust in the Revenue Fund. All Revenues, whether received by the Authority in trust or deposited with the Trustee as herein provided, shall nevertheless be allocated, applied and disbursed solely for the purposes and uses hereinafter in this Article set forth, and shall be accounted for separately and apart from all other accounts, funds, money or other resources of the Authority, and the Authority shall have no beneficial right or interest in any of the Revenues except only as herein provided.

**Section 3.03. Establishment and Maintenance of Accounts for Use of Money in the Revenue Fund.** Subject to Section 4.06, all money in the Revenue Fund shall be set aside by the Trustee in the following respective special accounts within the Revenue Fund in the following order of priority:

- (1) Interest Account;
- (2) Principal Account;
- (3) Reserve Account;
- (4) Administration Account; and
- (5) Surplus Account.

All money in each of such funds and accounts shall be held in trust by the Trustee and shall be applied, used and withdrawn only for the purposes hereinafter authorized in this section.

(1) **Interest Account.** On or before the Business Day immediately preceding each Interest Payment Date, the Trustee shall set aside from amounts deposited by the City in the Revenue Fund and deposit in the Interest Account that amount of money which is equal to the amount of interest becoming due and payable with respect to the Agreement on the next succeeding Interest Payment Date. No such deposit need be made if the amount contained in the Interest Account is at least equal to the aggregate amount of interest becoming due and payable in connection with the Agreement on such Interest Payment Date. All money in the Interest Account shall be used and withdrawn by the Trustee solely for the purpose

of paying the interest on the Bonds as it shall become due and payable (including accrued interest on any Bonds purchased or redeemed prior to the payment dates thereof).

(2) Principal Account. On or before the Business Day immediately preceding each May 1 on which principal of the Bonds is due and payable the Trustee shall set aside from amounts deposited by the City in the Revenue Fund and deposit in the Principal Account an amount of money equal to the amount of principal becoming due and payable on the next succeeding principal payment date. No such deposit need be made if the amount contained in the Principal Account is at least equal to the aggregate amount of principal becoming due and payable on such principal payment date. All money in the Principal Account shall be used and withdrawn by the Trustee solely for the purpose of paying the principal of the Bonds as it shall become due and payable, whether on their respective principal payment or redemption dates, except that any money in any sinking fund account shall be used and withdrawn by the Trustee only to purchase or to redeem or to pay Term Bonds for which such sinking fund account was created.

(3) Reserve Account. The Trustee shall set aside from amounts deposited in the Revenue Fund and deposit in the Reserve Account that amount of money (or other authorized deposit of security) which shall be required to maintain the Reserve Account in the full amount of the Reserve Account Requirement. No deposit need be made in the Reserve Account so long as there shall be on deposit therein a sum equal to the Reserve Account Requirement. All money in the Reserve Account (including all amounts which may be obtained from any insurance policy on deposit in the Reserve Account) shall be used and withdrawn by the Trustee solely for the purpose of replenishing the Interest Account or the Principal Account, in that order, in the event of any deficiency at any time in either of such Funds, but solely for the purpose of paying the interest or principal payable in connection with the Agreement, except that any cash amounts in the Reserve Account in excess of the amount required to be on deposit therein shall be withdrawn from the Reserve Account on each Interest Payment Date and deposited in the Interest Account.

In lieu of making a Reserve Account Requirement deposit or in replacement of moneys then on deposit in the Reserve Account (which shall be transferred by the Trustee to the City upon delivery of an insurance policy satisfying the requirements stated below), the City may also deliver to the Trustee an insurance policy (a "Qualified Reserve Instrument") securing an amount, together with moneys or Permitted Investments on deposit in the Reserve Account, no less than the Reserve Account Requirement, issued by an insurance company licensed to issue insurance policies guaranteeing the timely payment of the principal of and interest on the Bonds and whose unsecured debt obligations (or for which obligations secured by such insurance company's insurance policies) are rated in one of the two highest rating categories (without respect to any modifier) of the Rating Agency. Notwithstanding anything to the contrary set forth in this Trust Agreement, amounts on deposit in the Reserve Account shall be applied solely to the payment of debt service due on the Bonds.

If and to the extent that the Reserve Account has been funded with a combination of cash (or Permitted Investments) and a Qualified Reserve Instrument, then all such cash (or Permitted Investments) shall be completely used before any demand is made on such Qualified Reserve Instrument, and replenishment of the Qualified Reserve Instrument shall be made prior to any replenishment of any cash (or Permitted Investments). If the Reserve Account is funded, in whole or in part, with more than one Qualified Reserve Instrument, then any draws made against such Qualified Reserve Instrument shall be made *pro rata*. The prior written consent of the Insurer shall be a condition precedent to the deposit of any credit instrument provided in lieu of a cash deposit into the Reserve Account, if any. Amounts on deposit in the Reserve Account shall be applied solely to the payment of debt service due on the Bonds.

[The Reserve Policy has been credited to the Reserve Account, and the Trustee shall make claims under the Reserve Policy in accordance with the terms of the Reserve Policy and the Insurance Agreement. The Reserve Policy is a Qualified Reserve Instrument.]

Neither the City nor the Authority will have any obligation to replace the Reserve Policy or other Qualified Reserve Instrument or to fund the Reserve Account with cash if, at any time that the Bonds are Outstanding, any rating assigned to the Insurer is downgraded, suspended or withdrawn or amounts are not available under the Reserve Policy or other Qualified Reserve Instrument, other than in connection with a draw on the Reserve Policy or other Qualified Reserve Instrument.

(4) Administration Account. On or before the Business Day immediately preceding each May 1 on which principal of the Bonds is due and payable, the Trustee shall set aside from amounts deposited in the Revenue Fund and deposit in the Administration Account an amount equal to the Administration Fee. All money in the Administration Account shall be used and withdrawn by the Trustee solely for the purpose of paying the fees of the Trustee and the Rebate Analyst, payable with respect to the Agreement, except that any cash amounts in the Administration Account in excess of the amount required to be on deposit therein shall be withdrawn from the Administration Account on each Interest Payment Date and deposited in the Interest Account.

(5) Surplus Account. On the Business Day immediately following each Interest Payment Date the Trustee shall deposit in the Surplus Account all money remaining in the Revenue Fund after the deposits required by Section 4.06 and by paragraphs (1), (2), (3) and (4) of this section have been made. On June 30 of each year, beginning on June 30, 2025, the Trustee shall disburse the money in the Surplus Account to the City to the extent the deposit of moneys, together with investment earnings thereon, if any, exceeded the deposits required by paragraphs (1), (2), (3) and (4) of this section.

**Section 3.04. Deposit and Investments of Money in Accounts and Funds.** Subject to Section 4.06, all money held by the Trustee in any of the accounts or funds established pursuant hereto shall be invested and reinvested in Permitted Investments at the Request of the City received not less than two (2) Business Days prior to the date of making such investment. The Trustee may conclusively rely upon the Authority's Request as to both suitability and legality of the directed investment and the Trustee shall have no duty or obligation to determine the legality of any investments. The Trustee shall be entitled to assume that any investment which at the time of purchase is a Permitted Investment remains a Permitted Investment thereafter, absent actual receipt of written notice to the contrary. The Trustee shall notify the City no less than two (2) Business Days prior to the date moneys held hereunder will be available for investment, requesting that the City deliver to the Trustee a Request of the City specifying the Permitted Investments to be acquired by the Trustee with such moneys. All money held in the Reserve Account shall be invested and reinvested in Permitted Investments with a term to maturity not exceeding five years or on the final maturity date of the Bonds, whichever date is earlier; *provided, however*, that if an obligation may be redeemed at par on the Business Day prior to each Interest Payment Date during which such obligation is outstanding, such obligation may have any maturity. If no such Request of the City is received, the Trustee shall hold such moneys uninvested. All such Permitted Investments shall be valued by the Trustee not less frequently than semi-annually on each Interest Payment Date at the lower of the cost or market value thereof. Subject to Section 4.06, all interest or profits received prior to the completion of the Project (as certified in writing by the Authorized City Representative) on any money so invested shall be deposited in the Acquisition Fund, and all interest or profits received subsequent thereto on any money so invested shall be deposited in the Interest Account. The Trustee may act as a principal or agent in making or disposing of any investment, and all investments may be made through the Trustee's investment department or that of its affiliates or subsidiaries, and may charge its ordinary and customary fees for such trades, including maintenance fees. The Trustee or its affiliates may act as sponsor, agent manager or depository with regard to any Permitted Investment. The Trustee shall not incur any liability for losses arising from any investments made pursuant to this Section. The Trustee shall sell in a commercially reasonable manner, or present for redemption, any investment security whenever it shall be necessary to provide moneys to meet any required payment, transfer, withdrawal or disbursement from the fund or account to which such investment security is credited and the Trustee shall not be liable for the selection of investments or

responsible for any loss resulting from the acquisition or disposition of such investment security in accordance herewith. The Trustee shall have no liability in respect of losses incurred as a result of the liquidation of any investment prior to its stated maturity or the failure of the Authority to provide timely written investment Request. Ratings of Permitted Investments shall be determined at the time of purchase of such Permitted Investments and without regarding to ratings subcategories.

Although the Authority recognizes that it may obtain a broker confirmation or written statement containing comparable information at no additional cost, the Authority agrees that confirmations of permitted investments are not required to be issued by the Trustee for each month in which a monthly statement is rendered and that no statement need be rendered for any fund or account if no activity occurred in such fund or account during such month

**Section 3.05. Reserve Policy Payment and Reimbursement Provisions.** [THE PROVISIONS BELOW ARE EXEMPLARY AS A PLACEHOLDER FOR FINAL TERMS: The following provisions shall govern in the event of a conflict with any contrary provision of this Trust Agreement.

(a) The City shall repay any draws under the Reserve Policy and pay all related reasonable expenses incurred by the Insurer in accordance with this Section 3.05 and [its Agreement and Insurance Agreement]. Interest shall accrue and be payable on such draws and expenses from the date of payment by the Insurer at the Late Payment Rate. "Late Payment Rate" means the lesser of (A) the greater of (i) the per annum rate of interest, publicly announced from time to time by JPMorgan Chase Bank at its principal office in the City of New York, as its prime or base lending rate ("Prime Rate") (any change in such Prime Rate to be effective on the date such changes are announced by JPMorgan Chase Bank) plus 3%, and (ii) the then applicable highest rate of interest on the Bonds, and (B) the maximum rate permissible under applicable usury or similar laws limiting interest rates. The Late Payment Rate shall be computed on the basis of the actual number of days elapsed over a year of 360 days. In the event JPMorgan Chase Bank ceases to announce its Prime Rate publicly, Prime Rate shall be the publicly announced prime or base lending rate of such bank, banking association or trust company bank as the Insurer in its sole and absolute discretion shall specify.

Repayment of draws and payment of expenses and accrued interest thereon at the Late Payment Rate (collectively, the "Policy Costs") shall commence in the first month following each draw, and each such monthly payment shall be in an amount at least equal to 1/12 of the aggregate of Policy Costs related to such draw.

As to the Reserve Account, amounts in respect of Policy Costs paid to the Insurer shall be credited first to interest due, then to the expenses due and then to principal due. As and to the extent that payments are made to the Insurer on account of principal due, the coverage under the Reserve Policy will be increased by a like amount, subject to the terms of the Reserve Policy.

All cash and investments in the Reserve Account shall be transferred to the Interest Account and the Principal Account, as applicable, for payment of the debt service on the Bonds before any drawing may be made on the Reserve Policy or any other Qualified Reserve Instrument in lieu of cash.

As to the Reserve Account, payment of any Policy Cost shall be made prior to replenishment of any cash amounts. Draws on all Qualified Reserve Instruments (including the Reserve Policy) on which there is available coverage shall be made on a *pro rata* basis (calculated by reference to the coverage then available thereunder) after applying all available cash and investments in the Reserve Account established for the Bonds. Payment of Policy Costs and reimbursement of amounts with respect to other Qualified Reserve Instruments shall be made on a *pro rata* basis prior to replenishment of any cash drawn from the Reserve Account. For the avoidance of doubt, "available coverage" means the coverage then available for



disbursement pursuant to the terms of the applicable alternative credit instrument without regard to the legal or financial ability or willingness of the provider of such instrument to honor a claim or draw thereon or the failure of such provider to honor any such claim or draw.

(b) Draws under the Reserve Policy may only be used to make payments on Bonds.

(c) If the City shall fail to pay Policy Costs in accordance with the requirements of paragraph (a) above, the Insurer shall be entitled to exercise any and all legal and equitable remedies available to it, including those provided under this Trust Agreement, and the Agreement and the Insurance Agreement other than (i) acceleration of the maturity of the Bonds, or (ii) remedies which would adversely affect owners of the Bonds.

(d) [This Trust Agreement and the Agreement shall not be discharged until all Policy Costs owing to the Insurer shall have been paid in full. The City's obligation to pay such amount, if any, shall expressly survive payment in full of the Bonds.]

(e) [The Trustee shall ascertain the necessity for a claim upon the Reserve Policy in accordance with the provisions of paragraph (a) hereof and provide notice to the Insurer at least three Business Days prior to each date upon which interest or principal is due on the Bonds.]

(f) [The Reserve Policy shall expire on the earlier of the date the Bonds are no longer outstanding and the final maturity date of the Bonds.]

## ARTICLE IV

### COVENANTS

**Section 4.01. Compliance with Agreement.** The Authority shall not do or permit anything to be done, or omit or refrain from doing anything, in any case where any such act done or permitted to be done, or any such omission of or refraining from action, would or might be a ground for cancellation or termination of the Agreement by the City.

**Section 4.02. Amendment of Agreement.** The City and the Authority will not amend or permit the amendment of the Agreement without (a)[(1) a determination that such amendment does not materially adversely affect the interest of the Owners or the Insurer or (2) the written consents of [the Insurer and] the Owners of a majority in aggregate principal amount of the Bonds then Outstanding, and (b) an Opinion of Counsel to the effect that such amendment is authorized and permitted by this Trust Agreement, is enforceable against the Authority and will not cause interest to be included in gross income for federal income tax purposes; *provided* that no such supplement, amendment, modification or termination shall reduce the amount of 2025 Installment Sale Payments to be made to the Authority or the Trustee by the City pursuant to the Agreement, or extend the time for making such payments, or permit the creation of any lien prior to or on a parity with the lien created by the Agreement on Revenues (except as expressly provided in the Agreement), in each case without the written consent of all of the Owners of the Bonds then Outstanding.

**Section 4.03. Against Encumbrances.** The Authority will not make any pledge of or place any charge or lien upon the Revenues except as provided herein, and will not issue any bonds, notes or obligations payable from the Revenues or secured by a pledge of or charge or lien upon the Revenues except the Bonds. The Authority shall at all times, to the extent permitted by law, defend, preserve and protect said pledge of such assets, and the lien thereon and security interest therein created hereby, against all claims and demands of all Persons whomsoever.

**Section 4.04. Punctual Payment.** The Authority shall punctually pay or cause to be paid the principal, premium, if any, and interest to become due in respect of all the Bonds, in strict conformity with the terms of the Bonds and of this Trust Agreement, according to the true intent and meaning thereof, but only out of Authority Revenues and other assets pledged for such payment as provided in this Trust Agreement and received by the Authority or the Trustee..

**Section 4.05. Extension of Payment of Bonds.** The Authority shall not directly or indirectly extend or assent to the extension of the maturity of any of the Bonds or the time of payment of any claims for interest by the purchase of such Bonds or by any other arrangement, and in case the maturity of any of the Bonds or the time of payment of any such claims for interest shall be extended, such Bonds or claims for interest shall not be entitled, in case of any default hereunder, to the benefits of this Trust Agreement, except subject to the prior payment in full of the principal of all of the Bonds then Outstanding and of all claims for interest thereon which shall not have been so extended. Nothing in this Section shall be deemed to limit the right of the Authority to issue Bonds for the purpose of refunding any Outstanding Bonds, and such issuance shall not be deemed to constitute an extension of maturity of the Bonds.

**Section 4.06. Tax Covenants; Rebate Fund.**

(a) In addition to the accounts created pursuant to Section 3.03, the Trustee shall establish and maintain in trust in the name of the Trustee a separate fund designated as the “Rebate Fund.” There shall be deposited in the Rebate Fund such amounts, including the Rebate Amount, as are required to be deposited therein pursuant to the Tax Certificate. All money at any time deposited in the Rebate Fund shall be held by the Trustee in trust, to the extent required to satisfy the Rebate Requirement (as defined in the Tax Certificate), for payment to the United States of America. Notwithstanding the provisions of Sections 3.01, 3.02, 3.04, 7.02 and 10.01 relating to the pledge, lien, and security interest described herein, the allocation of money in the Revenue Fund, the investments of money in any fund or account, the application of funds upon acceleration and the defeasance of Outstanding Bonds, all amounts required to be deposited into or on deposit in the Rebate Fund shall be governed exclusively by this Section 4.06 and by the Tax Certificate (which is incorporated herein by reference). The Trustee shall be deemed conclusively to have complied with such provisions if it follows the written directions of the Authority, and shall have no liability or responsibility to enforce compliance by the Authority and the City with the terms of the Tax Certificate.

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

**Section 4.07. Accounting Records and Reports.** The Trustee shall keep proper books of record and account in accordance with industry standards in which complete and correct entries shall be made of all transactions made by the Trustee relating to the receipt, investment, disbursement, allocation and application of all funds received by the Trustee hereunder. Such records shall specify the account or fund to which each investment (or portion thereof) held by the Trustee is to be allocated and shall set forth, in the case of each investment: (a) its purchase price; (b) identifying information, including par amount, coupon rate, and payment dates; (c) the amount received at maturity or its sale price, as the case may be; (d) the amounts and dates of any payments made with respect thereto; and (e) such documentation as is required to be obtained as evidence to establish that all investments have been purchased in arms’ length transactions with no amounts paid to reduce the yield on the investments.

Such records shall be open to inspection by the Authority and the City at any reasonable time during regular business hours on reasonable notice (including, without limitation, reasonable prior written notice of inspection).

**Section 4.08. Observance of Laws and Regulations.** The City will faithfully observe and perform all lawful and valid obligations or regulations now or hereafter imposed on it by contract, or prescribed by any state or national law, or by any officer, board or commission having jurisdiction or control, as a condition of the continued enjoyment of each and every franchise, right or privilege now owned or hereafter acquired by it, including its right to exist and carry on its businesses, to the end that such observance or performance is material to the transactions contemplated hereby.

**Section 4.09. Further Assurances.** Whenever and so often as reasonably requested to do so by the Trustee or any Owner, the City will promptly execute and deliver or cause to be executed and delivered all such other and further assurances, documents or instruments, and promptly do or cause to be done all such other and further things as may be necessary or reasonably required in order to further and more fully vest in the Trustee and the Owners all rights, interests, powers, benefits, privileges and advantages conferred or intended to be conferred upon them hereby.

**Section 4.10. Recordation and Filing.** The City will file, record, register, renew, refile and rerecord all such documents, including financing statements (or continuation statements in connection therewith), as may be required by law in order to maintain at all times a security interest in the Agreement under and pursuant to this Trust Agreement, all in such manner, at such times and in such places as may be required in order to fully perfect, preserve and protect the benefit, protection and security of the Owners [and the Insurer], and the rights of the Trustee hereunder, and the City will do whatever else may be necessary or be reasonably required in order to perfect and continue the Authority's right, title and interest in and to, the Agreement (excepting its right to indemnification thereunder), including the right to receive 2025 Installment Sale Payments from the City as provided herein.

**Section 4.11. Acquisition of the Project.** Subject to and as provided in the Agreement, the Authority will cause to be acquired and constructed the Project with all practicable dispatch and such acquisition will be made in an expeditious manner and in conformity with the law so as to complete the same as soon as possible.

## ARTICLE V

### THE TRUSTEE

**Section 5.01. The Trustee.** The Bank of New York Mellon Trust Company, N.A. shall serve as the Trustee for the Bonds for the purpose of receiving all money which the Authority and the City are required to deposit with the Trustee hereunder and for the purpose of allocating, applying and using such money as provided herein and for the purpose of paying the principal of, premium, if any, and interest on the Bonds presented for payment in Los Angeles, California, with the rights and obligations provided herein. The Authority agrees that it will at all times maintain a Trustee having a designated office in San Francisco or Los Angeles, California.

The Authority may at any time, unless there exists any event of default as defined in Section 7.01, remove the Trustee initially appointed and any successor thereto, upon 30 days written notice, and may appoint a successor or successors thereto by an instrument in writing; *provided* that any such successor shall (i) be a bank or trust company doing business and having a principal office in San Francisco or Los Angeles, California, (ii) have (or in the case of a bank or trust company which is part of a bank holding company system, the related bank holding company shall have) a combined capital (exclusive of borrowed capital) and surplus of at least seventy-five million dollars (\$75,000,000) and (iii) be subject to supervision or examination by federal or state authority. If such bank or trust company publishes a report of condition at least annually, pursuant to law or to the requirements of any supervising or examining authority above referred to, then for the purpose of this section the combined capital and surplus of such bank or trust

company shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. The Trustee may at any time resign by giving written notice of such resignation to the Authority and by mailing to the Owners notice of such resignation. Upon receiving such notice of resignation, the Authority shall promptly appoint a successor Trustee by an instrument in writing. Any removal or resignation of a Trustee and appointment of a successor Trustee shall become effective only upon the acceptance of appointment by the successor Trustee. If, within thirty (30) days after notice of the removal or resignation of the Trustee no successor Trustee shall have been appointed and shall have accepted such appointment, the removed or resigning Trustee may petition any court of competent jurisdiction for the appointment of a successor Trustee, at the expense of the Authority, which court may thereupon, after such notice, if any, as it may deem proper and prescribe and as may be required by law, appoint a successor Trustee having the qualifications required hereby.

Any bank, corporation or association into which the Trustee may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which the Trustee shall be a party, or any bank, corporation or association succeeding to all or substantially all of the corporate trust business of the Trustee shall be the successor of Trustee hereunder without the execution or filing of any paper with any party hereto or any further act on the part of any of the parties hereto except where an instrument of transfer or assignment is required by law to effect such succession, anything herein to the contrary notwithstanding.

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

The Authority, solely from amounts held in the Costs of Issuance Fund or paid by the City specifically for such purpose, shall from time to time, subject to any agreement between the Authority and the Trustee then in force, pay to the Trustee compensation for its services, reimburse the Trustee for all its advances and expenditures including but not limited to advances to and fees and expenses of independent accountants and in-house and other counsel or other experts employed by it and reasonably required in the exercise and performance of its rights and obligations hereunder, and, to the extent permitted by law, indemnify and hold the Trustee and its officers, directors, employees and agents harmless against any claim, loss, liability, damages, expenses (including legal fees and expenses) or advances, arising out of or in connection with the acceptance or administration of the trusts hereunder, including the costs and expenses of defending itself against any claim (whether asserted by the Authority, or any holder or any other person) or liability in connection with the exercise or performance of any of its powers or duties hereunder, or in connection with enforcing the provisions of this Section, except to the extent that such loss, damage, claim, liability or expense is due to its own gross negligence or willful misconduct. If the Trustee renders any service hereunder not provided for in this Trust Agreement or related financing documents, or the Trustee is made a party to or intervenes in any litigation pertaining to this Trust Agreement or related financing documents or institutes interpleader proceedings relative hereto, the Trustee shall be compensated reasonably by the Authority for such extraordinary services and reimbursed for any and all claims, liabilities, losses, damages, fines, penalties, and expenses, including out-of-pocket and incidental expenses and legal fees and expenses occasioned thereby. The obligations of the Authority under this paragraph to compensate, indemnify, reimburse and hold the Trustee harmless shall constitute additional indebtedness hereunder, and such indebtedness shall have priority over the Bonds in respect of all property and funds held or collected by the Trustee as such, except funds held in trust by the Trustee for the benefit of the Owners of particular Bonds, including, without limitation, funds held by the Trustee in trust to redeem all or a portion of Outstanding Bonds prior to their respective maturity dates for which a notice of redemption has been sent as provided herein.

**Section 5.02. Liability of Trustee.** The recitals of facts, agreements and covenants herein and in the Bonds shall be taken as recitals of facts, agreements and covenants of the Authority, and the Trustee assumes no responsibility for the use of any proceeds of the Bonds, the correctness of the same, the collection of the Revenues or makes any representation as to the sufficiency or validity hereof, of the Bonds or any security therefor or any offering material distributed in connection with the Bonds and shall not incur any responsibility in respect thereof other than in connection with the rights or obligations assigned to or imposed upon it herein, in the Bonds or in law or equity. The Trustee shall not be liable in connection with the performance of its duties hereunder except for its own negligence, willful misconduct or breach of fiduciary duty.

The Trustee shall not be bound to recognize any person as the Owner of a Bond unless and until such Bond is submitted for inspection, if required, and such Bond is registered in such person's name.

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

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

hereunder at the request or direction of the Owners, the Trustee may require that an indemnity bond satisfactory to the Trustee be furnished to it and be in full force and effect.

None of the provisions contained herein or in the Agreement shall require the Trustee to expend or risk its own funds or continue to do so or otherwise incur individual financial liability in the performance of any of its duties or in the exercise of any of its rights or powers, and the Trustee may refuse to perform any duty or exercise any right or power, if it shall reasonably believe that repayment of such funds or adequate indemnity against such risk or liability is not assured to it. The Trustee may conclusively rely and shall be protected in acting or failing to act upon any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture, note, other evidence of indebtedness or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties. In acting or omitting to act pursuant to any other applicable agreements to which the Trustee is a party, or any other documents executed in connection herewith, the Trustee shall be entitled to all of the rights, immunities and indemnities accorded to it under this Trust Agreement. The Trustee shall not be required to take notice or be deemed to have notice of any Event of Default hereunder except failure by the City to make any payment of principal or interest under the Agreement when due, unless the Trustee shall be specifically notified in writing at its corporate trust office of such default by the Owners of not less than 25% of the aggregate principal amount of Bonds then Outstanding. Notwithstanding any other provision hereof, the Trustee shall have the right, but shall not be required, to demand any showings, certificates, opinions, appraisals or other information, or official action or evidence thereof, required as a condition of such action deemed by the Trustee to be desirable for the purpose of establishing the rights of the Trustee with respect to the authentication of any Bonds, the withdrawal of any cash, the release of any property or the taking of any other action by the Trustee. When the Trustee incurs expenses or renders services after the occurrence of an Event of Default, such expenses and the compensation for such services are intended to constitute expenses of administration under any federal or state bankruptcy, insolvency, arrangement, moratorium, reorganization or other debtor relief law.

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

transmitting Instructions than the method(s) selected by the Authority and/or the City, as applicable; (iii) that the security procedures (if any) to be followed in connection with its transmission of Instructions by Electronic Means provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances; and (iv) to notify the Trustee immediately upon learning of any compromise or unauthorized use of the security procedures.

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

## ARTICLE VI

### AMENDMENT OF THE TRUST AGREEMENT

**Section 6.01. Amendment of the Trust Agreement.** This Trust Agreement and the rights and obligations of the Authority, the City, the Trustee and the Owners may be amended at any time by a Supplemental Trust Agreement which shall become binding when the written consents of [the Insurer and] the Owners of a majority in aggregate principal amount of the Bonds then Outstanding, exclusive of Bonds disqualified as provided in Section 6.02, are filed with the Trustee. No such amendment shall (1) extend the maturity date of or reduce the interest rate on or amount of principal of, premium, if any, and interest on any Bond without the express written consent of [the Insurer and] the Owner of such Bond, or (2) permit the creation by the Authority of any pledge of or charge or lien upon the Revenues as provided herein superior to or on a parity with the pledge, lien, and security interest described herein for the benefit of the Bonds, or (3) reduce the percentage of Bonds required for the written consent to any such amendment or any amendment of an Agreement pursuant to Section 4.02 hereof, or (4) modify any rights or obligations of the Trustee, the Authority or the City without their prior written assent thereto, respectively.

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

- (a) to add to the agreements and covenants required herein to be performed by the Authority other agreements and covenants thereafter to be performed by the Authority or the City, or to surrender any right or power reserved herein to or conferred herein on the Authority or the City;
- (b) to make such provisions for the purpose of curing any ambiguity or of correcting, curing or supplementing any defective provision contained herein or in regard to questions arising hereunder which the Authority or the City may deem desirable or necessary and not inconsistent herewith;
- (c) to add to the agreements and covenants required herein, such agreements and covenants as may be necessary to qualify the Trust Agreement under the Trust Indenture Act of 1939; or

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

[In executing, or accepting the additional trusts created by, any Supplemental Trust Agreement permitted by this Article or the modification thereby of the trusts created by this Trust Agreement, the Trustee shall be entitled to receive, and shall be fully protected in relying upon, an opinion of counsel stating that the execution of such Supplemental Trust Agreement is authorized or permitted by this Trust Agreement and complies with the terms hereof.]

**Section 6.02. Disqualified Bonds.** Bonds owned or held by or for the account of the Authority or the City shall not be deemed Outstanding for the purpose of any consent or other action or any calculation of Outstanding Bonds provided in this article, and shall not be entitled to consent to or take any other action provided in this article.

**Section 6.03. Endorsement or Replacement of Bonds After Amendment.** After the effective date of any action taken as hereinabove provided, the Authority may determine that the Bonds may bear a notation by endorsement in form approved by the Authority as to such action, and in that case upon demand of the Owner of any Outstanding Bonds and presentation of their Bond for such purpose at the office of the Trustee a suitable notation as to such action shall be made on such Bond. If the Authority shall so determine, new Bonds so modified as, in the opinion of the Authority, shall be necessary to conform to such action shall be prepared, executed and authenticated, and in that case upon demand of the Owner of any Outstanding Bond a new Bond or Bonds, shall be exchanged at the office of the Trustee without cost to each Owner for its Bond or Bonds then Outstanding upon surrender of such Outstanding Bonds.

**Section 6.04. Amendment by Mutual Consent.** The provisions of this article shall not prevent any Owner from accepting any amendment as to the particular Bonds held by them, provided that due notation thereof is made on such Bonds.

**Section 6.05. Information to Rating Agency.** The Authority shall provide any Rating Agency rating the Bonds a copy of each amendment to the Trust Agreement or to the Agreement promptly following the execution or adoption of such amendment.

## ARTICLE VII

### EVENTS OF DEFAULT AND REMEDIES OF OWNERS

**Section 7.01. Events of Default.** If any default in the payment of 2025 Installment Sale Payments or any other “Event of Default” defined in the Agreement shall occur and be continuing, or if any default shall be made by the City in the performance or observance of any other of the covenants, agreements or conditions on its part herein contained and such default shall have continued for a period of thirty (30) days after written notice thereof shall have been given to the City by the Trustee or the Owners of not less than a majority in aggregate principal amount of the Bonds at the time Outstanding, then such default shall constitute an “Event of Default” hereunder, and in each and every such case during the continuance of such Event of Default the Trustee or the Owners of not less than a majority in aggregate principal amount of the Bonds at the time Outstanding shall be entitled, upon notice in writing to the City, but subject to the provisions of Section 7.06, to exercise the remedies provided under the Agreement which are necessary or desirable to collect the 2025 Installment Sale Payments. No grace period shall be permitted for payment defaults.

The Owners of Bonds, for purposes of the Trust Agreement and the Agreement, to the extent of their interest, shall be entitled to all rights and security of the Authority pursuant to the Agreement and this



Trust Agreement. The City recognizes the rights of the Owners of the Bonds, acting directly or through the Trustee, to enforce the obligations and covenants contained in the Agreement and this Trust Agreement.

**Section 7.02. Application of Funds Upon Acceleration of Agreement.** All moneys received by the Trustee pursuant to any right given or action taken under the provisions of this Article VII shall be deposited into a segregated payment account of the Revenue Fund and be applied by the Trustee in the following order; *provided* that the Trustee shall obtain and follow the instructions contained in an Opinion of Counsel and rebate or set aside for rebate from the specified funds held hereunder, any amount pursuant to such instructions required to be paid to the United States of America under the Code:

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

Second, to the payment of the principal of and interest on the Bonds, in connection with a mandatory redemption of Bonds pursuant to Section 2.10(b) hereof and the delivery of a Cash Flow Report; and

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

**Section 7.03. Other Remedies of the Trustee.** The Trustee shall have the right

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

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

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

**Section 7.04. Non-Waiver.** A waiver by the Trustee of any default hereunder or breach of any obligation hereunder shall not affect any subsequent default hereunder or any subsequent breach of any obligation hereunder or impair any rights or remedies on any such subsequent default hereunder or on any such subsequent breach of an obligation hereunder. No delay or omission by the Trustee to exercise any right or remedy accruing upon any default hereunder shall impair any such right or remedy or shall be construed to be a waiver of any such default hereunder or an acquiescence therein, and every right or remedy conferred upon the Trustee by applicable law or by this article may be enforced and exercised from time to time and as often as shall be deemed expedient by the Trustee.

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

**Section 7.05. Actions by Trustee as Attorney-in-Fact.** Any action, proceeding or suit which any Owner shall have the right to bring to enforce any right or remedy hereunder may be brought by the

Trustee for the equal benefit and protection of all Owners, whether or not the Trustee is an Owner, and the Trustee is hereby appointed (and the successive Owners, by taking and holding the Bonds issued hereunder, shall be conclusively deemed to have so appointed it) the true and lawful attorney-in-fact of the Owners for the purpose of bringing any such action, proceeding or suit and for the purpose of doing and performing any and all acts and things for and on behalf of the Owners as a class or classes as may be advisable or necessary in the opinion of the Trustee as such attorney-in-fact.

Nothing herein shall be deemed to authorize the Trustee to authorize or consent to or accept or adopt on behalf of any Owner any plan of reorganization, arrangement, adjustment, or composition affecting the Bonds or the rights of any Owner thereof, or to authorize the Trustee to vote in respect of the claim of any Owner in any such proceeding without the approval of the Owners so affected.

**Section 7.06. Remedies Not Exclusive.** No remedy herein conferred upon or reserved to the Owners is intended to be exclusive of any other remedy, and each such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute or otherwise and may be exercised without exhausting and without regard to any other remedy conferred by the Act or any other law. If any remedial action hereunder is discontinued or abandoned, the Trustee and the Owners shall be restored to their former positions.

**Section 7.07. Limitation on Owners' Right to Sue.** No Owner of any Bond issued hereunder shall have the right to institute any suit, action or proceeding at law or equity, for any remedy under or upon this Trust Agreement, unless (a) such Owner shall have previously given to the Trustee written notice of the occurrence of an event of default as defined in Section 7.01 hereunder; (b) the Owners of at least a majority in aggregate principal amount of all the Bonds then Outstanding shall have made written request upon the Trustee to exercise the powers hereinbefore granted or to institute such suit, action or proceeding in its own name; (c) said Owners shall have tendered to the Trustee reasonable security or indemnity against the costs, expenses and liabilities to be incurred in compliance with such request; and (d) the Trustee shall have refused or omitted to comply with such request for a period of sixty (60) days after such request and consent shall have been received by, and said tender of indemnity shall have been made to, the Trustee.

The Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Trust Agreement at the request or direction of any of the Owners in connection with a default or Event of Default hereunder pursuant to this Trust Agreement, unless such Owners shall have offered to the Trustee security or indemnity satisfactory to the Trustee against the costs, expenses and liabilities which might be incurred by it in compliance with such request or direction.

Such notification, request, consent, tender of indemnity and refusal or omission are hereby declared, in every case, to be conditions precedent to the exercise by any owner of Bonds of any remedy hereunder; it being understood and intended that no one or more owners of Bonds shall have any right in any manner whatever by their action to enforce any right under this Trust Agreement, except in the manner herein provided, and that all proceedings at law or in equity to enforce any provision of the Trust Agreement shall be instituted, had and maintained in the manner herein provided and for the equal benefit of all Owners of the Outstanding Bonds.

**Section 7.08. Limited Liability of the City.** Except as expressly provided in the Agreement, the City shall not have any obligation or liability to the Authority, the Trustee or the Owners, with respect to this Trust Agreement or the Bonds. The obligations under this Trust Agreement do not constitute a debt of the City or of the State, or of any political subdivision thereof, in contravention of any constitutional or statutory debt limitation or restriction. Neither the faith and credit nor the taxing power of the City or the State, or any political subdivision thereof, is pledged to the payment of the 2025 Installment Sale Payments or other payments required to be made under the Agreement.

**Section 7.09. Limited Liability of the Authority.** Except as expressly provided herein, the Authority shall not have any obligation or liability to the Trustee or the Owners, with respect to the payment when due of the 2025 Installment Sale Payments by the City, or with respect to the observance or performance by the City of the other agreements, conditions, covenants and terms contained in the Agreement, or with respect to the performance by the Trustee of any obligation contained herein required to be performed by it. Notwithstanding anything to the contrary contained in the Bonds, the Trust Agreement or any other document related thereto, the Authority shall not have any liability hereunder or by reason hereof or in connection with any of the transactions contemplated hereby except to the extent payable from moneys received from or with respect to the Agreement and available thereof in accordance with the Trust Agreement.

## ARTICLE VIII

### DEFEASANCE

**Section 8.01. Discharge of Bonds.** (a) If the City shall pay or cause to be paid or there shall otherwise be paid to the Owners of all Outstanding Bonds the principal of, premium, if any, and interest thereon at the times and in the manner stipulated herein and therein, [and the Insurer shall have been paid all amounts owed to the Insurer under the Insurance Policy and the Reserve Policy], then the Owners of such Bonds shall cease to be entitled to the pledge of and charge and lien upon the Revenues as provided herein, and all agreements, covenants and other obligations of the Authority and the City to the Owners of such Bonds hereunder shall thereupon cease, terminate and become void and be discharged and satisfied. In such event, the Trustee shall execute and deliver to the Authority all such instruments as may be necessary or desirable to evidence such discharge and satisfaction and the Trustee shall pay over or deliver to the Authority all money or securities held by it pursuant hereto which are not required for the payment of the principal of, premium, if any, and interest on such Bonds.

(b) Any Outstanding Bonds shall prior to the maturity date or redemption date thereof be deemed to have been paid within the meaning of and with the effect expressed in subsection (a) of this section if (1) in case any of such Bonds are to be redeemed on any date prior to their respective maturity dates, the Authority shall have given to the Trustee in form satisfactory to it irrevocable instructions to provide notice in accordance with Section 2.10(f), (2) there shall have been deposited with the Trustee either (A) money in an amount which shall be sufficient or (B) Defeasance Obligations, in each case the interest on and principal of which when paid will provide money which, together with the money, if any, deposited with the Trustee at the same time, shall be sufficient, in the opinion of an Independent Certified Public Accountant, to pay when due the interest to become due on such Bonds on and prior to the maturity date or redemption date thereof, as the case may be, and the principal of, premium, if any, and interest on such Bonds, and (2) in the event such Bonds are not by their terms subject to redemption within the next succeeding sixty (60) days, the Authority shall have given the Trustee in form satisfactory to it irrevocable instructions to mail as soon as practicable, a notice to the Owners of such Bonds that the deposit required by clause (2) above has been made with the Trustee and that such Bonds are deemed to have been paid in accordance with this section and stating the maturity date or redemption date upon which money is to be available for the payment of the principal of and redemption premiums, if any, on such Bonds. In addition, the Authority shall cause to be delivered to [the Insurer] (i) a report of an Independent Certified Public Accountant or such other accountant as shall be acceptable to the Insurer verifying the sufficiency of the escrow established to pay the Bonds in full on the maturity or redemption date (“Verification”), (ii) an Escrow Deposit Agreement [(which shall be acceptable in form and substance to the Insurer)], (iii) an opinion of nationally recognized bond counsel to the effect that the Bonds are no longer “Outstanding” under the Trust Agreement, and (iv) a certificate of discharge of the Trustee with respect to the Bonds; each Verification and defeasance opinion shall be acceptable in form and substance, and addressed, to the

Authority and the Trustee. [The Insurer shall be provided with final drafts of the above-referenced documentation not less than five Business Days prior to the funding of the escrow.]

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

This Trust Agreement, the Agreement and each other Related Document (as defined in Section 9.01(f) below) shall not be discharged or terminated unless all amounts due or to become due to the Insurer have been paid in full or duly provided for. The City’s obligation to pay such amounts shall expressly survive payment in full of the Bonds.]

**Section 8.02. Unclaimed Money.** Any moneys held by the Trustee in trust for the payment and discharge of the principal of, or premium or interest on, any Bond which remain unclaimed for two years after the date when such principal, premium or interest has become payable, if such moneys were held by the Trustee at such date, or for two years after the date of deposit of such moneys if deposited with the Trustee after the date when such principal, premium or interest become payable, shall be repaid by the Trustee to the Authority as its absolute property free from trust, and the Trustee shall thereupon be released and discharged with respect thereto and the Owner of such Bond shall look only to the Authority for the payment of such principal, premium or interest. Any money held by the Trustee pursuant to this paragraph shall be held uninvested and without any liability for interest.

## ARTICLE IX

### PROVISIONS RELATED TO THE INSURER AND THE INSURANCE POLICY

**Section 9.01. General Provisions.** [THE PROVISIONS BELOW ARE EXEMPLARY AS A PLACEHOLDER FOR FINAL TERMS: The following provisions shall govern in the event of a conflict with any contrary provision of this Trust Agreement.

(a) The prior written consent of the Insurer shall be a condition precedent to the deposit of any Qualified Reserve Instrument provided in lieu of a cash deposit into the Reserve Account. Notwithstanding anything to the contrary set forth in this Trust Agreement, amounts on deposit in the Reserve Account shall be applied solely to the payment of principal of and interest due on the Bonds.

(b) The Insurer shall be deemed to be the sole Owner of the Bonds for the purpose of exercising any voting right or privilege or giving any consent or direction or taking any other action that the Owners of the Bonds are entitled to take pursuant to this Trust Agreement pertaining to (i) defaults and remedies and (ii) the duties and obligations of the Trustee. In furtherance thereof and as a term of this Trust Agreement and each Bond, the Trustee (solely with respect to the Bonds) and each Owner appoint the Insurer as their agent and attorney-in-fact and agree that the Insurer may at any time during the continuation of any proceeding by or against the Authority or the City under the United States Bankruptcy Code or any other applicable bankruptcy, insolvency, receivership, rehabilitation or similar law (an “Insolvency Proceeding”) direct all matters relating to such Insolvency Proceeding, including without limitation, (A) all matters relating to any claim or enforcement proceeding in connection with an Insolvency Proceeding (a “Claim”), (B) the direction of any appeal of any order relating to any Claim, (C) the posting of any surety, supersedeas or performance bond pending any such appeal, and (D) the right to vote to accept or reject any plan of adjustment. In addition, the Trustee (solely with respect to the Bonds) and each Owner delegate and assign to the Insurer, to the fullest extent permitted by law, the rights of the Trustee and each Owner in the conduct of any Insolvency Proceeding, including, without limitation, all rights of any party to an adversary proceeding or action with respect to any court order issued in connection with any such Insolvency Proceeding. Remedies granted to the Owners shall expressly include mandamus.

(c) The Bonds shall not be accelerated without the consent of the Insurer and in the event the Bonds are accelerated, the Insurer may elect, in its sole discretion, to pay accelerated principal, and interest accrued on such principal to the date of acceleration (to the extent unpaid), and the Trustee shall be required to accept such amounts. Upon payment of such accelerated principal and interest accrued to the acceleration date, the Insurer's obligations under the Insurance Policy with respect to the Bonds shall be fully discharged.

(d) The Insurer is a third party beneficiary of this Trust Agreement.

(e) Upon the occurrence of an optional or mandatory redemption in part pursuant to Section 2.10(a) or 2.10(b) hereof, the selection of Bonds to be redeemed shall be subject to the approval of the Insurer. The exercise of any provision of this Trust Agreement which permits the purchase of Bonds in lieu of redemption shall require the prior written approval of the Insurer if any Bond so purchased is not cancelled upon purchase.

(f) Any amendment, supplement, modification to, or waiver of, this Trust Agreement or any other transaction document, including the Agreement, the Insurance Agreement and any underlying security agreement (each a "Related Document"), that requires the consent of Owners or adversely affects the rights and interests of the Insurer is subject to the prior written consent of the Insurer.

(g) Unless the Insurer otherwise directs, upon the occurrence and continuance of an Event of Default or an event which with notice or lapse of time would constitute an Event of Default, amounts on deposit in the Acquisition Fund shall not be disbursed, but shall instead be applied to the payment of principal of and interest on the Bonds, then due, or the Redemption Price of the Bonds.

(h) The rights granted to the Insurer under this Trust Agreement or any other Related Document to request, consent to or direct any action are rights granted to the Insurer in consideration of its issuance of the Insurance Policy. Any exercise by the Insurer of such rights is merely an exercise of the Insurer's contractual rights and shall not be construed or deemed to be taken for the benefit, or on behalf, of the Owners and such action does not evidence any position of the Insurer, affirmative or negative, as to whether the consent of the Owners or any other person is required in addition to the consent of the Insurer.

(i) Amounts paid by the Insurer under the Insurance Policy shall not be deemed paid for purposes of this Trust Agreement and the Bonds relating to such payments shall remain Outstanding and continue to be due and owing until paid in accordance with this Trust Agreement. This Trust Agreement shall not be discharged unless all amounts due or to become due to the Insurer have been paid in full or duly provided for.

(j) The Authority covenants and agrees to take such action as is necessary from time to time to preserve the priority of the pledge of the Revenues hereunder.

(k) The Insurer shall be provided with the following information by the Authority, the City or the Trustee, as the case may be:

(1) Annual audited financial statements within [150] days after the end of the City's fiscal year (together with a certification of the City that it is not aware of any default or Event of Default under the Trust Agreement or the Agreement), and the City's annual budget within 30 days after the approval thereof together with such other information, data or reports as the Insurer shall reasonably request from time to time;

(2) Notice of any draw upon the Reserve Account within two Business Days after knowledge thereof other than (i) withdrawals of amounts in excess of the Reserve Account Requirement and (ii) withdrawals in connection with a redemption of Bonds;

(3) Notice of any default known to the Trustee or Authority within five Business Days after knowledge thereof;

(4) Prior notice of the advance refunding or redemption of any of the Bonds, including the principal amount, maturities and CUSIP numbers thereof;

(5) Notice of the resignation or removal of the Trustee and the appointment of, and acceptance of duties by, any successor thereto;

(6) Notice of the commencement of any proceeding by or against the Authority or the City commenced under the United States Bankruptcy Code or any other applicable bankruptcy, insolvency, receivership, rehabilitation or similar law (an "Insolvency Proceeding");

(7) Notice of the making of any claim in connection with any Insolvency Proceeding seeking the avoidance as a preferential transfer of any payment of principal of, or interest on, the Bonds;

(8) A full original transcript of all proceedings relating to the execution of any amendment, supplement, or waiver to the Related Documents; and

(9) All reports, notices and correspondence to be delivered to Owners under the terms of the Related Documents.

In addition, to the extent that the Authority or the City has entered into a continuing disclosure agreement, covenant or undertaking with respect to the Bonds, all information furnished pursuant to such agreements shall also be provided to the Insurer, simultaneously with the furnishing of such information.

(l) The Insurer shall have the right to receive such additional information as it may reasonably request.

(m) The City will permit the Insurer to discuss the affairs, finances and accounts of the City or any information the Insurer may reasonably request regarding the security for the Bonds with appropriate officers of the City and will use commercially reasonable efforts to enable the Insurer to have access to the facilities, books and records of the City on any Business Day upon reasonable prior notice.

(n) The Trustee shall notify the Insurer of any failure of the City to provide notices, certificates and other information under this Trust Agreement or the Agreement.

(o) In determining whether any amendment, consent, waiver or other action to be taken, or any failure to take action, under this Trust Agreement would adversely affect the security for the Bonds or the rights of the Owners, the Trustee shall consider the effect of any such amendment, consent, waiver, action or inaction as if there were no Insurance Policy.

(p) No contract shall be entered into or any action taken by which the rights of the Insurer or security for or sources of payment of the Bonds may be impaired or prejudiced in any material respect except upon obtaining the prior written consent of the Insurer.

(q) So long as the Bonds insured by the Insurer remain outstanding or any amounts are owed to the Insurer, the City shall not enter into any interest rate exchange agreement, cap, collar, floor ceiling or other agreement or instrument involving reciprocal payment obligations between the City and a counterparty based on interest rates applied to a notional amount of principal, without the prior written consent of the Insurer.]

**Section 9.02. Claims Upon the Insurance Policy and Payments by and to the Insurer.** [THE PROVISIONS BELOW ARE EXEMPLARY AS A PLACEHOLDER FOR FINAL TERMS: The following provisions shall govern in the event of a conflict with any contrary provision of this Trust Agreement.

(a) If, on the third Business Day prior to the related scheduled Interest Payment Date or principal payment date (each, a “Payment Date”) there is not on deposit with the Trustee, after making all transfers and deposits required under the Trust Agreement, moneys sufficient to pay the principal of and interest on the Bonds due on such Payment Date, the Trustee shall give notice to the Insurer and to its designated agent (if any) (the “Insurer’s Fiscal Agent”) by telephone or Electronic Means of the amount of such deficiency by 12:00 noon, New York City time, on such Business Day. If, on the second Business Day prior to the related Payment Date, there continues to be a deficiency in the amount available to pay the principal of and interest on the Bonds due on such Payment Date, the Trustee shall make a claim under the Insurance Policy and give notice to the Insurer and the Insurer’s Fiscal Agent (if any) by telephone of the amount of such deficiency, and the allocation of such deficiency between the amount required to pay interest on the Bonds and the amount required to pay principal of the Bonds, confirmed in writing to the Insurer and the Insurer’s Fiscal Agent by 12:00 noon, New York City time, on such second Business Day by filling in the form of Notice of Claim and certificate delivered with the Insurance Policy.

The Trustee shall designate any portion of payment of principal of the Bonds paid by the Insurer, whether by virtue of mandatory sinking fund redemption, maturity or other advancement of maturity, on its books as a reduction in the principal amount of Bonds registered to the then current Owner, whether DTC or its nominee or otherwise, and shall issue a replacement Bond to the Insurer, registered in the name of \_\_\_\_\_, in a principal amount equal to the amount of principal so paid (without regard to authorized denominations); provided that the Trustee’s failure to so designate any payment or issue any replacement Bond shall have no effect on the amount of principal or interest payable on any Bond or the subrogation rights of the Insurer.

The Trustee shall keep a complete and accurate record of all funds deposited by the Insurer into the Policy Payments Account (defined below) and the allocation of such funds to payment of interest on and principal of any Bond. The Insurer shall have the right to inspect such records at reasonable times upon reasonable notice to the Trustee (including, without limitation, reasonable prior written notice of inspection).

Upon payment of a claim under the Insurance Policy, the Trustee shall establish a separate special purpose trust account for the benefit of Owners referred to herein as the “Policy Payments Account” and over which the Trustee shall have exclusive control and sole right of withdrawal. The Trustee shall receive any amount paid under the Insurance Policy in trust on behalf of Owners and shall deposit any such amount in the Policy Payments Account and distribute such amount only for purposes of making the payments for which a claim was made. Such amounts shall be disbursed by the Trustee to Owners in the same manner as principal and interest payments are to be made on Bonds under the sections hereof regarding payment of Bonds. It shall not be necessary for such payments to be made by checks or wire transfers separate from the check or wire transfer used to pay debt service with other funds available to make such payments. Notwithstanding anything herein to the contrary, subject to Section 7.09 hereof, the Authority agrees to pay to the Insurer, solely from Revenues, (i) a sum equal to the total of all amounts paid by the Insurer under

the Insurance Policy (the “Insurer Advances”); and (ii) interest on such Insurer Advances from the date paid by the Insurer until payment thereof in full, payable to the Insurer at the Late Payment Rate per annum (collectively, the “Insurer Reimbursement Amounts”). “Late Payment Rate” means the lesser of (a) the greater of (i) the per annum rate of interest, publicly announced from time to time by JPMorgan Chase Bank at its principal office in The City of New York, as its prime or base lending rate (any change in such rate of interest to be effective on the date such change is announced by JPMorgan Chase Bank) plus 3%, and (ii) the then applicable highest rate of interest on the Bonds and (b) the maximum rate permissible under applicable usury or similar laws limiting interest rates. The Late Payment Rate shall be computed on the basis of the actual number of days elapsed over a year of 360 days. Subject to Section 7.09 hereof, the Authority hereby covenants and agrees that the Insurer Reimbursement Amounts are secured by a lien on and pledge of the Revenues and payable from the Revenues on a parity with debt service due on the Bonds.

Funds held in the Policy Payments Account shall not be invested by the Trustee and may not be applied to satisfy any costs, expenses or liabilities of the Trustee. Any funds remaining in the Policy Payments Account following a Bond payment date shall promptly be remitted to the Insurer.

(b) The Insurer shall, to the extent it makes any payment of principal of or interest on the Bonds, become subrogated to the rights of the recipients of such payments in accordance with the terms of the Insurance Policy (which subrogation rights shall also include the rights of any such recipients in connection with any Insolvency Proceeding). Each obligation of the Authority and the City to the Insurer under the Related Documents shall survive discharge or termination of such Related Documents.

(c) The City shall pay or reimburse the Insurer any and all charges, fees, costs and expenses that the Insurer may reasonably pay or incur in connection with (i) the administration, enforcement, defense or preservation of any rights or security in any Related Document; (ii) the pursuit of any remedies under the Trust Agreement or any other Related Document or otherwise afforded by law or equity, (iii) any amendment, waiver or other action with respect to, or related to, the Trust Agreement or any other Related Document whether or not executed or completed, or (iv) any litigation or other dispute in connection with the Trust Agreement or any other Related Document or the transactions contemplated thereby, other than costs resulting from the failure of the Insurer to honor its obligations under the Insurance Policy. The Insurer reserves the right to charge a reasonable fee as a condition to executing any amendment, waiver or consent proposed in respect of the Trust Agreement or any other Related Document.

(d) The Insurer shall be entitled to pay principal of or interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer (as such terms are defined in the Insurance Policy) and any amounts due on the Bonds as a result of acceleration of the maturity thereof in accordance with the Trust Agreement, whether or not the Insurer has received a Notice of Nonpayment (as such terms are defined in the Insurance Policy) or a claim upon the Insurance Policy.]

## ARTICLE X

### MISCELLANEOUS

**Section 10.01. Liability of Authority Limited to Revenues.** The Bonds are limited obligations of the Authority and are payable, as to principal of, premium, if any, and interest due upon the redemption thereof, solely from the Revenues as provided herein, and the Authority is not obligated to pay them except from the Revenues. All the Bonds are equally secured by a pledge of and charge and lien upon the Revenues, and the Revenues constitute a trust fund for the security and payment of the principal of, premium, if any, and interest on the Bonds as provided herein. The Bonds are not a debt of the Authority, the City, the State of California or any of its political subdivisions, and neither the Authority, the City, said State nor any of its political subdivisions is liable thereon, nor in any event shall the Bonds be payable out



of any funds or properties other than those of the Authority as provided herein. The Bonds do not constitute an indebtedness within the meaning of any constitutional or statutory limitation or restriction.

**Section 10.02. Benefits of the Trust Agreement Limited to Parties.** Nothing contained herein, expressed or implied, is intended to give to any person other than the City, the Authority, the Trustee, [the Insurer] and the Owners any right, remedy or claim under or by reason hereof. Any agreement or covenant required herein to be performed by or on behalf of the City or the Authority shall be for the sole and exclusive benefit of the Trustee, the Authority, [the Insurer] and the Owners.

**Section 10.03. Successor Is Deemed Included In All References To Predecessor.** Whenever either the City, the Authority, or the Trustee or any officer thereof is named or referred to herein, such reference shall be deemed to include the successor to the powers, duties and functions that are presently vested in the City, the Authority or the Trustee or such officer, and all agreements, conditions, covenants and terms contained herein required to be observed or performed by or on behalf of the City, the Authority or the Trustee or any officer thereof shall bind and inure to the benefit of the respective successors thereof whether so expressed or not.

**Section 10.04. Execution of Documents by Owners.** Any declaration, request or other instrument which is permitted or required herein to be executed by Owners may be in one or more instruments of similar tenor and may be executed by Owners in person or by their attorneys appointed in writing. The fact and date of the execution by any Owner or his, her or their attorney of any declaration, request or other instrument or of any writing appointing such attorney may be proved by the certificate of any notary public or other officer authorized to make acknowledgments of deeds to be recorded in the state or territory in which he purports to act that the person signing such declaration, request or other instrument or writing acknowledged to him, her or them the execution thereof, or by an affidavit of a witness of such execution duly sworn to before such notary public or other officer. The ownership of any Bonds and the amount, maturity, number and date of holding the same may be proved by the registration books relating to the Bonds at the office of the Trustee.

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

**Section 10.05. Waiver of Personal Liability; No Liability of Authority Members.** No member, director, officer, agent or employee of the Authority or the City shall be individually or personally liable for the payment of the principal of, premium, if any, or interest on the Bonds by reason of their execution and delivery, but nothing herein contained shall relieve any such member, officer or employee from the performance of any official duty provided by any applicable provisions of law, the Agreement or hereby.

**Section 10.06. Acquisition of Bonds by Authority.** All Bonds acquired by the Authority, whether by purchase or gift or otherwise, shall be surrendered to the Trustee for cancellation.

**Section 10.07. Destruction of Canceled Bonds.** Whenever provision is made herein for the cancellation of any Bonds, the Trustee shall destroy such Bonds in accordance with its retention policy then in effect.

**Section 10.08. Content of Certificates; Post-Issuance Legal Opinions.** Every Certificate of the Authority or the City with respect to compliance with any agreement, condition, covenant or term contained herein shall include: (a) a statement that the person or persons executing such certificate have read such agreement, condition, covenant or term and the definitions herein relating thereto; (b) a brief statement as to the nature and scope of the examination or investigation upon which the statements contained in such

certificate are based; (c) a statement that, in the opinion of the signers, they have made or caused to be made such examination or investigation as is necessary to enable them to express an informed opinion as to whether or not the City or the Authority has complied with such agreement, condition, covenant or term; and (d) a statement as to whether, in the opinion of the signers, the City or the Authority has complied with such agreement, condition, covenant or term.

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

**Section 10.09. Publication for Successive Weeks.** Any publication required to be made hereunder for successive weeks in a financial newspaper may be made in each instance upon any Business Day of the first week and need not be made on the same Business Day of any succeeding week or in the same financial newspaper for any subsequent publication, but may be made on different Business Days or in different financial newspapers, as the case may be.

**Section 10.10. Accounts and Funds; Business Days.** Any account or fund required herein to be established and maintained by the Trustee may be established and maintained in the accounting records of the Trustee either as an account or a fund, and may, for the purposes of such accounting records, any audits thereof and any reports or statements with respect thereto, be treated either as an account or a fund; but all such records with respect to all such accounts and funds shall at all times be maintained in accordance with the Tax Certificate and sound accounting practice and with due regard for the protection of the security of the Bonds and the rights of the Owners. Any action required to occur hereunder on a day which is not a Business Day shall be required to occur on the next succeeding Business Day.

**Section 10.11. Article and Section Headings and References.** The headings or titles of the several articles and sections hereof and the table of contents appended hereto shall be solely for convenience of reference and shall not affect the meaning, construction or effect hereof. All references herein to “Articles,” “Sections” and other subdivisions or clauses are to the corresponding articles, sections, subdivisions or clauses hereof; and the words “hereby,” “herein,” “hereof,” “hereto,” “herewith,” “hereunder” and other words of similar import refer to the Trust Agreement as a whole and not to any particular article, section, subdivision or clause hereof.

**Section 10.12. Partial Invalidity.** If any one or more of the agreements or covenants or portions thereof required hereby to be performed by or on the part of the City, the Authority or the Trustee shall be contrary to law, then such agreement or agreements, such covenant or covenants or such portions thereof shall be null and void and shall be deemed separable from the remaining agreements and covenants or portions thereof and shall in no way affect the validity hereof or of the Bonds, and the Owners shall retain all the benefit, protection and security afforded to them under the Act or any other applicable provisions of law. The City, the Authority and the Trustee hereby declare that they would have executed and delivered the Trust Agreement and each and every other article, section, paragraph, subdivision, sentence, clause and phrase hereof and would have authorized issuance of the Bonds pursuant hereto irrespective of the fact that any one or more articles, sections, paragraphs, subdivisions, sentences, clauses or phrases hereof or the application thereof to any person or circumstance may be held to be unconstitutional, unenforceable or invalid.



first class mail, 72 hours after such notice is deposited with the United States mail, (d) if given by overnight courier, with courier charges prepaid, 24 hours after delivery to said overnight courier, or (e) if given by any other means, upon delivery at the address specified in this Section.

**Section 10.16. Governing Law.** This Trust Agreement shall be governed, in all respects including validity, interpretation and effect by, and shall be enforceable in accordance with, the laws of the United States of America and of the State of California.

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

**GOLETA FACILITIES FINANCING  
AUTHORITY**

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

ATTEST

By: \_\_\_\_\_  
Secretary of the Board of Directors

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

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

**CITY OF GOLETA**

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

ATTEST

By: \_\_\_\_\_  
City Clerk

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

No. \_\_\_\_\_ \$ \_\_\_\_\_

**GOLETA FACILITIES FINANCING AUTHORITY**  
**LOCAL MEASURE A TRANSPORTATION SALES TAX REVENUE BONDS**  
**SERIES 2025**

Interest Rate	Maturity Date	Dated as of	CUSIP No.
%	May 1, 20__	_____, 2025	

**REGISTERED OWNER: CEDE & CO.**

**PRINCIPAL SUM:**

The Goleta Facilities Financing Authority, a joint exercise of powers authority duly organized and validly existing under and pursuant to the laws of the State of California (the “Authority”), for value received, hereby promises to pay, solely from the sources hereinafter described, to the Registered Owner identified above or registered assigns (the “Registered Owner”), on the Maturity Date identified above or on any earlier redemption date, the Principal Amount identified above in lawful money of the United States of America; and to pay interest thereon at the Interest Rate identified above in like lawful money from the date hereof payable semiannually on May 1 and November 1 of each year, commencing \_\_\_\_\_ 1, 20\_\_ (the “Interest Payment Dates”), until payment of such Principal Amount in full.

This Bond is one of a duly authorized issue of bonds of the Authority designated as the “Goleta Facilities Financing Authority Local Measure A Transportation Sales Tax Revenue Bond], Series 2025” (the “Bonds”) in the aggregate principal amount of \$\_\_\_\_\_. The Bonds are issued pursuant to the Trust Agreement, dated as of \_\_\_\_\_ 1, 2025 (the “Trust Agreement”), by and between the Authority and The Bank of New York Mellon Trust Company, N.A., as trustee (said entity or any successor thereto as trustee under the Trust Agreement, the “Trustee”). The Trust Agreement is entered into, and this Bond is issued under the Marks-Roos Local Bond Pooling Act of 1985, constituting Section 6584 *et seq.* of the California Government Code and other applicable laws of the State of California. Capitalized undefined terms used herein shall have the meanings ascribed thereto in the Trust Agreement.

Interest on the Bonds shall be payable from the Interest Payment Date next preceding the date of authentication thereof unless (i) a Bond is authenticated on or before an Interest Payment Date and after the close of business on the preceding Record Date, in which event interest thereon shall be payable from such Interest Payment Date, (ii) a Bond is authenticated on or before the first Record Date, in which event interest thereon shall be payable from the Closing Date, or (iii) interest on any Bond is in default as of the date of authentication thereof, in which event interest thereon shall be payable from the date to which interest has previously been paid or duly provided for. Interest shall be paid in lawful money of the United States on each Interest Payment Date. Interest shall be paid by check of the Trustee mailed by first-class mail, postage prepaid, on each Interest Payment Date to the Owners of the Bonds at their respective addresses shown on the Registration Books as of the close of business on the preceding Record Date. Notwithstanding the foregoing, interest on any Bond which is not punctually paid or duly provided for on any Interest Payment Date shall, if and to the extent that amounts subsequently become available therefor, be paid on a payment date established by the Trustee to the Person in whose name the ownership of such Bond is registered on

the Registration Books at the close of business on a special record date to be established by the Trustee for the payment of such defaulted interest, notice of which shall be given to such Owner not less than ten days prior to such special record date. The principal of the Bonds shall be payable in lawful money of the United States of America upon presentation and surrender thereof upon maturity or earlier redemption at the Office of the Trustee.

Pursuant to an Installment Sale Agreement, dated as of \_\_\_\_\_ 1, 2025 (the “Installment Sale Agreement”), by and between the City of Goleta (the “City”) and the Authority, the City agrees to pay installment sale payments (the “2025 Installment Sale Payments”) to the Authority for the costs of the design, acquisition and construction of the Project and the incidental costs and expenses related thereto. The 2025 Installment Sale Payments are payable from Measure A Receipts (as defined in the Installment Sale Agreement) remitted to the City by the Santa Barbara County Local Transportation Authority in accordance with the Measure A Ordinance.

Additional obligations payable from Measure A Receipts may be incurred by the City which will be payable senior to or on a parity with the payment by the City of the 2025 Installment Sale Payments, but only subject to the conditions and upon compliance with the procedures set forth in the Installment Sale Agreement. The 2025 Installment Sale Payments are subordinate to certain obligations of the Santa Barbara County Local Transportation Authority as provided in the Measure A Ordinance.

The Bonds are limited obligations of the Authority payable solely from the Revenues (which consist of the 2025 Installment Sale Payments) and the other assets pledged therefor under the Trust Agreement. The Bonds do not constitute a debt or liability of the City or of the State and neither the faith and credit of the City nor of the State are pledged to the payment of the Bonds.

Pursuant to and as more particularly provided in the Trust Agreement, subject only to the provisions of the Trust Agreement permitting the application thereof for the purposes and on the terms and conditions set forth therein, in order to secure the payment of the principal of, premium, if any, and interest on the Bonds in accordance with their terms and the provisions of the Trust Agreement, the Authority pledges to the Owners, and grants thereto a lien on the Revenues and a security interest in all right, title and interest of any other amounts held by the Trustee in any fund or account established under the Trust Agreement (other than amounts on deposit in the Acquisition Fund created pursuant to Section 2.11 and the Rebate Fund created pursuant to Section 4.06 therein) whether now or hereafter arising as security for the payment of the principal of, premium, if any, and interest on the Bonds in accordance with their terms, the provisions of the Trust Agreement and the Act. Said pledge and grant shall constitute a first lien on such assets and shall be valid and binding from the date hereof for the benefit of the Owners of the Bonds and successors thereto. This pledge and grant shall secure the payment of such Bonds and shall be effective, binding, and enforceable against the Authority, its successors, creditors and all others irrespective of whether those parties have notice of the pledge or grant and without the need of any physical delivery, recordation, filing, or further act.

Reference is hereby made to the Trust Agreement and the Installment Sale Agreement and any and all amendments thereof and supplements thereto for the description of the terms under which the Bonds are issued, the provisions with regard to the nature and extent of the Revenues, and the rights of the Owners of the Bonds. All of the terms of the Trust Agreement and the Installment Sale Agreement are hereby incorporated herein. The Trust Agreement constitutes a contract between the Authority and the Owners of the Bonds, to all the provisions of which the Registered Owner of this Bond, by acceptance hereof, agrees and consents.

The Bonds are subject to redemption on the dates, at the Redemption Prices and pursuant to the terms set forth in the Trust Agreement. Notice of redemption of any Bond or any portion thereof shall be given as provided in the Trust Agreement.

The Bonds are issuable as fully-registered Bonds without coupons in Authorized Denominations (\$5,000 and any integral multiple thereof).

Any Bond may be transferred upon the Registration Books by the Person in whose name it is registered, in person or by such Person's duly authorized attorney, upon surrender of such Bond to the Trustee for cancellation, accompanied by delivery of a written instrument of transfer, duly executed in a form acceptable to the Trustee. Whenever any Bond or Bonds shall be so surrendered for transfer, the Authority shall execute and the Trustee shall authenticate and shall deliver a new Bond or Bonds of the same maturity in a like aggregate principal amount, in any Authorized Denomination. The Trustee shall require the Owner requesting such transfer to pay any tax or other governmental charge required to be paid with respect to such transfer. The Bonds may be exchanged at the Office of the Trustee for a like aggregate principal amount of Bonds of the same maturity of other Authorized Denominations. The Trustee shall require the payment by the Owner requesting such exchange of any tax or other governmental charge required to be paid with respect to such exchange.

The Trust Agreement and the rights and obligations of the Authority, the Trustee and the Owners may be modified or amended in the manner, to the extent, and upon the terms provided in the Trust Agreement.

The Trust Agreement contains provisions permitting the Authority to make provision for the payment of the principal of and the interest and premium, if any, on any of the Bonds so that such Bonds shall no longer be deemed to be Outstanding under the terms of the Trust Agreement.

Unless this Bond is presented by an authorized representative of The Depository Trust Company to the Trustee for registration of transfer, exchange or payment, and any Bond issued is registered in the name of Cede & Co. or such other name as requested by an authorized representative of The Depository Trust Company and any payment is made to Cede & Co., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL since the registered owner hereof, Cede & Co., has an interest herein.

This Bond shall not be entitled to any benefit, protection or security under the Trust Agreement or become valid or obligatory for any purpose until the certificate of authentication and registration hereon endorsed shall have been manually executed and dated by the Trustee.



It is hereby certified that all acts and proceedings required by law necessary to make this Bond, when executed by the Authority, authenticated and delivered by the Trustee and duly issued, the valid, binding and legal limited obligation of the Authority have been done and taken, and have been in all respects duly authorized.

IN WITNESS WHEREOF, the Goleta Facilities Financing Authority has caused this Bond to be executed in its name and on its behalf by the facsimile signature of the [Executive Director] and attested to by the facsimile signature of its Secretary, all as of the Dated Date identified above.

**GOLETA FACILITIES FINANCING  
AUTHORITY**

By: \_\_\_\_\_  
[Executive Director]

ATTEST

By: \_\_\_\_\_  
Secretary of the Board of Directors

**STATEMENT OF INSURANCE**

This is one of the Bonds described in the within-mentioned Trust Agreement and registered on the Registration Books.

Date: \_\_\_\_\_

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

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

## STATEMENT OF INSURANCE

[\_\_\_\_\_ (the “Insurer”), has delivered its municipal bond insurance policy (the “Policy”) with respect to the scheduled payments of principal of and interest on this Bond to The Bank of New York Mellon Trust Company, N.A., Los Angeles, California, or its successor, as trustee for the Bonds (the “Trustee”). Said Policy is on file and available for inspection at the principal office of the Trustee and a copy thereof may be obtained from the Insurer or the Trustee. All payments required to be made under the Policy shall be made in accordance with the provisions thereof. The owner of this Bond acknowledges and consents to the subrogation rights of the Insurer as more fully set forth in the Policy.]

**FORM OF ASSIGNMENT**

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

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

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

\_\_\_\_\_  
Signature must be guaranteed by an eligible guarantor institution in a Recognized Signature Guaranty Medallion Program.

**EXHIBIT B**

**FORM REQUISITION FROM  
THE ACQUISITION FUND**

To: The Bank of New York Mellon Trust Company, N.A., as Trustee

From: City of Goleta

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

Re: Goleta Facilities Financing Authority Local Measure A Transportation Sales Tax Revenue Bonds, Series 2025

Requisition No. \_\_\_\_

1. The undersigned, on behalf of the City of Goleta (the "City"), acting as agent of the Authority pursuant to the Agreement, hereby requests payment, from the Acquisition Fund the amount of \$\_\_\_\_\_ by wire/check/ACH (circle one) for purposes for which the City is authorized to expend moneys. If the payment is by wire or ACH, please fill in the following information:

Name, Address and Phone Number of Bank:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

ABA#: \_\_\_\_\_

Account No.: \_\_\_\_\_

The undersigned hereby certifies as follows:

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

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

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

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

4. Capitalized terms will herein have the meanings assigned to such terms in the Trust Agreement, dated as of \_\_\_\_\_ 1, 2025, among the Goleta Facilities Financing Authority, The Bank of New York Mellon Trust Company, N.A., and the City.

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Authorized City  
Representative

## **Attachment 4**

Form of Bond Purchase Agreement (2025 Bonds)

**GOLETA FACILITIES FINANCING AUTHORITY  
Local Measure A Transportation Sales Tax Revenue Bonds, Series 2025**

**BOND PURCHASE AGREEMENT**

[Pricing Date]

Goleta Facilities Financing Authority  
c/o City of Goleta  
130 Cremona Drive  
Goleta, California 93117  
Attention: Executive Director

City of Goleta  
130 Cremona Drive  
Goleta, California 93117  
Attention: City Manager

Ladies and Gentlemen:

The undersigned, Stifel, Nicolaus & Company, Incorporated (the “Underwriter”), acting not as a fiduciary or agent for you, but on behalf of itself, offers to enter into this Bond Purchase Agreement (which, together with the exhibits hereto, is referred to as the “Purchase Agreement”) with the Goleta Facilities Financing Authority (the “Authority”) and the City of Goleta, California (the “City”), which, upon the acceptance of the Authority and the City, will be binding upon the Authority, the City and the Underwriter. This offer is made subject to acceptance by the Authority and by the City by the execution of this Purchase Agreement and delivery of the same to the Underwriter prior to 11:59 P.M., California time, on the date hereof, and, if not so accepted, will be subject to withdrawal by the Underwriter upon notice delivered to the Authority and the City at any time prior to the acceptance hereof by the Authority and the City. Capitalized terms that are used herein and not otherwise defined have the meanings that are set forth in the Trust Agreement, dated as of [February] 1, 2025 (the “Trust Agreement”), by and among the Authority, the City and The Bank of New York Mellon Trust Company, N.A., as trustee (the “Trustee”).

**Section 1. Purchase and Sale.** Upon the terms and conditions and upon the basis of the representations, warranties and agreements herein set forth, the Underwriter hereby agrees to purchase from the Authority, and the Authority hereby agrees to issue, sell and deliver to the Underwriter all (but not less than all) of the Goleta Facilities Financing Authority Local Measure A Transportation Sales Tax Revenue Bonds, Series 2025 in the aggregate principal amount of \$\_\_\_\_\_ (the “Bonds”). The Bonds will be dated as of their date of delivery. Interest on the Bonds shall be payable semiannually on [May 1, 2025] and each May 1 and November 1 as provided in the Trust Agreement, and will mature, bear interest and be subject to redemption prior to maturity as set forth in Exhibit A. The purchase price of the Bonds shall be equal to \$\_\_\_\_\_ (being the aggregate principal amount thereof [plus][less] a [net] original issue [premium][discount] of \$\_\_\_\_\_, less an underwriter’s discount of \$\_\_\_\_\_). The Authority and the City acknowledge that the Underwriter will on the



Closing Date (as such term is defined herein), on behalf of the Authority and the City, wire a portion of the purchase price in the amount of \$\_\_\_\_\_ representing the premiums for the Policy and the Reserve Policy (as such terms are defined herein), directly to \_\_\_\_\_ (the “Insurer”).

**Section 2. The Bonds.** The Bonds shall be secured by a pledge of revenues consisting primarily of installment sale payments (“Installment Sale Payments”) to be paid by the City to the Authority pursuant to the Installment Sale Agreement, dated as of [February] 1, 2025 (the “Installment Sale Agreement”), by and between the City and the Authority. Under the Installment Sale Agreement, the Authority will acquire and construct certain public capital improvements located in various sites in the City of Goleta, including the Ekwil Street and Fowler Road extension (including the Hollister Avenue Old Town interim striping project), Cathedral Oaks crib wall repair, San Jose Creek bike path, Hollister Avenue Bridge replacement, and Goleta Train Depot and South La Patera Lane improvements, and related street resurfacing and public walkway improvements (collectively, the “Project”) for, and sell the Project to, the City in consideration for the City’s payment of the Installment Sale Payments.

The Bonds shall be as described in, and shall be secured under and pursuant to the Trust Agreement substantially in the form previously submitted to the Underwriter with only such changes therein as shall be mutually agreed upon by the Authority, the City and the Underwriter.

The proceeds of the Bonds shall be used to: [(i) to finance all or a portion of the acquisition, construction and/or installation of the Project, and (ii) pay the costs incurred in connection with the issuance of the Bonds, including the premium for a municipal bond insurance policy to be issued by the Insurer insuring the Bonds maturing on November 1 of the years \_\_\_ through \_\_\_, inclusive (the “Policy”) and a debt service reserve insurance policy issued by the Insurer for deposit in the Reserve Account established and maintained under the Trust Agreement to satisfy the initial Reserve Requirement for the Bonds.]

The Installment Sale Payments shall be secured by a first lien on Measure A Revenues (as defined below) allocated by the Santa Barbara County Local Transportation Authority to the City (the “Transportation Authority”) as the City’s share of local program funding pursuant to Section 18 of the Measure A Ordinance in an amount not greater than the Installment Sale Payments (the “Measure A Receipts”).

“Measure A Revenues” means the revenues of the Transportation Authority pursuant to the Measure A Ordinance derived from a retail transactions and use tax imposed in the County of Santa Barbara pursuant to Part 1.6 of Division 2 of the Revenue and Taxation Code of the State of California, as now in effect and as it may from time to time hereafter be amended or supplemented, Division 12 (Section 130350 et seq.) of the Public Utilities Code of the State of California, as now in effect and as it may from time to time hereafter be amended or supplemented, and the Measure A Ordinance.

“Measure A Ordinance” means Ordinance No. 5, the “Road Repair, Traffic Relief and Transportation Safety Measure for Santa Barbara County,” approved by the Transportation Authority on June 19, 2008 and approved by at least two-thirds of electors voting on such proposition in the November 4, 2008 election, as supplemented and amended, including the Transportation Investment Plan (the “Investment Plan”), Appendix A and Appendix B-1 to the Investment Plan, adopted by the Transportation Authority, as supplemented and amended.

The Bonds, this Purchase Agreement, the Trust Agreement, the Installment Sale Agreement, the resolution of the Authority authorizing the issuance of the Bonds and the resolution of the Authority approving the Preliminary Official Statement and final Official Statement with respect to the Bonds, duly adopted at regular meetings of the Authority Board of Directors held, respectively, \_\_\_\_\_, 2024 and \_\_\_\_\_, 2025 (collectively, the “Authority Resolutions”) are collectively referred to herein as the “Authority Documents.”

This Purchase Agreement, the Trust Agreement, the Continuing Disclosure Certificate of the City, dated the date of issuance of the Bonds (the “Continuing Disclosure Certificate”), the Installment Sale Agreement, [the Debt Service Reserve Agreement, dated the Closing Date, by and between the City and the Insurer,] the resolution of the City approving the issuance of the Bonds and the resolution of the City approving the Preliminary Official Statement and final Official Statement and authorizing the execution and delivery of the Continuing Disclosure Certificate with respect to the Bonds, duly adopted at regular meetings of the City Council held, respectively, on \_\_\_\_\_, 2024 and \_\_\_\_\_, 2025 (collectively, the “City Resolutions”) are collectively referred to herein as the “City Documents.”

Concurrently with the issuance and delivery of the Bonds, Authority expects to issue and deliver its Lease Revenue Bonds, Series 2025A (the “2025 Lease Revenue Bonds”) to provide funds to pay for a portion of the Project. The delivery of the Bonds is not contingent upon the concurrent issuance and delivery of the 2025 Lease Revenue Bonds.

### **Section 3. Public Offering and Establishment of Issue Price.**

(a) The Underwriter agrees to make an initial public offering of all of the Bonds at the public offering prices (or yields) set forth in Exhibit A and incorporated herein by reference. Subsequent to the initial public offering, the Underwriter reserves the right to change the public offering prices (or yields) as the Underwriter deems necessary in connection with the marketing of the Bonds, provided that the Underwriter shall not change the interest rates set forth on Exhibit A. The Bonds may be offered and sold to certain dealers at prices lower than such initial public offering prices. The City and the Authority acknowledge and agree that: (i) the purchase and sale of the Bonds pursuant to this Purchase Agreement is an arm’s-length commercial transaction between the City and the Authority, on one hand, and the Underwriter, on the other; (ii) in connection therewith and with the discussions, undertakings and procedures leading up to the consummation of such transaction, the Underwriter is and has been acting solely as principal and is not acting as a Municipal Advisor (as defined in Section 15B of The Securities Exchange Act of 1934, as amended); (iii) the Underwriter has not assumed an advisory or fiduciary responsibility in favor of the City or Authority with respect to the offering contemplated hereby or the discussions, undertakings and procedures leading thereto (irrespective of whether the Underwriter has provided other services or is currently providing other services to the City or Authority on other matters); (iv) the Underwriter has financial and other interests that differ from those of the City and the Authority; and (v) the City and Authority have consulted their own legal, financial and other advisors to the extent that they have deemed appropriate.

(b) The Underwriter agrees to assist the Authority in establishing the issue price of the Bonds and shall execute and deliver to the Authority at Closing (as defined below) an “issue price” or similar certificate, together with the supporting pricing wires or equivalent communications, substantially in the form set forth in Exhibit B, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Underwriter, the Authority and Bond Counsel (as such term is defined below), to accurately reflect, as applicable, the sales price or prices or the initial offering

price or prices to the public of the Bonds and the 2025 Lease Revenues Bonds, if applicable. All actions to be taken by the Authority under this section to establish the issue price of the Bonds may be taken on behalf of the Authority by the Authority's municipal advisor, Urban Futures, Incorporated (the "Municipal Advisor") and any notice or report to be provided to the Authority may be provided to the Authority's Municipal Advisor.

(c) Except as otherwise set forth in Exhibit A, the Authority will treat the first price at which 10% of each maturity of the Bonds (the "10% test"), identified under the column "10% Test Used" in Exhibit A, is sold to the public as the issue price of that maturity. At or promptly after the execution of this Purchase Agreement, the Underwriter shall report to the Authority the price or prices at which it has sold to the public each maturity of Bonds. If at that time the 10% test has not been satisfied as to any maturity of the Bonds, the Underwriter agrees to promptly report to the Authority the prices at which it sells the unsold Bonds of that maturity to the public. That reporting obligation shall continue, whether or not the Closing Date (as defined below) has occurred, until either: (i) the Underwriter has sold all of the Bonds of that maturity; or (ii), the 10% test has been satisfied as to the Bonds of that maturity, provided that, the Underwriter's reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon the request of the Authority or Bond Counsel. For purposes of this Section, if Bonds mature on the same date but have different interest rates, each separate CUSIP number within that maturity will be treated as a separate maturity of the Bonds. For clarity, and notwithstanding any other condition to Closing set forth in this Purchase Agreement, the sale of 10% of each maturity of the Bonds to the public prior to the Closing Date shall not be a condition to Closing.

(d) The Underwriter confirms that it has offered the Bonds to the public on or before the date of this Purchase Agreement at the offering price or prices (the "initial offering price"), or at the corresponding yield or yields, set forth in Exhibit A, except as otherwise set forth therein. Exhibit A also sets forth, identified under the column "Hold the Offering Price Rule Used," as of the date of this Purchase Agreement, the maturities, if any, of the Bonds for which the 10% test has not been satisfied and for which the Authority and the Underwriter agree that the restrictions set forth in the next sentence shall apply, which will allow the Authority to treat the initial offering price to the public of each such maturity as of the sale date as the issue price of that maturity (the "hold-the-offering-price rule"). So long as the hold-the-offering-price rule remains applicable to any maturity of the Bonds, the Underwriter will neither offer nor sell unsold Bonds of that maturity to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

- (i) the close of the fifth (5th) business day after the sale date; or
- (ii) the date on which the Underwriter has sold at least 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

The Underwriter will advise the Authority promptly after the close of the fifth (5th) business day after the sale date whether it has sold 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

- (e) The Underwriter confirms that:
- (1) any selling group agreement and any third-party distribution agreement relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains

or will contain language obligating each dealer who is a member of the selling group, and each broker-dealer that is a party to such third-party distribution agreement, as applicable, (A) (i) to report the prices at which it sells to the public the unsold Bonds of each maturity allocated to it, whether or not the Closing Date has occurred, until either all Bonds of that maturity allocated to it have been sold or it is notified by the Underwriter that the 10% test has been satisfied as to the Bonds of that maturity, provided that, the reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the Underwriter, and (ii) to comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the Underwriter; (B) to promptly notify the Underwriter of any sales of Bonds that, to its knowledge, are made to a purchaser who is a related party to an underwriter participating in the initial sale of the Bonds to the public (each such term being used as defined below), and (C) to acknowledge that, unless otherwise advised by the dealer or broker-dealer, the Underwriter shall assume that each order submitted by the dealer or broker-dealer is a sale to the public; and

(2) any selling group agreement relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each dealer that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the Bonds to the public to require each broker-dealer that is a party to such third-party distribution agreement to (A) report the prices at which it sells to the public the unsold Bonds of each maturity allocated to it, whether or not the Closing Date has occurred, until either all Bonds of that maturity allocated to it have been sold or it is notified by the Underwriter or the dealer that the 10% test has been satisfied as to the Bonds of that maturity, provided that, the reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the Underwriter or the dealer and (B) comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the Underwriter or the dealer and as set forth in the related pricing wires.

(f) The Authority acknowledges that, in making the representations set forth in this Section, the Underwriter will rely on (i) in the event a selling group has been created in connection with the initial sale of the Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, as set forth in a selling group agreement and the related pricing wires, and (ii) in the event that a third-party distribution agreement was employed in connection with the initial sale of the Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, as set forth in the third-party distribution agreement and the related pricing wires. The Authority further acknowledges that the Underwriter shall not be liable for the failure of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a third-party distribution agreement, to comply with its corresponding agreement to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds.

(g) The Underwriter acknowledges that sales of any Bonds to any person that is a related party to an underwriter participating in the initial sale of the Bonds to the public (each such term being used as defined below) shall not constitute sales to the public for purposes of this section. Further, for purposes of this section:

(i) “public” means any person other than an underwriter or a related party;

(ii) “underwriter” means (A) any person that agrees pursuant to a written contract with the Authority (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the public (including a member of a selling group or a party to a third party distribution agreement participating in the initial sale of the Bonds to the public);

(iii) a purchaser of any of the Bonds is a “related party” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (A) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (B) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (C) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other); and

(iv) “sale date” means the date of execution of this Purchase Agreement by all parties.

**Section 4. The Official Statement.** By their acceptance of this proposal, the Authority and the City ratify, confirm and approve of the use and distribution by the Underwriter prior to the date hereof of the Preliminary Official Statement relating to the Bonds dated [POS Date] (including the cover page, all appendices and all information incorporated therein and any other supplements or amendments thereto and as disseminated in its printed physical form or in electronic form in all respects materially consistent with such physical form, the “Preliminary Official Statement”) that authorized officers of the City and the Authority deemed “final” as of its date for purposes of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934, as amended (“Rule 15c2-12”), except for certain information that is permitted to be omitted therefrom by Rule 15c2-12. The Authority and the City agree to deliver or cause to be delivered to the Underwriter, within seven business days of the date hereof, copies of the final official statement, dated the date hereof, relating to the Bonds (including all information that was previously permitted to have been omitted by Rule 15c2-12), including the cover page, all appendices, all information incorporated therein and any amendments or supplements as have been approved by the Authority, the City and the Underwriter (the “Official Statement”) in such quantity as the Underwriter shall reasonably request to comply with Section (b)(4) of Rule 15c2-12 and the rules of the Municipal Securities Rulemaking Board (the “MSRB”).

The Underwriter hereby agrees that it will not request that payment be made by any purchaser of the Bonds prior to delivery by the Underwriter to the purchaser of a copy of the Official Statement. The Underwriter agrees: (i) to provide the Authority and the City with final pricing information on the Bonds on a timely basis; and (ii) to file a copy of the Official Statement, including any supplements prepared by the Authority or the City in accordance with MSRB rules with the MSRB at <http://emma.msrb.org>. The Authority and the City hereby approve of the use and distribution by the Underwriter of the Preliminary Official Statement in connection with the offer and sale of the Bonds. The Authority and the City will cooperate with the Underwriter in the filing by the Underwriter of the Official Statement with the MSRB.

**Section 5. Closing.** At 8:30 a.m., California time, on [Closing Date], or at such other time or date as the Authority and the Underwriter agree upon (the “Closing Date”), the Authority shall

deliver or cause to be delivered to the Trustee, the Bonds, in definitive form, registered in the name of Cede & Co., as the nominee of The Depository Trust Company (“DTC”), so that the Bonds may be authenticated by the Trustee and credited to the account specified by the Underwriter under DTC’s FAST procedures. Concurrently with the delivery of the Bonds, the Authority and the City will deliver the documents hereinafter mentioned at the offices of Orrick, Herrington & Sutcliffe LLP, Los Angeles (“Bond Counsel”), or another place to be mutually agreed upon by the Authority, the City and the Underwriter. The Underwriter will accept such delivery and pay the purchase price of the Bonds as set forth in Section 1 hereof by wire transfer in immediately available funds. This payment for and delivery of the Bonds, together with the delivery of the aforementioned documents, is herein called the “Closing.”

The Bonds shall be registered in the name of Cede & Co., as nominee of DTC in denominations of five thousand dollars (\$5,000) or any integral multiple thereof. The Authority and the City acknowledge that the services of DTC will be used initially by the Underwriter in order to permit the issuance of the Bonds in book-entry form, and agree to cooperate fully with the Underwriter in employing such services.

**Section 6. Representations, Warranties and Covenants of the Authority.** The Authority represents, warrants and covenants to the Underwriter and the City that:

(a) The Authority is a public body that is duly organized and existing under the Constitution and laws of the State of California (the “State”), including Articles 1, 2 and 4 of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California (the “JPA Act”) and the Joint Exercise of Powers Agreement, dated [\_\_\_\_\_, 2024] (the “JPA Agreement”), by and between the City and the California Statewide Communities Development Authority.

(b) The Authority has full legal right, power and authority to adopt or enter into, as the case may be, and to carry out and consummate the transactions on its part contemplated by the Authority Documents.

(c) By all necessary official action at regular meetings of the Authority’s Board of Directors that were duly noticed and held, the Authority has adopted the Authority Resolutions, has duly authorized and approved the issuance of the Bonds and the execution of the Authority Documents, has duly authorized and approved the Preliminary Official Statement, will, by execution thereof, duly authorize and approve the Official Statement, and has duly authorized and approved the execution and delivery of, and the performance by the Authority of the obligations on its part contained in, the Authority Documents and the consummation by it of all other transactions contemplated by the Authority Documents in connection with the issuance of the Bonds. As of the date hereof, such authorizations and approvals are in full force and effect and have not been amended, modified or rescinded. When executed and delivered, and assuming due execution and delivery by the other parties thereto, if applicable, the Authority Documents will constitute the legally valid and binding obligations of the Authority enforceable in accordance with their respective terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws or equitable principles relating to or affecting creditors’ rights generally, or by the exercise of judicial discretion and the limitations on legal remedies against joint powers authorities in the State. The Authority has complied, and will at the Closing be in compliance in all material respects, with the terms of the Authority Documents.

(d) The Authority is not in any material respect in breach of or default under any applicable constitutional provision, law or administrative regulation of any state or of the United States, or any agency or instrumentality of either, or any applicable judgment or decree, or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Authority is a party which breach or default has or may have a materially adverse effect on the ability of the Authority to perform its obligations under the Authority Documents, and no event has occurred and is continuing which with the passage of time or the giving of notice, or both, would constitute such a default or event of default under any such instrument; and the adoption, execution and delivery of the Authority Documents, if applicable, and compliance with the provisions on the Authority's part contained therein, will not conflict in any material way with or constitute a material breach of or a material default under any constitutional provision, law, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Authority is a party, nor will any such execution, delivery, adoption or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the property or assets of the Authority or under the terms of any such law, regulation or instrument, except as may be provided by the Authority Documents.

(e) All material authorizations, approvals, licenses, permits, consents and orders of any governmental authority, legislative body, board, agency or commission having jurisdiction of the matter which are required for the due authorization by, or which would constitute a condition precedent to or the absence of which would materially adversely affect the due performance by the Authority of its obligations in connection with the Authority Documents have been duly obtained or, when required for future performance, are expected to be obtained, other than such approvals, consents and orders as may be required under the Blue Sky or securities laws of any state in connection with the offering and sale of the Bonds; except as described in or contemplated by the Preliminary Official Statement and the Official Statement, all authorizations, approvals, licenses, permits, consents and orders of any governmental authority, board, agency or commission having jurisdiction of the matter which are required for the due authorization by, or which would constitute a condition precedent to or the absence of which would materially adversely affect the due performance by, the Authority of its obligations under the Authority Documents have been duly obtained.

(f) The Authority hereby agrees that it will notify the other parties hereto if, within the period from the date of this Purchase Agreement to and including the date that is twenty-five (25) days following the end of the underwriting period (as such term is defined below), the Authority discovers any pre-existing or subsequent fact or becomes aware of the occurrence of any event, in any such case, which might cause the Official Statement (as the same may have then been supplemented or amended) to contain any untrue statement of a material fact or to omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(g) As of the time of acceptance hereof and the Closing, except as disclosed in the Official Statement, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, governmental authority, public board or body, pending, with service of process upon the Authority having been accomplished, or threatened in writing to the Authority: (i) in any way questioning the corporate existence of the Authority or the titles of the officers of the Authority to their respective offices; (ii) affecting, contesting or seeking to prohibit, restrain or enjoin the issuance or delivery of any of the Bonds, the payment or collection of Installment Sale Payments with respect to the Installment Sale Agreement or any amounts pledged or to be pledged to pay the principal of and interest on the Bonds, or in any way contesting or affecting the validity of the Bonds or the other

Authority Documents or the consummation of the transactions contemplated thereby or hereby, or contesting the exclusion of the interest on the Bonds from taxation or contesting the powers of the Authority or its authority to issue the Bonds; (iii) which would be likely to result in any material adverse change relating to the business, operations or financial condition of the Authority; or (iv) contesting the completeness or accuracy of the Preliminary Official Statement or the Official Statement or any supplement or amendment thereto or asserting that the Preliminary Official Statement or the Official Statement contained any untrue statement of a material fact or omitted to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(h) To the Authority's knowledge, there is no basis for any action, suit, proceeding, inquiry or investigation of the nature described in clauses (i) through (iv) of paragraph 6(g).

(i) The information set forth under the caption ["THE AUTHORITY"] in the Preliminary Official Statement as of its date does not and in the Official Statement as of the date hereof and as of the Closing Date does not and will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

(j) The Authority will refrain from taking any action, or permitting any action to be taken, with regard to which the Authority may exercise control, that results in the loss of the tax-exempt status of the interest on the Bonds.

(k) Between the date of this Purchase Agreement and twenty-five (25) days after the end of the underwriting period (as hereinafter defined), the Authority will not, without the prior written consent of the Underwriter, offer or issue any certificates, bonds, notes, or other obligations for borrowed money or incur any material liabilities, direct or contingent, payable from or secured by a pledge of the Installment Sale Payments.

(l) The Authority will refrain from taking any action, or permitting any action to be taken, to reduce the amount of the Installment Sale Payments while the Bonds are Outstanding, and the Authority will collect the Installment Sale Payments in accordance with the Installment Sale Agreement.

(m) Any certificate signed by any officer of the Authority authorized to execute such certificate in connection with the execution, sale and delivery of the Bonds and delivered to the Underwriter shall be deemed a representation and warranty of the Authority to the Underwriter and the City as to the statements made therein but not of the person signing such certificate.

**Section 7. Representations, Warranties and Covenants of the City.** The City represents, warrants and covenants to the Underwriter and the Authority that:

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

(b) The City has full legal right, power and authority to adopt or enter into, as the case may be, and to carry out and consummate the transactions on its part contemplated by the City Documents.



(c) By all necessary official action, the City has adopted the City Resolutions, has duly authorized and approved the City Documents, has duly authorized and approved the Preliminary Official Statement and the Official Statement and has duly authorized and approved the execution and delivery of, and the performance by the City of the obligations on its part contained in, the City Documents and the consummation by it of all other transactions contemplated by the City Documents in connection with the issuance of the Bonds. As of the date hereof, such authorizations and approvals are in full force and effect and have not been amended, modified or rescinded. When executed and delivered, and assuming due execution and delivery by the other parties thereto, if applicable, the City Documents will constitute the legally valid and binding obligations of the City enforceable in accordance with their respective terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws or equitable principles relating to or affecting creditors' rights generally, or by the exercise of judicial discretion and the limitations on legal remedies against municipal corporations in the State. The City has complied, and will at the Closing be in compliance in all material respects, with the terms of the City Documents.

(d) The City is not in any material respect in breach of or default under any applicable constitutional provision, law, ordinance or administrative rule or regulation of the State, the County or the Transportation Authority, or administrative regulation of any state or of the United States, or any agency or instrumentality thereof either, or any applicable judgment or decree, or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the City is a party which breach or default has or may have a materially adverse effect on the ability of the City to perform its obligations under the City Documents, and no event has occurred and is continuing which with the passage of time or the giving of notice, or both, would constitute such a default or event of default under any such instrument; and the adoption, execution and delivery of the City Documents, if applicable, and compliance with the provisions on the City's part contained therein, will not conflict in any material way with or constitute a material breach of or a material default under any constitutional provision, law, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the City is a party, nor will any such execution, delivery, adoption or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the property or assets of the City or under the terms of any such law, regulation or instrument, except as may be provided by the City Documents.

(e) To the best of the City's knowledge as confirmed by an officer of the City on or about the date of the Preliminary Official Statement, the Transportation Authority is not in any material respect in breach of or default under the Measure A Ordinance, the Investment Plan, any applicable judgment or decree, or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Transportation Authority is a party which breach or default has or may have a materially adverse effect on the ability of the Transportation Authority to perform its obligations, including to meet debt service requirements, under any of its limited tax bonds or similar obligations payable from Measure A Revenues, and no event has occurred and is continuing which with the passage of time or the giving of notice, or both, would constitute such a default or event of default under any such instrument.

(f) All material authorizations, approvals, licenses, permits, consents and orders of any governmental authority, legislative body, board, agency or commission having jurisdiction of the matter which are required for the due authorization by, or which would constitute a condition precedent to or the absence of which would materially adversely affect the due performance by the City of its obligations in connection with the City Documents have been duly obtained or, when

required for future performance, are expected to be obtained, other than such approvals, consents and orders as may be required under the Blue Sky or securities laws of any state in connection with the offering and sale of the Bonds; except as described in or contemplated by the Preliminary Official Statement, all authorizations, approvals, licenses, permits, consents and orders of any governmental authority, board, agency or commission having jurisdiction of the matter which are required for the due authorization by, or which would constitute a condition precedent to or the absence of which would materially adversely affect the due performance by, the City of its obligations under the City Documents have been duly obtained.

(g) The Preliminary Official Statement was as of its date and at the date hereof, and the Official Statement is, and at all times subsequent to the date of the Official Statement up to and including the Closing will be, true and correct in all material respects, and the Preliminary Official Statement did not as of its date and at the hereof, and the Official Statement does not and will not, at all times subsequent to the date of the Official Statement up to and including the Closing, contain any untrue statement of a material fact or omit to state a material fact that is necessary to make the statements contained therein, in the light of the circumstances under which they were made, not misleading (except that this representation does not include statements in the Official Statement under the captions [“THE AUTHORITY” and “UNDERWRITING”], information regarding DTC and its book-entry only system, and information regarding the Insurer, the Policy and the Reserve Policy, as to which no view is expressed).

(h) The City will advise the Underwriter promptly of any proposal to amend or supplement the Official Statement. The City will advise the Underwriter promptly of the institution of any proceedings known to it by any governmental authority prohibiting or otherwise affecting the use of the Official Statement in connection with the offering, sale or distribution of the Bonds.

(i) As of the time of acceptance hereof and the Closing, except as disclosed in the Official Statement, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, governmental authority, public board or body, pending, with service of process upon the City having been accomplished, or threatened in writing to the City: (i) in any way questioning the corporate existence of the City or the titles of the officers of the City to their respective offices; (ii) affecting, contesting or seeking to prohibit, restrain or enjoin the issuance or delivery of any of the Bonds, the payment or collection of Installment Sale Payments or any other amounts pledged or to be pledged to pay the principal of and interest on the Bonds, the payment or collection of Measure A Receipts or Measure A Revenues or any other amounts pledged or to be pledged to pay Installment Sale Payments, or in any way contesting or affecting the validity of the Bonds or the City Documents or the consummation of the transactions contemplated thereby or hereby, or contesting the exclusion of the interest on the Bonds from taxation, or contesting the powers of the Authority to issue the Bonds; (iii) which would be likely to result in any material adverse change relating the City’s ability to pay Installment Sale Payments when due or the City’s right to receive and expend Measure A Receipts on the Project or the payment of Installment Sale Payments when due; (iv) which would be likely to result in any material adverse change relating to the business, operations or financial condition of the City; or (v) contesting the completeness or accuracy of the Preliminary Official Statement or the Official Statement or any supplement or amendment thereto or asserting that the Preliminary Official Statement or the Official Statement contained any untrue statement of a material fact or omitted to state any material fact that is necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(j) To the City's knowledge, there is no basis for any action, suit, proceeding, inquiry or investigation of the nature described in clauses (i) through (v) of paragraph 7(i).

(k) Until the date which is twenty-five (25) days after the end of the underwriting period, if any event shall occur of which the City is aware that would cause the Official Statement to contain any untrue statement of a material fact or omit to state a material fact that is necessary in order to make the statements in the Official Statement, in light of the circumstances under which they were made, not misleading (except that this representation does not include information regarding DTC and its book entry only system, and information regarding the Insurer, the Policy, and the Reserve Policy, as to which no view is expressed), the City shall forthwith notify the Underwriter of any such event of which it has knowledge and shall cooperate fully in furnishing any information available to it for any supplement to the Official Statement necessary, in the Underwriter's reasonable opinion, so that the statements therein as so supplemented will not be misleading in light of the circumstances existing at such time and the City shall promptly furnish to the Underwriter a reasonable number of copies of such supplement. As used herein, the term "end of the underwriting period" means the later of such time as: (i) the Authority delivers the Bonds to the Underwriter; or (ii) the Underwriter does not retain, directly or as a member of an underwriting syndicate, an unsold balance of the Bonds for sale to the public. Unless the Underwriter gives notice to the contrary, the end of the underwriting period shall be deemed to be the Closing Date. Any notice delivered pursuant to this provision shall be written notice delivered by the Underwriter to the City at or prior to the Closing Date of the Bonds and shall specify a date (other than the Closing Date) to be deemed the end of the underwriting period.

(l) Except as disclosed in the Preliminary Official Statement and the Official Statement, the City has not within the last five years failed to comply in any material respect with any continuing disclosure undertakings with regard to Rule 15c2-12 to provide annual reports or notices of material events specified in such rule.

(m) The City will refrain from taking any action, or permitting any action to be taken, with regard to which the City may exercise control, that results in the loss of the tax-exempt status of the interest on the Bonds.

(n) The financial statements relating to the receipts, expenditures and cash balances of the City as of [June 30, 2023] attached as [Appendix C] to the Official Statement fairly represent the receipts, expenditures and cash balances of the City. Except as disclosed in the Official Statement or otherwise disclosed in writing to the Underwriter, there has not been any materially adverse change in the financial condition of the City or in its operations since [June 30, 2023] and there has been no occurrence, circumstance or combination thereof which is reasonably expected to result in any such materially adverse change.

(o) To the extent required by law, the City will undertake, pursuant to the Continuing Disclosure Certificate, to provide annual reports and notices of certain events. A form of the Continuing Disclosure Certificate is set forth in [Appendix E] to the Preliminary Official Statement and will also be set forth in the Official Statement.

(p) Between the date of this Purchase Agreement and twenty-five (25) days after the end of the underwriting period, the City will not, without the prior written consent of the Underwriter, offer or issue any certificates, bonds, notes, or other obligations for borrowed money or incur any material liabilities, direct or contingent, payable from or secured by a pledge of the Measure A Receipts.

(q) Any certificate signed by any officer of the City authorized to execute such certificate in connection with the execution, sale and delivery of the Bonds and delivered to the Underwriter shall be deemed a representation and warranty of the City to the Underwriter and the Authority as to the statements made therein but not of the person signing such certificate.

**Section 8. Conditions to the Obligations of the Underwriter.** The Underwriter has entered into this Purchase Agreement in reliance upon the representations and warranties of the Authority and the City contained herein. The obligations of the Underwriter to accept delivery of and pay for the Bonds on the Closing Date shall be subject, at the option of the Underwriter, to the accuracy in all material respects of the statements of the officers and other officials of the Authority and of the City, as well as authorized representatives of Bond Counsel and the Trustee made in any certificates or other documents furnished pursuant to the provisions hereof; to the performance by the Authority and the City of their obligations to be performed under the Authority Documents and the City Documents, respectively, at or prior to the Closing Date; and to the following additional conditions:

(a) The representations, warranties and covenants of the City and the Authority contained herein shall be true and correct at the date hereof and at the time of the Closing, as if made on the Closing Date.

(b) At the time of Closing, the City Documents and the Authority Documents shall be in full force and effect as valid and binding agreements between or among the various parties thereto, and the City Documents, the Authority Documents and the Official Statement shall not have been amended, modified or supplemented except as may have been agreed to in writing by the Underwriter.

(c) At the time of the Closing, no material default shall have occurred or be existing under the City Documents, the Authority Documents or any other agreement or document pursuant to which any of the City's financial obligations were executed and delivered, and the City and the Authority shall not be in default in the payment of principal or interest with respect to any of their respective financial obligations, which default would materially adversely impact the ability of the City to pay the Installment Sale Payments or the Authority to pay the Bonds.

(d) In recognition of the desire of the Authority, the City and the Underwriter to effect a successful public offering of the Bonds, and in view of the potential adverse impact of any of the following events on such a public offering, this Purchase Agreement shall be subject to termination in the discretion of the Underwriter by notification, in writing, to the Authority and the City prior to delivery of and payment for the Bonds, if between the date hereof and the time of Closing, in the Underwriter's sole and reasonable judgment any of the following events shall occur (each a "Termination Event"):

(i) the market price or marketability of the Bonds, or the ability of the Underwriter to enforce contracts for the sale of the Bonds, shall be materially adversely affected by any of the following events:

(A) legislation shall have been enacted by the Congress of the United States or the legislature of the State or shall have been favorably reported out of committee of either body or be pending in committee of either body, or shall have been recommended to the Congress for passage by the President of the United States or a member of the President's Cabinet, or a decision shall have been rendered by a court of the United States or the State or the Tax Court of the

United States, or a ruling, resolution, regulation or temporary regulation, release or announcement shall have been made or shall have been proposed to be made by the Treasury Department of the United States or the Internal Revenue Service, or other federal or state authority with appropriate jurisdiction, with respect to federal or state taxation upon interest received on obligations of the general character of the Bonds;

(B) there shall have occurred (1) an outbreak or escalation of hostilities or the declaration by the United States of a national emergency or war or (2) any other calamity or crisis in the financial markets of the United States or elsewhere or the escalation of such calamity or crisis; or

(C) a general suspension of trading on the New York Stock Exchange or other major exchange shall be in force, or minimum or maximum prices for trading shall have been fixed and be in force, or maximum ranges for prices for securities shall have been required and be in force on any such exchange, whether by virtue of determination by that exchange or by order of U.S. Securities and Exchange Commission (“SEC”) or any other governmental authority having jurisdiction; or

(D) legislation shall have been enacted by the Congress of the United States or shall have been favorably reported out of committee or be pending in committee, or shall have been recommended to the Congress for passage by the President of the United States or a member of the President's Cabinet, or a decision by a court of the United States shall be rendered, or a ruling, regulation, proposed regulation or statement by or on behalf of the SEC or other governmental agency having jurisdiction of the subject matter shall be made, to the effect that any obligations of the general character of the Securities, or the Bonds are not exempt from registration under or other requirements of the Securities Act of 1933, as amended and as then in effect, or the Securities Exchange Act of 1934, as amended and as then in effect, or that the Trust Agreement is not exempt from qualification under or other requirements of the Trust Indenture Act of 1939, as amended and as then in effect; or

(E) except as disclosed in or contemplated by the Official Statement, any material adverse change in the affairs of the City or the Authority shall have occurred; or

(F) any rating of the Bonds or the rating of any obligations of the City or the Insurer shall have been downgraded, withdrawn or placed on credit watch with negative outlook by any major credit rating agency; or

(ii) any event or circumstance shall exist that either makes untrue or incorrect in any material respect any statement or information in the Official Statement (other than any statement provided by the Underwriter) or is not reflected in the Official Statement but should be reflected therein in order to make the statements therein, in the light of the circumstances under which they were made, not misleading and, in either such event, the Authority or the City refuses to permit the Official Statement to be supplemented to supply such statement or information, or the effect of the Official Statement as so supplemented is to materially adversely affect the market price or marketability of the Bonds or the ability of the Underwriter to enforce contracts for the sale of the Bonds; or

(iii) a general banking moratorium shall have been declared by federal or State authorities having jurisdiction and be in force; or

(iv) a material disruption in securities settlement, payment or clearance services affecting the Bonds shall have occurred; or

(v) any new restriction on transactions in securities materially affecting the market for securities (including the imposition of any limitation on interest rates) or the extension of credit by, or a charge to the net capital requirements of, underwriters shall have been established by the New York Stock Exchange, the SEC, any other federal or State agency or the Congress of the United States, or by Executive Order; or

(vi) a decision by a court of the United States shall be rendered, or a stop order, release, regulation or no-action letter by or on behalf of the SEC or any other governmental agency having jurisdiction of the subject matter shall have been issued or made, to the effect that the issuance, offering or sale of the Bonds, including the underlying obligations as contemplated by this Agreement or by the Official Statement, or any document relating to the issuance, offering or sale of the Bonds, is or would be in violation of any provision of the federal securities laws at the Closing Date, including the Securities Act of 1933, as amended and as then in effect, the Securities Exchange Act of 1934, as amended and as then in effect, or the Trust Indenture Act of 1939; or

(vii) the commencement of any action, suit or proceeding described in Section 6(g) or Section 7(i).

Subject to Section 18, upon the occurrence of a Termination Event and the termination of this Purchase Agreement by the Underwriter, all obligations of the Authority, the City and the Underwriter under this Purchase Agreement shall terminate, without further liability.

(e) at or prior to the Closing, the Underwriter shall receive the following documents, in each case to the reasonable satisfaction in form and substance of the Underwriter:

(i) The executed Authority Resolutions;

(ii) The executed City Resolutions;

(iii) The City Documents and the Authority Documents, each duly executed and delivered by the respective parties thereto, with only such amendments, modifications or supplements as may have been agreed to in writing by the Underwriter;

(iv) Specimen Bonds;

(v) The approving opinion of Bond Counsel dated the Closing Date and addressed to the City, in substantially the form attached as [Appendix D] to the Official Statement, and a reliance letter or letters thereon addressed to the Underwriter and the Trustee;

(vi) A supplemental opinion of Bond Counsel dated the Closing Date and addressed to the Underwriter and the Insurer, to the effect that:

(A) the statements on the cover of the Official Statement and in the Official Statement under the captions ["INTRODUCTION," "THE SERIES 2025 BONDS,"

“SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2025 BONDS,” and “TAX MATTERS,” and in Appendices B and D], excluding any material that may be treated as included under such captions and appendices by any cross-reference, insofar as such statements expressly summarize provisions of the City Documents, the Authority Documents and Bond Counsel’s final opinion concerning certain federal tax matters relating to the Bonds, are accurate in all material respects, provided that Bond Counsel need not express any opinion with respect to any financial or statistical data contained therein or with respect to the book-entry system in which the Bonds are initially issued;

(B) The Purchase Agreement has been duly authorized, executed and delivered by the City and the Authority and constitutes the valid, legal and binding agreement of the City and the Authority, enforceable in accordance with its terms, except that the rights and obligations under the Purchase Agreement are subject to bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance and other similar laws affecting creditors’ rights, to the application of equitable principles if equitable remedies are sought, to the exercise of judicial discretion in appropriate cases and to limitations on legal remedies against public agencies in the State;

(C) The Continuing Disclosure Certificate has been duly authorized, executed and delivered by the City and constitutes the valid, legal and binding agreement of the City, enforceable in accordance with its terms, except that the rights and obligations under the Continuing Disclosure Certificate are subject to bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance and other similar laws affecting creditors’ rights, to the application of equitable principles if equitable remedies are sought, to the exercise of judicial discretion in appropriate cases and to limitations on legal remedies against public agencies in the State; and

(D) The Bonds are exempt from registration requirements pursuant to the Securities Act of 1933, as amended, and the Trust Agreement is exempt from qualification under the Trust Indenture Act of 1939, as amended; provided that no opinion shall be expressed with respect to the Policy or the Reserve Policy;

(vii) The Official Statement, executed on behalf of the City and the Authority, and the Preliminary Official Statement;

(viii) Evidence that the rating on the Bonds is as described in the Official Statement;

(ix) A certificate, dated the Closing Date, signed by a duly authorized officer of the Authority, satisfactory in form and substance to the Underwriter, to the effect that: (i) the Authority Resolutions were duly adopted at regular meetings of the Authority held on \_\_\_\_\_, 2024 and \_\_\_\_\_, 2025, at which a quorum was present and acting throughout, are in full force and effect as of the date hereof and have not been amended, modified or supplemented, except as agreed to by the Underwriter; (ii) the representations, warranties and covenants of the Authority contained in this Purchase Agreement are true and correct in all material respects on and as of the Closing Date with the same effect as if made on the Closing Date by the Authority, and the Authority has complied with, in all material respects, all of the terms and conditions of the Purchase Agreement required to be complied with by the Authority at or prior to the Closing Date; (iii) no event affecting the Authority has occurred since the date of the Official Statement which should be disclosed in the Official Statement for the purposes for which it is to be used or which is necessary to disclose therein in order to make the statements and information therein not misleading in any material respect; (iv) the

information and statements contained in the Official Statement under the caption [“THE AUTHORITY”] did not as of its date and do not as of the Closing contain an untrue statement of a material fact or omit to state any material fact that is necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading in any material respect; and (v) the Authority is not, in any material respect, in breach of or default under any applicable law or administrative regulation of the State or the United States or any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement (including but not limited to the Installment Sale Agreement) or other instrument to which the Authority is a party or is otherwise subject, which would have a material adverse impact on the Authority’s ability to perform its obligations under the Authority Documents, and no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute such a default or event of default under any such instrument;

(x) A certificate, dated the Closing Date, signed by a duly authorized officer of the City, satisfactory in form and substance to the Underwriter, to the effect that: (i) the City Resolutions were duly adopted at regular meetings of the City Council of the City held on \_\_\_\_\_, 2024 and \_\_\_\_\_, 2025, at which a quorum was present and acting throughout, are in full force and effect as of the date hereof and have not been amended, modified or supplemented, except as agreed to by the Underwriter; (ii) the representations, warranties and covenants of the City contained in this Purchase Agreement are true and correct in all material respects on and as of the Closing Date with the same effect as if made on the Closing Date by the City, and the City has complied with, in all material respects, all of the terms and conditions of the Purchase Agreement required to be complied with by the City at or prior to the Closing Date; (iii) no event affecting the City has occurred since the date of the Official Statement which should be disclosed in the Official Statement for the purposes for which it is to be used or which is necessary to disclose therein in order to make the statements and information therein not misleading in any material respect; (iv) the information and statements contained in the Official Statement (other than information in the Official Statement under the captions [“THE AUTHORITY” and “UNDERWRITING”] and information regarding DTC and its book-entry only system, and information regarding the Insurer, the Policy and the Reserve Policy) did not as of its date and do not as of the Closing contain an untrue statement of a material fact or omit to state any material fact that is necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading in any material respect; and (v) the City is not, in any material respect, in breach of or default under any applicable law or administrative regulation of the State or the United States or any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement (including but not limited to the Installment Sale Agreement) or other instrument to which the City is a party or is otherwise subject, which would have a material adverse impact on the City’s ability to perform its obligations under the City Documents, and no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute such a default or event of default under any such instrument;

(xi) An opinion dated the Closing Date and addressed to the Underwriter and the Insurer, of Best Best & Krieger LLP, as counsel to the Authority, to the effect that:

(A) the Authority is duly organized and validly existing as a joint exercise of powers authority under the laws of the State of California and is possessed of full power to own and hold real and personal property and to lease, purchase and sell the same;

(B) the Authority Resolutions were duly adopted at regular meetings of the governing board of the Authority which were called and held pursuant to law, with all



public notice required by law and at which a quorum was present and acting throughout, are in full force and effect and have not been modified, amended, rescinded or repealed since their respective date of adoption;

(C) the Authority has full right and lawful authority to execute and deliver the Authority Documents and such documents have been duly authorized, executed and delivered by and on behalf of the Authority, and assuming the due authorization, execution and delivery by the other parties thereto, the Authority Documents are valid and binding obligations of the Authority enforceable in accordance with their respective terms, except as enforcement may be limited by bankruptcy, insolvency, moratorium, or similar laws, or by legal or equitable principles relating to or limiting creditors' rights generally;

(D) except as otherwise disclosed in the Preliminary Official Statement and the Official Statement, to the best knowledge of such counsel, there is no action, suit, proceeding, inquiry, or investigation before or by any court or public board or body pending, with service of process upon the Authority having been accomplished, or, to the best knowledge of such counsel, threatened in writing wherein an unfavorable decision, ruling, or finding would adversely affect the transactions contemplated by the Bonds, the Authority Documents or any other agreement, document, or certificate related to such transaction;

(E) insofar as it will have a material adverse effect on the ability of the Authority to enter into, carry out or perform its obligations under the foregoing agreements or to consummate the transactions contemplated thereby, to the best of our knowledge, the Authority is not in material breach of or default under any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Authority is a party or to which the Authority or any of its property or assets is otherwise subject, and, to the best of our knowledge no event has occurred and is continuing which with the passage of time or the giving of notice, or both, would constitute a default or an event of default under any such instrument; and

(F) no authorization, approval, consent, or order of any governmental agency or, to the best of our knowledge, any other person or corporation is required for the valid authorization, execution and delivery of the Authority Documents on behalf of the Authority that has not been obtained.

(xii) An opinion dated the Closing Date and addressed to the Underwriter and the Insurer, of Best Best & Krieger LLP, as City Attorney to the City, to the effect that:

(A) the City is a municipal corporation and general law city duly organized and existing under and by virtue of the Constitution and laws of the State;

(B) the City Resolutions were duly adopted at regular meetings of the City which were called and held pursuant to law, with all public notice required by law and at which a quorum was present and acting throughout, are in full force and effect and have not been modified, amended, rescinded or repealed since their respective date of adoption;

(C) the City Documents have been duly authorized, executed and delivered by the City and, assuming due authorization, execution and delivery by the other parties thereto, as applicable, constitute the valid and binding obligations of the City, except as enforcement

may be limited by bankruptcy, insolvency, moratorium, or similar laws, or by legal or equitable principles relating to or limiting creditors' rights generally;

(D) no consent, authorization or approval of, or filing or registration with, any governmental or regulatory officer or body which has not already been obtained is required to be obtained by the City for the execution and performance of the City Documents or the actions on the part of the City contemplated thereby, including causing the issuance of the Bonds;

(E) except as otherwise disclosed in the Preliminary Official Statement and the Official Statement, to the best knowledge of such counsel, there is no litigation, proceeding, action, suit or investigation at law or in equity before or by any court, governmental authority or body, pending, with service of process upon the City having been accomplished, or, to the best knowledge of such counsel, threatened in writing against the City, challenging the creation, organization or existence of the City, or the validity of the City Documents or seeking to restrain or enjoin the payment or collection of Installment Sale Payments or any other amounts pledged or to be pledged to pay the principal of and interest on the Bonds, the payment or collection of Measure A Receipts or Measure A Revenues or any other amounts pledged or to be pledged to pay Installment Sale Payments, the repayment of the Bonds or in any way contesting or affecting the validity of the City Documents or contesting the authority of the City to enter into or perform its obligations under any of the City Documents, which, in any manner, questions the right of the City to pay the Installment Sale Payments under the Installment Sale Agreement or the use of Measure A Revenues to pay Installment Sale Payments, or which may materially adversely affect the City's ability to pay the Installment Sale Payments when due; and

(F) The execution and delivery of the City Documents and compliance with the provisions thereof do not and will not in any material respect conflict with or constitute on the part of the City a breach of or default under any agreement or other instrument to which the City is a party or by which it is bound or any existing law, regulation, court order or consent decree to which the City is subject, which breach or default has or may have a material adverse effect on the ability of the City to perform its obligations under the City Documents;

(xiii) A letter of Yocca Carlson & Rauth LLP, Newport Beach, as disclosure counsel to the City and the Authority, dated the Closing Date and addressed to the Underwriter and the Insurer, in substantially the form attached as Exhibit C hereto.

(xiv) An opinion of Anzel Galvan LLP, San Francisco, California, counsel to the Underwriter, in form and substance satisfactory to the Underwriter;

(xv) An opinion of counsel to the Trustee, addressed to the Underwriter and the Insurer, dated the Closing Date, to the effect that:

(A) The Trustee is a national banking association duly organized, validly existing and in good standing under the laws of the United States having full power and authority and being qualified to enter into, accept and administer the trust created under the Trust Agreement to which it is a party and to enter into the Trust Agreement;

(B) The Trust Agreement has been duly authorized, executed and delivered by the Trustee and constitutes the legal, valid and binding obligation of the Trustee enforceable against the Trustee in accordance with its terms, except as enforcement thereof may be

limited by bankruptcy, insolvency or other laws affecting enforcement of creditors' rights generally and by the application of equitable principles if equitable remedies are sought;

(C) To such counsel's knowledge, the execution and delivery by the Trustee of the Trust Agreement and the performance of the obligations of the Trustee under the Trust Agreement by the Trustee, will not conflict with or contravene the Articles of Association or Bylaws of the Trustee, or any law, regulation or ruling of any court or governmental authority to which the Trustee is subject;

(D) To such counsel's knowledge, no authorization, approval, consent, or order of any governmental agency or regulatory authority having jurisdiction over the Trustee that has not been obtained by the Trustee is required for the authorization, execution, delivery and performance by the Trustee of the Trust Agreement; and

(E) An authorized representative of the Trustee has duly authenticated the Bonds;

(xvi) A certificate, dated the Closing Date, signed by a duly authorized official of the Trustee, in form and substance satisfactory to the Underwriter, and an incumbency certificate of the Trustee;

(xvii) For each of the Bonds and the Installment Sale Agreement, the preliminary and final Statement of Sale required to be delivered to the California Debt and Investment Advisory Commission pursuant to Section 53583 of the Government Code and Section 8855(g) of the Government Code;

(xviii) A copy of the executed Blanket Issuer Letter of Representations by and between the Authority and DTC relating to the book-entry system;

(xix) A certificates regarding tax, arbitrage and use of proceeds of the City and the Authority relating to the Bonds in form and substance to the reasonable satisfaction of Bond Counsel and the Underwriter;

(xx) Certificates, dated the date of the Preliminary Official Statement, of the City and the Authority, as required under Rule 15c2-12;

(xxi) Evidence that a debt management policy which complies with Section 8855 of the Government Code has been adopted by the City and the Authority;

(xxii) Certified copies of the JPA Agreement and all amendments thereto and related certificates issued by the Secretary of State of the State (or, alternatively, a certificate of the Authority confirming that notice of the JPA Agreement and all amendments thereto have been filed with the Secretary of State prior to the Closing Date);

(xxiii) A certificate of the Municipal Advisor to the effect that the Municipal Advisor has participated in the preparation of the Preliminary Official Statement and the Official Statement and nothing has come to the attention of the Municipal Advisor which would lead it to believe that the Preliminary Official Statement or the Official Statement contain any untrue statement of a material fact or omits to state a fact necessary to make the statements made therein, in the light of the circumstances under which they were made, not misleading; and

(xxiv) A copy of the Measure A Ordinance and the Investment Plan;

(xxv) A letter from Santa Barbara County Association of Governments, as administrator of the Measure A Ordinance and the Investment Plan on behalf of the Transportation Authority, to the effect that Measure A Revenues may be used to pay for the cost of the Project, including any repayment of bonds or other financing costs incurred by the City in connection with the City's financing of the Project.

(xxvi) Evidence satisfactory to the Underwriter that the Trustee has received the Policy and the Reserve Policy from the Insurer;

(xxvii) An opinion of counsel to the Insurer, in form and substance satisfactory to the Underwriter and Bond Counsel, with respect to, among other matters, the Policy, and disclosures relating thereto in the Official Statement;

(xxviii) A certificate of the Insurer, in form and substance satisfactory to the Underwriter and Bond Counsel, with respect to, among other matters, the Policy and the Reserve Policy, and disclosures relating thereto in the Official Statement; and

(xxix) Such additional legal opinions, certificates, proceedings, instruments or other documents as Bond Counsel or the Underwriter may reasonably request.

**Section 9. Changes in Official Statement.** Within 90 days after the Closing or within 25 days following the “end of the underwriting period” (as defined in Rule 15c2-12), whichever occurs first, if any event relating to or affecting the Bonds, the Trustee, the City or the Authority shall occur as a result of which it is necessary, in the reasonable opinion of the Underwriter, to amend or supplement the Official Statement in order to make the Official Statement not misleading in any material respect in the light of the circumstances existing at the time it is delivered to a purchaser, the Authority will forthwith prepare and furnish to the Underwriter an amendment or supplement that will amend or supplement the Official Statement so that it will not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances existing at the time the Official Statement is delivered to purchaser, not misleading. The City and the Authority shall cooperate with the Underwriter in the filing by the Underwriter of such amendment or supplement to the Official Statement with the MSRB. The Underwriter acknowledges that the “end of the underwriting period” will be the Closing Date unless the Underwriter notifies the City and the Authority otherwise.

**Section 10. Expenses.** Whether or not the Bonds are sold to the Underwriter, the Underwriter shall be under no obligation to pay any expenses incident to the performance of the obligations of the City and the Authority hereunder. If the Bonds are delivered by the Authority to the Underwriter, the Authority and the City shall pay, from the proceeds of the Bonds or from other funds of the Authority or the City, the following expenses: (a) the cost of preparing, duplicating or printing, mailing and delivering the City Documents, the Authority Documents, the Preliminary Official Statement, the Official Statement and all other agreements and documents that are contemplated therein and hereby (and drafts of any thereof); (b) the cost of preparation and printing of the definitive Bonds; (c) the fees and expenses of the Authority, the City, the Trustee, Bond Counsel, Disclosure Counsel, the Municipal Advisor, any entity retained by the Authority or the City to perform continuing disclosure compliance research or provide continuing disclosure compliance reports and any other experts or consultants retained by the Authority or the City; (d) the charges of any rating agency with

respect to the Bonds; (e) premiums and other expenses relating to the Policy and the Reserve Policy; (f) reimbursement to the Underwriter for payment of any fees and expenses reasonably incurred in connection with the initial offering, sale and delivery of the Bonds, including but not limited to industry fees (e.g., DTC, DAC, IPREO, CUSIP and Day Loan fees) only if the City, the Authority and Underwriter have previously discussed and approved the allocation of proceeds towards these fees, and meal and travel expenses of the personnel of the City or the Authority, but not including entertainment expenses or those to be paid by the Underwriter pursuant to the last paragraph of this Section 10; and (g) all other fees and expenses, not including entertainment expenses, reasonably incurred in connection with the preparation of the City Documents, the Authority Documents, the Preliminary Official Statement, the Official Statement and all other agreements and documents that are contemplated hereby (and drafts of any thereof) and/or the initial offering, sale and delivery of the Bonds. The City and the Authority have authorized, and do hereby authorize, the Underwriter to pay such expenses on behalf of the City and the Authority from proceeds of the Bonds at Closing as further described in the closing memorandum relating to the Bonds.

If the Bonds are sold to the Underwriter by the Authority, the Authority and the City shall pay out of the proceeds of the Bonds the discount of the Underwriter or the purchase price paid for the Bonds shall reflect such discount.

Except as otherwise provided in this Section 10, the Underwriter shall pay the cost, if any, of qualifying the Bonds for sale in the various states chosen by the Underwriter, all advertising expenses in connection with the public offering of the Bonds and all other expenses incurred by it in connection with its public offering and distribution of the Bonds, not described above.

**Section 11. Qualification of Bonds.** The Authority and the City will furnish such information, execute such instruments and take such other action in cooperation with the Underwriter as the Underwriter may reasonably request to qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions of the United States as the Underwriter may designate and to provide for the continuance of such qualification; provided, however, that neither the City nor the Authority will be required to qualify as a foreign corporation or to file any general or special consents to service of process under the laws of any state.

**Section 12. Notices.** Any notice or other communication to be given to the Underwriter under this Purchase Agreement may be given by delivering the same in writing to Stifel, Nicolaus & Company, Incorporated, 2121 Avenue of the Stars, Suite 2150, Los Angeles, California 90067, Attention: Sara Brown. All notices or communications hereunder by any party shall be given and served upon each other party. Any notice or communication to be given to the City or the Authority under this Purchase Agreement may be given by delivering the same in writing to the applicable address set forth on the first page of this Purchase Agreement.

**Section 13. Parties in Interest.** This Purchase Agreement is made solely for the benefit of the City, the Authority and the Underwriter (including the successors or assigns thereof) and no other person shall acquire or have any right hereunder or by virtue hereof. Except as otherwise expressly provided herein, all of the agreements and representations of the Authority and the City contained in this Purchase Agreement and in any certificates delivered pursuant hereto shall remain operative and in full force and effect regardless of: (i) any investigation made by or on behalf of the Underwriter; (ii) delivery of and payment for the Bonds hereunder; or (iii) any termination of this Purchase Agreement.

**Section 14. Severability.** In case any one or more of the provisions contained herein shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision hereof.

**Section 15. Entire Agreement.** This Purchase Agreement contains the entire agreement between the parties relating to the subject matter hereof and supersedes all oral statements, prior writings and representations with respect thereto.

**Section 16. Counterparts.** This Purchase Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument.

**Section 17. Survival of Representations and Warranties.** The representations and warranties of the City and the Authority in or made pursuant to this Purchase Agreement shall not be deemed to have been discharged, satisfied or otherwise rendered void by reason of the Closing or termination of this Purchase Agreement and regardless of any investigations made by or on behalf of the Underwriter (or statements as to the results of such investigations) concerning such representations and statements of the City and the Authority and regardless of delivery of and payment for the Bonds.

**Section 18. Waiver of Jury Trial.** THE AUTHORITY AND THE CITY HEREBY IRREVOCABLY WAIVE TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS PURCHASE AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

**Section 19. Effectiveness.** This Purchase Agreement shall become effective and binding upon the respective parties hereto upon the execution of the acceptance hereof by the City and the Authority and shall be valid and enforceable as of the time of such acceptance.

[Signature Page Follows]

**Section 20. Governing Law.** This Purchase Agreement shall be governed by and construed in accordance with the laws of the State.

STIFEL, NICOLAUS & COMPANY,  
INCORPORATED

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

Accepted as of the date first stated above:

CITY OF GOLETA

By: \_\_\_\_\_  
Its: \_\_\_\_\_  
Printed Name: \_\_\_\_\_

Time of Execution: \_\_\_\_\_ a.m./p.m. Pacific Time

GOLETA FACILITIES FINANCING AUTHORITY

By: \_\_\_\_\_  
Its: \_\_\_\_\_  
Printed Name: \_\_\_\_\_

Time of Execution: \_\_\_\_\_ a.m./p.m. Pacific Time

**EXHIBIT A**

**GOLETA FACILITIES FINANCING AUTHORITY  
Local Measure A Transportation Sales Tax Revenue Bonds, Series 2025**

**MATURITY SCHEDULE**

<i>Maturity Date (November 1)</i>	<i>Principal Amount</i>	<i>Interest Rate</i>	<i>Yield</i>	<i>Initial Offering Price</i>	<i>10% Test Used</i>	<i>10% Test Satisfied</i>	<i>Hold-the- Offering- Price Rule Used</i>
	\$	%	%				

<sup>C</sup> Priced to first optional redemption date of \_\_\_\_\_ 1, 20\_\_ at par.

<sup>T</sup> Term Bond.

<sup>I</sup> Insured Bonds.



## REDEMPTION PROVISIONS

**Optional Redemption.** The Bonds maturing on or after November 1, 20\_\_, shall be subject to optional redemption prior to maturity, at the option of the Authority upon direction of the City, on or after November 1, 20\_\_ in whole or in part (by lot within any maturity), on any date, at a Redemption Price equal to the principal amount to be redeemed, plus accrued interest to the date fixed for redemption, without premium.

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

**Mandatory Sinking Fund Redemption.** The Bonds maturing on November 1, 20\_\_, are subject to mandatory redemption on November 1 of each year commencing November 1, 20\_\_, in part, from mandatory sinking fund payments, on each November 1 specified below, at a Redemption Price equal to the principal amount of the Bonds to be redeemed, without premium, plus accrued interest thereon to the date of redemption, in the aggregate respective principal amounts in the respective years as follows:

Mandatory Redemption Date (November 1)	Principal Amount
20__	
20__	
20__	
20__	
20__*	

\* Maturity date

## EXHIBIT B

### GOLETA FACILITIES FINANCING AUTHORITY Local Measure A Transportation Sales Tax Revenue Bonds, Series 2025

#### FORM OF ISSUE PRICE CERTIFICATE

The undersigned, on behalf of Stifel, Nicolaus & Company, Incorporated (“Stifel”) hereby certifies as set forth below with respect to the sale and delivery of the above-captioned obligations (the “Bonds”).

1. ***Sale of the General Rule Maturities.*** As of the date of this certificate, for each Maturity of the General Rule Maturities, the first price at which at least 10% of such Maturity was sold to the Public is the respective price listed in Schedule A.

2. ***Initial Offering Price of the Hold-the-Offering-Price Maturities.***

(a) Stifel offered the Hold-the-Offering-Price Maturities to the Public for purchase at the respective initial offering prices listed in Schedule A (the “Initial Offering Prices”) on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Bonds is attached to this certificate as Schedule B.

(b) As set forth in the Bond Purchase Agreement, dated [Pricing Date], by and among Stifel, as the Underwriter (as defined below), the City of Goleta, California and the Issuer (as defined below), Stifel has agreed in writing that: (i) for each Maturity of the Hold-the-Offering-Price Maturities, it would neither offer nor sell any of the Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the “hold-the-offering-price rule”); and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any third-party distribution agreement shall contain the agreement of each broker-dealer who is a party to the third-party distribution agreement, to comply with the hold-the-offering-price rule. Pursuant to such agreement, no Underwriter has offered or sold any Maturity of the Hold-the-Offering-Price Maturities at a price that is higher than the respective Initial Offering Price for that Maturity of the Bonds during the Holding Period.

3. ***Defined Terms.***

(a) ***General Rule Maturities*** means those Maturities of the Bonds listed in Schedule A hereto as the “General Rule Maturities.”

(b) ***Hold-the-Offering-Price Maturities*** means those Maturities of the Bonds listed in Schedule A hereto as the “Hold-the-Offering-Price Maturities.”

(c) ***Holding Period*** means, with respect to a Hold-the-Offering-Price Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date (which Sale Date is [Pricing Date]), or (ii) the date on which Stifel has sold at least 10% of such Hold-the-Offering-Price Maturity to the Public at prices that are no higher than the Initial Offering Price for such Hold-the-Offering-Price Maturity.

(d) *Issuer* means the Goleta Facilities Financing Authority.

(e) *Maturity* means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate maturities.

(f) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term “related party” for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(g) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is [Pricing Date].

(h) *Underwriter* means: (i) any person that agrees pursuant to a written contract with the Issuer and the City of Goleta, California (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public; and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents Stifel’s interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer and the City of Goleta, California with respect to certain of the representations set forth in the Tax Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by Orrick, Herrington & Sutcliffe LLP, Los Angeles, California, in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer or the City of Goleta, California from time to time relating to the Bonds. The certifications contained herein are not necessarily based on personal knowledge, but may instead be based on either inquiry deemed adequate by the undersigned or institutional knowledge (or both) regarding the matters set forth herein.

STIFEL, NICOLAUS & COMPANY,  
INCORPORATED

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

Name: \_\_\_\_\_

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

Name: \_\_\_\_\_

Dated: [Closing Date]

**SCHEDULE A**

**SALE PRICES OF THE GENERAL RULE MATURITIES AND INITIAL OFFERING  
PRICES OF THE HOLD-THE-OFFERING-PRICE MATURITIES**

*(Attached)*

**SCHEDULE B**  
**PRICING WIRE OR EQUIVALENT COMMUNICATION**

*(Attached)*

**EXHIBIT C**

**FORM OF DISCLOSURE COUNSEL LETTER**

\_\_\_\_\_, 2025

Stifel, Nicolaus & Company, Incorporated  
Los Angeles, California

*Re:    \$\_\_\_\_\_ Goleta Facilities Financing Authority Local Measure A  
          Transportation Sales Tax Revenue Bonds, Series 2025A*

Ladies and Gentlemen:

We have acted as Disclosure Counsel to the Goleta Facilities Financing Authority (the “Authority”) and the City of Goleta (the “City”) in connection with the issuance by the Authority of the above-referenced bonds (the “Bonds”). The Bonds are being delivered pursuant to a Trust Agreement dated as of February 1, 2025 (the “Trust Agreement”), by and among the Authority, the City and The Bank of New York Mellon Trust Company, N.A., as trustee (the “Trustee”). Capitalized terms not otherwise defined herein shall have the meanings set forth in the Bond Purchase Agreement dated February \_\_, 2025 (the “Purchase Agreement”), among Stifel, Nicolaus & Company, Incorporated, (the “Underwriter”), the Authority and the City. This letter is being delivered to you pursuant to Section [8(e)(xv)] of the Purchase Agreement.

In rendering the advice contained herein, we have examined originals or copies certified or otherwise identified to our satisfaction of: (i) the Preliminary Official Statement dated February \_\_, 2025 (the “Preliminary Official Statement”) relating to the Bonds; (ii) the Official Statement, dated February \_\_, 2025 (the “Official Statement”), relating to the Bonds; and (iii) the agreements, letters, certificates, and opinions delivered to you pursuant to Section [8] of the Purchase Agreement. We do not assume any responsibility for any electronic version of the Preliminary Official Statement or the Official Statement and assume that any such version is identical in all respects to the version printed at closing for the transcript.

We have assumed, but not independently verified, that the signatures on all documents, letters, opinions and certificates which we have examined are genuine, that all documents submitted to us are authentic and were duly and properly executed by the parties thereto and that all representations made in the documents that we have reviewed are true and accurate.

We express no opinion regarding any tax consequences with respect to the Bonds. No opinion is expressed herein with respect to the compliance with, or applicability of, any “blue sky” laws of any state as they relate to the offer or sale of the Bonds.

We are not passing upon and have not undertaken to determine independently or to verify the accuracy or completeness of the statements contained in the Preliminary Official Statement and the Official Statement and are, therefore, unable to make any representation to you in that regard. Based on our participation in conferences prior to the date of the Official Statement with representatives of the Authority and the City, Urban Futures, Inc., as municipal advisor to the City, the City Attorney, the Underwriter, Underwriter’s counsel, and others, during which the content of the Preliminary

Official Statement and the Official Statement and related matters were discussed, our reliance on the oral and written statements of the Authority, the City and others, our review of and reliance upon the documents, certificates, instructions and records and the opinions of counsel described above and our understanding of applicable law, and subject to the limitations on our role as Disclosure Counsel, we advise you as a matter of fact but not opinion that no information has come to the attention of the attorneys in the firm representing the Authority and the City as Disclosure Counsel on this matter which caused us to believe that: (a) the Preliminary Official Statement as of its date or as of February \_\_, 2025 (excluding therefrom financial, demographic and statistical data; forecasts, projections, estimates, assumptions and expressions of opinions; information relating to DTC and its book-entry only system; information under the captions “TAX MATTERS” and “UNDERWRITING”; and the Appendices to the Preliminary Official Statement as to which we express no view) contained any untrue statement of a material fact or omitted to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, except for such information as is permitted to be excluded from the Preliminary Official Statement pursuant to Rule 15c2-12, including but not limited to information as to pricing, yields, interest rates, maturities, amortization, redemption provisions, ratings, debt service requirements, Underwriters’ discount and CUSIP numbers; or (b) the Official Statement as of its date and as of the date hereof (excluding therefrom financial, demographic, statistical or economic or demographic data; forecasts, numbers, charts, tables, graphs, projections, estimates, assumptions and expressions of opinions; information relating to DTC and its book-entry only system or CUSIP numbers; information under the captions “TAX MATTERS” and “UNDERWRITING”; and the Appendices to the Official Statement, as to which we express no view) contained or contains any untrue statement of a material fact or omitted or omits to state a material fact necessary to make the statements made therein, in the light of the circumstances under which they were made, not misleading. However, in providing advice and assistance as Disclosure Counsel, we provided no independent diligence on the MSRB’s Electronic Municipal Market Access website, and we express no view regarding the City’s or the City’s related entities’ compliance with any obligation to file annual reports or provide notice of events, each as described in Rule 15c2-12. Finally, we advise you that, other than reviewing the various certificates and opinions required by Section [8] of the Purchase Agreement, we have not taken any steps since the date of the Official Statement to verify the accuracy of the statements contained in the Preliminary Official Statement or the Official Statement as of the date hereof. No responsibility is undertaken or opinion rendered with respect to any other disclosure document, materials or activity, or as to any information from another document or source referred to by, or incorporated by reference in, the Official Statement.

By acceptance of this letter you acknowledge that the preceding paragraph is neither a legal opinion nor a guarantee regarding the Preliminary Official Statement or the Official Statement; rather it is a statement of negative assurance regarding factual information that did not come to the attention of the attorneys in our firm working on this matter during the limited activities that we performed as Disclosure Counsel. Our services did not include financial or other non-legal advice.

By acceptance of the letter, the Underwriter recognizes and acknowledges that: (i) the advice herein is based on certain limited activities performed by specific attorneys in our firm in our role as Disclosure Counsel; (ii) the scope of the activities performed by such attorneys in our role as Disclosure Counsel and for purposes of delivering such advice was inherently limited and does not purport to encompass all activities necessary for compliance by the Underwriters with applicable state and federal securities laws; and (iii) the activities performed by such attorneys in our role as Disclosure Counsel rely in part by representations, warranties, certifications and opinions of other parties to the

transaction, including representations, warranties and certifications made by the Authority, the City, the Underwriter and others.

This letter is furnished by us as Disclosure Counsel to the Authority and the City. No attorney-client relationship has existed or exists between our firm and you in connection with the Bonds or by virtue of this letter. This letter is solely for your benefit and is not to be used, circulated, quoted or otherwise referred to or relied upon for any other purpose without our prior written consent. This letter is not intended to and may not be relied upon by owners of Bonds or any beneficial interest therein.

Our engagement with respect to the Bonds terminates as of the date hereof, and we have not undertaken any duty, and expressly disclaim any responsibility, to advise you as to events occurring after the date hereof with respect to the Bonds or other matters discussed herein or in the Official Statement.

Respectfully submitted,



## **Attachment 6**

Resolution No. 24-\_\_ “A Resolution of the City Council of the City of Goleta, California, Authorizing the Execution and Delivery by the City of Goleta of a Ground Lease, Lease Agreement, Indenture, and Bond Purchase Agreement in Connection with the Issuance of Goleta Facilities Financing Authority Lease Revenue Bonds, Approving the Issuance of Such Bonds in an Aggregate Principal Amount of Not to Exceed \$23,000,000, and Authorizing the Execution of Final and Necessary Documents and Certificates and Related Actions.”

RESOLUTION NO. 24-\_\_\_\_\_

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GOLETA, CALIFORNIA, AUTHORIZING THE EXECUTION AND DELIVERY BY THE CITY OF GOLETA OF A GROUND LEASE, LEASE AGREEMENT, INDENTURE, AND BOND PURCHASE AGREEMENT IN CONNECTION WITH THE ISSUANCE OF GOLETA FACILITIES FINANCING AUTHORITY LEASE REVENUE BONDS, APPROVING THE ISSUANCE OF SUCH BONDS IN AN AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED \$23,000,000, AND AUTHORIZING THE EXECUTION OF FINAL AND NECESSARY DOCUMENTS AND CERTIFICATES AND RELATED ACTIONS**

**WHEREAS**, the City of Goleta, California (the “City”) is a municipal corporation and general law city duly organized and existing under and pursuant to the Constitution and laws of the State of California; and

**WHEREAS**, the Goleta Facilities Financing Authority (the “Authority”) is a joint exercise of powers authority duly organized and existing pursuant to the laws of the State of California and that certain Joint Exercise of Powers Agreement between the City and the California Statewide Communities Development Authority (the “Joint Powers Agreement”); and

**WHEREAS**, pursuant to the Joint Powers Agreement and Section 6588(h) of the Marks-Roos Local Bond Pooling Act of 1985, commencing with Section 6584 of the California Government Code (the “Act”), the Authority has the legal authority to lease and sublease lands, structures, real or personal property, and other interests in lands that are located within the State of California that the Authority determines are necessary or convenient for the financing of public capital improvements, or any portion thereof; and

**WHEREAS**, the City and the Authority desire to finance all or a portion of the costs of the design, acquisition, construction and/or installation of certain public capital improvements to be located in the City, including some or all of the following: the Ekwil Street and Fowler Road extension (including the Hollister Avenue Old Town interim striping project), Cathedral Oaks crib wall repair, San Jose Creek bike path, Hollister Avenue Bridge replacement, and Goleta Train Depot and South La Patera improvements (collectively, the “Project”); and

**WHEREAS**, the City is a member of the Authority and the Project is located within the boundaries of the City; and

**WHEREAS**, the City has, prior to the consideration of this Resolution, held a public hearing on the financing of the Project in accordance with Section 6586.5 of the Act, which hearing was held at 130 Cremona Drive, Goleta, California 93117 on December 3, 2024; and

**WHEREAS**, in accordance with Section 6586.5 of the Act, notice of such hearing was published once at least five days prior to the hearing in The Santa Barbara Independent, an adjudicated local newspaper of general circulation in the City; and

**WHEREAS**, the Authority and the City have determined that it would be in the best interests of the City and residents of the City to authorize the preparation, sale and delivery of the “Goleta Facilities Financing Authority Lease Revenue Bonds, Series 2025A” (the “Bonds”) for the purpose of financing all or a portion of the Project; and

**WHEREAS**, in order to facilitate the issuance of the Bonds, the City and the Authority desire to enter into a Ground Lease between the City and the Authority (the “Ground Lease”) pursuant to which the City will lease certain real property, which real property shall consist of one or more of the following City-owned facilities and the land on which such facilities are located: City Hall, Goleta Valley Library, Goleta Community Center (or portions thereof), City Corporation Yard, and one or more park or open space properties, as determined by the City Manager or his authorized designees (collectively, the “Leased Assets”) to the Authority, and a Lease Agreement between the City and the Authority (the “Lease Agreement”), pursuant to which the City will lease the Leased Assets back from the Authority, and pay certain Base Rental Payments (as defined in the Lease Agreement), which will be pledged to the owners of the Bonds by the Authority pursuant to an Indenture by and among The Bank of New York Mellon Trust Company, N.A. (the “Trustee”), the City and the Authority (the “Indenture”); and

**WHEREAS**, the City previously leased the City Hall building and the land on which City Hall is located (“City Hall”) to the Infrastructure & Economic Development Bank (“IBank”) in connection with a Financing Lease, dated as of August 1, 2020, between IBank and the City (the “IBank Financing Lease”), pursuant to which IBank loaned \$10,000,000 to the City for the purchase of City Hall; and

**WHEREAS**, in order to make City Hall available for use as a Leased Asset under the Lease Agreement in connection with the Bonds, the City proposes to release City Hall as the leased asset under the IBank Financing Lease and substitute one or more of the other Leased Assets or other property owned by the City for City Hall as the leased asset under the IBank Financing Lease; and

**WHEREAS**, the Authority will issue the Bonds pursuant to the Act; and

**WHEREAS**, on April 20, 2018, the City Council of the City adopted a revised Debt Management Policy for the City, that complies with Government Code Section 8855(i) (the “Debt Management Policy”), and the obligations under the Lease Agreement as contemplated by this Resolution comply with the Debt Management Policy; and

**WHEREAS**, the City and the Authority desire to provide for the negotiated sale of the Bonds; and

**WHEREAS**, the City and the Authority have selected Stifel, Nicolaus & Company, Incorporated to act as underwriter (the “Underwriter”) and to purchase the Bonds from the Authority pursuant to a Bond Purchase Agreement (the “Bond Purchase Agreement”); and

**WHEREAS**, good faith estimates of certain information relating to the Bonds are disclosed and set forth in Exhibit A attached to this Resolution as required by California Government Code Section 5852.1; such estimates were provided by Urban Futures, Inc. (the “Municipal Advisor”) based on preliminary bond pricing information provided by the Underwriter; and

**WHEREAS**, the City Council has been presented with the form of each document referred to herein relating to the financing contemplated hereby, and the City Council has examined and approved each document and desires to authorize and direct the execution of such documents and the consummation of such financing; and

**WHEREAS**, all acts, conditions and things required by the laws of the State of California to exist, to have happened and to have been performed precedent to and in connection with the consummation of such financing authorized hereby do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the City is now duly authorized and empowered, pursuant to each and every requirement of law, to consummate such financing for the purpose, in the manner and upon the terms herein provided.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF GOLETA THAT:**

**SECTION 1:**

Each of the above recitals is true and correct. Following a duly noticed public hearing, the City Council hereby approves the financing of the Project described in this Resolution and further finds and determines that there are significant public benefits to the citizens of the City through the issuance of the Bonds and execution and delivery of the Ground Lease and Lease Agreement pursuant to the Act and otherwise hereunder within the meaning of Section 6586(a) through (d), inclusive, of the Act, in that the delivery of the Bonds and related transactions will result in demonstrable savings in effective interest rate to the City and enable the City to undertake the Project on a timely basis, and provide a more efficient delivery of public services to the community.

**SECTION 2:**

The forms of the Ground Lease and Lease Agreement, on file with the City Clerk, are hereby approved, and the Mayor, the Mayor Pro Tem, the City Manager, the Finance Director, and the City Clerk, and each of their authorized designees (the "Authorized Officers"), are each hereby authorized and directed, for and in the name and on behalf of the City, to execute and deliver the Ground Lease and Lease Agreement in substantially said forms, with such changes, insertions and omissions therein as the Authorized Officer executing the same may require or approve, such requirement or approval to be conclusively evidenced by the execution and delivery thereof; provided, however, that the term of the Ground Lease and Lease Agreement shall terminate no later than May 1, 2056 (provided that such term may be extended as provided therein) and the all-in true interest cost applicable to the Bonds shall not exceed 5.0% per annum. In the event that it is determined by the City Manager, or his designee, that there are limitations or restrictions on the ability of the City to lease or sublease any portion of the Leased Assets as contemplated by the Ground Lease and Lease Agreement or that other City-owned property would be more appropriate to use as Leased Assets under the Ground Lease and the Lease Agreement, the City Manager, or his designee, is hereby expressly authorized to designate other or additional real property of the City to be leased or subleased pursuant to the Ground Lease and Lease Agreement, with such designation to be conclusively evidenced by the

execution and delivery of the Ground Lease and Lease Agreement by an Authorized Officer.

**SECTION 3:**

The form of Indenture, on file with the City Clerk, is hereby approved, and the Authorized Officers are each hereby authorized and directed, for and in the name and on behalf of the City, to execute and deliver the Indenture in substantially said form, with such changes, insertions and omissions therein as the Authorized Officer executing the same may require or approve, such requirement or approval to be conclusively evidenced by the execution and delivery thereof; provided, however, that the aggregate principal amount of the Bonds shall not exceed \$23,000,000, the final maturity date of the Bonds shall be no later than May 1, 2056 and the all-in true interest cost applicable to the Bonds shall not exceed 5.0% per annum, and, provided, further, that such changes, insertions and omissions shall be consistent with the terms of the Bonds established at negotiated sale pursuant to the Bond Purchase Agreement. In the event that it is determined by the Finance Director, or his designee, that the funding or financing of capitalized interest on the Bonds would be in the best interests of the City, the Indenture may be modified to provide for capitalized interest on such basis as is determined by the Finance Director or his designee, such determination to be conclusively evidenced by the execution and delivery of the Indenture by an Authorized Officer.

**SECTION 4:**

The Bond Purchase Agreement, on file with the City Clerk, is hereby approved and the Authorized Officers are each hereby authorized and directed, for and in the name of the City, to execute and deliver the Bond Purchase Agreement in substantially said form, with such changes, insertions and omissions as the Authorized Officer executing the same may require or approve, such requirement or approval to be conclusively evidenced by the execution of the Bond Purchase Agreement by such Authorized Officer; provided, however, that such changes, insertions and omissions shall not result in an aggregate underwriter's discount (not including any original issue discount paid by the Underwriter) from the principal amount of the Bonds in excess of one-half of one percent (0.50%) of the aggregate principal amount of the Bonds.

**SECTION 5:**

The issuance by the Authority of not to exceed \$23,000,000 aggregate principal amount of the Bonds, in the principal amounts, bearing interest at the rates and maturing on the dates as specified in the Indenture as finally executed, is hereby approved.

**SECTION 6:**

Stradling Yocca Carlson & Rauth LLP, is hereby approved and appointed as Bond Counsel, Orrick, Herrington & Sutcliffe LLP, is hereby approved and appointed as Disclosure Counsel, Urban Futures, Inc., is hereby approved and appointed as Municipal Advisor, and The Bank of New York Mellon Trust Company, N.A. is hereby appointed as Trustee, each to provide such services to the City and any other related services as may be required to issue the Bonds.

**SECTION 8:**

With the passage of this Resolution, the City hereby confirms that it has adopted a Debt Management Policy and certifies that such Debt Management Policy complies with Government Code Section 8855(i), and that the City's financing described in this Resolution and its obligations under the Lease Agreement as contemplated by this Resolution is in compliance with the Debt Management Policy, and to the extent the sale and issuance of the Bonds and the execution and delivery of the Lease Agreement is not in compliance with the City's Debt Management Policy, such noncompliance is waived in accordance with the terms of the City's Debt Management Policy, and instructs Stradling Yocca Carlson & Rauth LLP, as Bond Counsel, on behalf of the City, with respect to the Bonds described in this Resolution, (a) to cause notices of the proposed sale and final sale of the Bonds to be filed in a timely manner with the California Debt and Investment Advisory Commission pursuant to Government Code Section 8855, and (b) to check, on behalf of the City, the "Yes" box relating to such certifications in the notice of proposed sale filed pursuant to Government Code Section 8855.

**SECTION 9:**

The officers, employees and agents of the City are hereby authorized and directed, jointly and severally, to do any and all things which they may deem necessary or advisable in order to consummate the transactions herein authorized and otherwise to carry out, give effect to and comply with the terms and intent of this Resolution, including, but not limited to, taking such actions and executing such instruments as may be necessary or appropriate to substitute the Goleta Valley Library, the Goleta Community Center, City Corporation Yard, and one or more park or open space properties or other available properties of the City for City Hall as the leased asset under the IBank Financing Lease and to remove encumbrances and clear title to City Hall, the Goleta Valley Library, the Goleta Community Center, and any other properties of the City that the Authorized Officers deem appropriate for use as Leased Assets under the Ground Lease and the Lease Agreement or leased assets under the IBank Financing Lease. Anything to the contrary herein notwithstanding, in the event the Finance Director determines in consultation with the Municipal Advisor that the cost-efficient marketing of the Bonds requires creation of a funded reserve under the Indenture, each of the Indenture, Lease Agreement and other documents approved herein may be revised to reflect the funding of such a reserve. Specifically and without limiting the foregoing, the Finance Director is authorized and directed to solicit and accept bids for bond insurance and, if applicable, a reserve account insurance policy, for the Bonds, provided he determines acceptance of the best bid will result in lower overall debt service or lower interest cost, and appropriate changes to each of the documents referenced herein to evidence such bond insurance, and, if applicable, a reserve account insurance policy, and the terms thereof, are hereby authorized and approved. All actions heretofore taken by the Authorized Officers and the officers, employees and agents of the City with respect to the transactions set forth above are hereby approved, confirmed and ratified.

**SECTION 10:**

The City Council hereby approves the execution and delivery of any and all agreements, documents, certificates and instruments referred to herein with electronic signatures as may be permitted under the California Uniform Electronic Transactions

Act and digital signatures as may be permitted under Section 16.5 of the Government Code using DocuSign.

**SECTION 11:**

This Resolution will take effect from and after its date of adoption.

**PASSED, APPROVED AND ADOPTED** this 3<sup>rd</sup> day of December, 2024.

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PAULA PEROTTE  
MAYOR

ATTEST:

APPROVED AS TO FORM:

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DEBORAH S. LOPEZ  
CITY CLERK

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ISAAC ROSEN  
ACTING CITY ATTORNEY

STATE OF CALIFORNIA            )  
COUNTY OF SANTA BARBARA    ) ss.  
CITY OF GOLETA                 )

I, DEBORAH S. LOPEZ, City Clerk of the City of Goleta, California, DO HEREBY CERTIFY that the foregoing Resolution No. 24-\_\_ was duly adopted by the City Council of the City of Goleta at a regular meeting held on the 3<sup>rd</sup> day of December 2024, by the following vote of the Council:

AYES:

NOES:

ABSENT:

ABSTENTIONS:

(SEAL)

BY: \_\_\_\_\_  
DEBORAH S. LOPEZ  
CITY CLERK



## EXHIBIT A

### GOOD FAITH ESTIMATES

The good faith estimates set forth herein are provided with respect to the Bonds in accordance with California Government Code Section 5852.1. Such good faith estimates have been provided to the City by its Municipal Advisor, Urban Futures, Inc., in consultation with Stifel, Nicolaus & Company, Incorporated, the Underwriter of the Bonds.

*Principal Amount.* The Municipal Advisor has informed the City that, based on the City's financing plan and current market conditions, its good faith estimate of the aggregate principal amount of the Bonds to be issued and sold is **\$17,410,000** (the "Estimated Principal Amount"), which excludes approximately **\$1,750,708** of net premium estimated to be generated based on current market conditions. Net premium is generated when, on a net aggregate basis for a single issuance of bonds, the price paid for such bonds is higher than the face value of such bonds. The Estimated Principal Amount plus the net premium represent the total estimated proceeds available in the aggregate amount of **\$19,160,708**.

*True Interest Cost of the Bonds.* The Municipal Advisor has informed the City that, assuming that the Estimated Principal Amount of the Bonds is issued and sold, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the true interest cost of the Bonds, which means the rate necessary to discount the amounts payable on the respective principal and interest payment dates to the purchase price received for the Bonds, is **4.27%**.

*Finance Charge of the Bonds.* The Municipal Advisor has informed the City that, assuming that the Estimated Principal Amount of the Bonds is issued and sold, and based on market interest rates prevailing at the time of preparation of such estimate its good faith estimate of the finance charge for the Bonds, which means the sum of all fees and charges paid to third parties (or costs associated with the Bonds), is **\$436,734**.

*Amount of Proceeds to be Received.* The Municipal Advisor has informed the City that, assuming that the Estimated Principal Amount of the Bonds is issued and sold, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the amount of proceeds expected to be received by the City for sale of the Bonds, less the finance charge of the Bonds, as estimated above, and any reserves or capitalized interest paid or funded with proceeds of the Bonds, is **\$18,723,974**.

*Total Payment Amount.* The Municipal Advisor has informed the City that, assuming that the Estimated Principal Amount of the Bonds is issued and sold, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the total payment amount, which means the sum total of all payments the City will make to pay debt service on the Bonds, plus the finance charge for the Bonds, as described above, not paid with the proceeds of the Bonds, calculated to the final maturity of the Bonds, is **\$34,127,506**, which excludes any reserves or capitalized interest paid or funded with proceeds of the Bonds (which may offset such total payment amount) and further excludes future administrative costs such as trustee and continuing disclosure costs.

The foregoing estimates constitute good faith estimates only and are based on market conditions prevailing at the time of preparation of such estimates. The actual principal amount of the Bonds issued and sold, the true interest cost thereof, the finance charges thereof, the amount of proceeds received therefrom and total payment amount with respect thereto may differ from such good faith estimates due to (a) the actual date of the sale of the Bonds being different than the date assumed for purposes of such estimates, (b) the actual principal amount of Bonds issued and sold being different from the Estimated Principal Amount, (c) the actual amortization of the Bonds being different than the amortization assumed for purposes of such estimates, (d) the actual market interest rates at the time of sale of the Bonds being different than those estimated for purposes of such estimates, (e) other market conditions, (f) alterations to the City's financing plan, or a combination of such factors.

## **Attachment 6**

Form of Ground Lease

**RECORDING REQUESTED BY:**  
Goleta Facilities Financing Authority

**AND WHEN RECORDED RETURN TO:**  
Stradling Yocca Carlson & Rauth LLP  
660 Newport Center Drive, Suite 1600  
Newport Beach, California 92660  
Attention: Vanessa S. Legbandt, Esq.

---

[Space above for Recorder's use.]

THIS TRANSACTION IS EXEMPT FROM CALIFORNIA DOCUMENTARY TRANSFER TAX PURSUANT TO SECTION 11921 OF THE CALIFORNIA REVENUE AND TAXATION CODE. THIS DOCUMENT IS EXEMPT FROM RECORDING FEES PURSUANT TO SECTION 27383 OF THE CALIFORNIA GOVERNMENT CODE.

THE GRANTOR AND THE GRANTEE ARE GOVERNMENTAL AGENCIES.

**GROUND LEASE**

**by and between**

**CITY OF GOLETA**

**and**

**GOLETA FACILITIES FINANCING AUTHORITY**

**Dated as of [February] 1, 2025**

**Relating to**

**\$\_\_\_\_\_**  
**GOLETA FACILITIES FINANCING AUTHORITY**  
**LEASE REVENUE BONDS, SERIES 2025A**

## **GROUND LEASE**

**THIS GROUND LEASE** (this “Ground Lease”), executed and entered into as of [February] 1, 2025, is by and between the CITY OF GOLETA (the “City”), a municipal corporation and general law city duly organized and existing under and by virtue of the Constitution and laws of the State of California, as lessor, and the GOLETA FACILITIES FINANCING AUTHORITY (the “Authority”), a joint exercise of powers entity duly organized and existing under the laws of the State of California, as lessee.

### **WITNESSETH:**

**WHEREAS**, the City and the Authority desire to finance all or a portion of the acquisition, construction and/or installation of certain capital improvement projects in the City, including the Ekwill Street and Fowler Road extension (including the Hollister Avenue Old Town interim striping project), Cathedral Oaks crib wall repair, San Jose Creek bike path, Hollister Avenue Bridge replacement, and Goleta Train Depot and South La Patera improvements (collectively, the “Project”);

**WHEREAS**, the City and the Authority have determined that it would be in the best interests of the City and residents of the City to authorize the preparation, sale and delivery of the “Goleta Facilities Financing Authority Lease Revenue Bonds, Series 2025A” (the “Series 2025A Bonds”) for the purpose of financing the Project;

**WHEREAS**, in order to facilitate the issuance of the Series 2025A Bonds, the City will lease certain real property described in Exhibit A attached hereto and the improvements located thereon (the “Property”) to the Authority pursuant to this Ground Lease and the City will sublease the Property back from the Authority pursuant to the Lease Agreement dated as of the date hereof (the “Lease Agreement”);

**WHEREAS**, the City and the Authority have determined that it would be in the best interests of the City and the Authority to provide the funds necessary to finance all or a portion of the Project through the issuance by the Authority of the Series 2025A Bonds payable from the base rental payments (the “Base Rental Payments”) to be made by the City under the Lease Agreement;

**WHEREAS**, the City and the Authority have determined that it would be in the best interests of the City and the Authority to provide for the issuance of such bonds payable from the Base Rental Payments pursuant to an Indenture, dated as of the date hereof, by and among the Authority, the City and The Bank of New York Mellon Trust Company, N.A., as trustee (the “Trustee”);

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

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

**NOW, THEREFORE**, in consideration of the mutual covenants hereinafter contained, the parties hereto agree as follows:

## **ARTICLE I**

### **DEFINITIONS**

Except as otherwise defined herein, or unless the context clearly otherwise requires, words and phrases defined in the Lease Agreement shall have the same meaning in this Ground Lease.

## **ARTICLE II**

### **LEASE OF THE PROPERTY; RENTAL**

**Section 2.01 Lease of Property.** The City hereby leases to the Authority, and the Authority hereby leases from the City, for the benefit of the Owners of the Bonds, the Property, subject only to Permitted Encumbrances, to have and to hold for the term of this Ground Lease.

**Section 2.02 Rental.** The Authority shall pay to the City as and for rental of the Property hereunder, the sum of \$1.00, the receipt of which is hereby acknowledged.

## **ARTICLE III**

### **QUIET ENJOYMENT**

The parties intend that the Property will be leased back to the City pursuant to the Lease Agreement for the term thereof. It is further intended that, to the extent provided herein and in the Lease Agreement, if an event of default occurs under the Lease Agreement, the Authority, or its assignee, will have the right, for the then remaining term of this Ground Lease to (a) take possession of the Property, subject to Permitted Encumbrances, (b) if it deems it appropriate, cause an appraisal of the Property and a study of the then reasonable use thereof to be undertaken, and/or (c) relet the Property. Subject to any rights the City may have under the Lease Agreement (in the absence of an event of default) to possession and enjoyment of the Property, the City hereby covenants and agrees that it will not take any action to prevent the Authority from having quiet and peaceable possession and enjoyment of the Property during the term hereof and will, at the request of the Authority and at the City's cost, to the extent that it may lawfully do so, join in any legal action in which the Authority asserts its right to such possession and enjoyment.

## **ARTICLE IV**

### **SPECIAL COVENANTS AND PROVISIONS**

**Section 4.01 Waste.** The Authority agrees that at all times that it is in possession of the Property, it will not commit, suffer or permit any waste on the Property, and that it will not willfully or knowingly use or permit the use of the Property for any illegal purpose or act.

**Section 4.02 Further Assurances and Corrective Instruments.** The City and the Authority agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may

reasonably be required for correcting any inadequate or incorrect description of the Property hereby leased or intended so to be or for carrying out the expressed intention of this Ground Lease, the Indenture and the Lease Agreement.

**Section 4.03 Waiver of Personal Liability.** All liabilities under this Ground Lease on the part of the Authority shall be solely liabilities of the Authority as a joint exercise of powers entity, and the City hereby releases each and every member, director, officer, agent and employee of the Authority from any personal or individual liability under this Ground Lease. No member, director, officer, agent or employee of the Authority shall at any time or under any circumstances be individually or personally liable under this Ground Lease to the City or to any other party whomsoever for anything done or omitted to be done by the Authority hereunder.

All liabilities under this Ground Lease on the part of the City shall be solely liabilities of the City as a public corporation, and the Authority hereby releases each and every member, officer and employee of the City from any personal or individual liability under this Ground Lease. No member, officer or employee of the City shall at any time or under any circumstances be individually or personally liable under this Ground Lease to the Authority or to any other party whomsoever for anything done or omitted to be done by the City hereunder.

**Section 4.04 Taxes.** The City covenants and agrees to pay any and all assessments of any kind or character and also all taxes, including possessory interest taxes, levied or assessed upon the Property.

**Section 4.05 Right of Entry.** The City reserves the right for any of its duly authorized representatives to enter upon the Property at any reasonable time to inspect the same.

**Section 4.06 Representations of the City.** The City represents and warrants to the Authority and the Trustee as follows:

(a) the City has the full power and authority to enter into, to execute and to deliver this Ground Lease, and to perform all of its duties and obligations hereunder, and has duly authorized the execution of this Ground Lease;

(b) except for Permitted Encumbrances, the Property is not subject to any dedication, easement, right of way, reservation in patent, covenant, condition, restriction, lien or encumbrance which would prohibit or materially interfere with the use of the Property for governmental purposes as contemplated by the City;

(c) all taxes, assessments or impositions of any kind with respect to the Property, except current taxes, have been paid in full; and

(d) the Property is necessary to the City in order for the City to perform its governmental functions.

**Section 4.07 Representations of the Authority.** The Authority represents and warrants to the City and the Trustee that the Authority has the full power and authority to enter into, to execute and to deliver this Ground Lease, and to perform all of its duties and obligations hereunder, and has duly authorized the execution and delivery of this Ground Lease.

## ARTICLE V

### ASSIGNMENT, SUBLEASING, MORTGAGING AND SELLING

**Section 5.01 Assignment and Subleasing.** This Ground Lease may be sold or assigned and the Property subleased, as a whole or in part, by the Authority without the necessity of obtaining the consent of the City, if an event of default occurs under the Lease Agreement. The Authority shall, within 30 days after such an assignment, sale or sublease, furnish or cause to be furnished to the City a true and correct copy of such assignment, sale or sublease, as the case may be.

**Section 5.02 Restrictions on City.** The City agrees that, except with respect to Permitted Encumbrances, it will not mortgage, sell, encumber, assign, transfer or convey the Property or any portion thereof during the term of this Ground Lease.

## ARTICLE VI

### TERM; TERMINATION

**Section 6.01 Term.** The term of this Ground Lease shall commence as of the date of commencement of the term of the Lease Agreement and shall remain in full force and effect from such date to and including the Termination Date, unless such term is extended or sooner terminated as hereinafter provided.

**Section 6.02 Extension; Early Termination.** If, on the Termination Date, the Bonds shall not be fully paid, or provision therefor made in accordance with Article X of the Indenture, or the Indenture shall not be discharged by its terms, or if the Rental Payments payable under the Lease Agreement shall have been abated at any time, then the term of this Ground Lease shall be automatically extended until the date upon which all Bonds shall be fully paid, or provision therefor made in accordance with Article X of the Indenture, and the Indenture shall be discharged by its terms, except that the term of this Ground Lease shall in no event be extended more than ten years. If, prior to the Termination Date, all Bonds shall be fully paid, or provisions therefor made in accordance with Article X of the Indenture, and the Indenture shall be discharged by its terms, the term of this Ground Lease shall end simultaneously therewith.

## ARTICLE VII

### MISCELLANEOUS

**Section 7.01 Binding Effect.** This Ground Lease shall inure to the benefit of and shall be binding upon the City, the Authority and their respective successors and assigns.

**Section 7.02 Severability.** In the event any provision of this Ground Lease shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

**Section 7.03 Amendments, Changes and Modifications.** This Ground Lease may be amended, changed, modified, altered or terminated only in accordance with the provisions of the Lease Agreement.



**Section 7.04 Assignment to Trustee.** The Authority and City acknowledge that the Authority has assigned its right, title and interest in and to this Ground Lease (but none of its obligations and none of its rights to provide consents or approvals hereunder) to the Trustee pursuant to certain provisions of the Assignment Agreement. The City consents to such assignment.

**Section 7.05 Execution In Counterparts.** This Ground Lease may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

**Section 7.06 Applicable Law.** This Ground Lease shall be governed by and construed in accordance with the laws of the State of California.

**Section 7.07 [Insurer as Third Party Beneficiary.** The Insurer is recognized as and shall be deemed to be a third party beneficiary of this Ground Lease and may enforce the provisions of this Ground Lease as if it were a party hereto.]

**Section 7.08 Captions.** The captions or headings in this Ground Lease are for convenience only and in no way define, limit or describe the scope or intent of any provisions or sections of this Ground Lease.

*[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK.]*

**IN WITNESS WHEREOF**, the Authority and the City have caused this Ground Lease to be executed by their respective officers hereunto duly authorized, all as of the day and year first above written.

CITY OF GOLETA

By: \_\_\_\_\_  
PAULA PEROTTE, MAYOR

ATTEST:

By: \_\_\_\_\_  
DEBORAH S. LOPEZ  
CITY CLERK

GOLETA FACILITIES FINANCING AUTHORITY

By: \_\_\_\_\_  
PAULA PEROTTE, CHAIR

ATTEST:

By: \_\_\_\_\_  
DEBORAH S. LOPEZ  
SECRETARY OF THE BOARD

**CERTIFICATE OF ACCEPTANCE**

This is to certify that the interest in the Property conveyed under the foregoing to the Goleta Facilities Financing Authority, a joint exercise of powers authority organized and existing under and by virtue of the Constitution and the laws of the State of California, is hereby accepted by the undersigned officer or agent on behalf of the Board of Directors of the Goleta Facilities Financing Authority, pursuant to authority conferred by resolution of said Board of Directors adopted on December 3, 2024, and the grantee consents to recordation thereof by its duly authorized officer.

Dated: \_\_\_\_\_, 2025

GOLETA FACILITIES FINANCING AUTHORITY

By: \_\_\_\_\_  
PAULA PEROTTE, CHAIR

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA )  
 ) ss.  
COUNTY OF SANTA BARBARA )

On \_\_\_\_\_ before me, \_\_\_\_\_, Notary Public,

personally appeared \_\_\_\_\_, who proved to me on the basis of satisfactory evidence to be the person(s) whose names(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal

\_\_\_\_\_  
SIGNATURE OF NOTARY PUBLIC

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA )  
 ) ss.  
COUNTY OF SANTA BARBARA )

On \_\_\_\_\_ before me, \_\_\_\_\_, Notary Public,

personally appeared \_\_\_\_\_, who proved to me on the basis of satisfactory evidence to be the person(s) whose names(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal

\_\_\_\_\_  
SIGNATURE OF NOTARY PUBLIC

**EXHIBIT A**

**LEGAL DESCRIPTION OF THE PROPERTY**

Real property in the City of Goleta, County of Santa Barbara, State of California, described as follows:

[To Be Inserted]

## **Attachment 7**

Form of Lease Agreement

---

**LEASE AGREEMENT**

**by and between**

**CITY OF GOLETA**

**and**

**GOLETA FACILITIES FINANCING AUTHORITY**

**Dated as of [February] 1, 2025**

**Relating to**

**\$\_\_\_\_\_**  
**GOLETA FACILITIES FINANCING AUTHORITY**  
**LEASE REVENUE BONDS, SERIES 2025A**

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## LEASE AGREEMENT

**THIS LEASE AGREEMENT** (this “Lease Agreement”) executed and entered into as of [February] 1, 2025, is by and between the CITY OF GOLETA (the “City”), a municipal corporation and general law city duly organized and existing under and by virtue of the Constitution and laws of the State of California, as lessee, and the GOLETA FACILITIES FINANCING AUTHORITY (the “Authority”), a joint exercise of powers entity duly organized and existing under and by virtue of the laws of the State of California, as lessor.

### RECITALS

**WHEREAS**, the City and the Authority desire to finance all or a portion of the design, acquisition, construction and/or installation of certain capital improvement projects in the City, including the Ekwill Street and Fowler Road extension (including the Hollister Avenue Old Town interim striping project), Cathedral Oaks crib wall repair, San Jose Creek bike path, Hollister Avenue Bridge replacement, and Goleta Train Depot and South La Patera improvements (collectively, the “Project”);

**WHEREAS**, the City and the Authority have determined that it would be in the best interests of the City and residents of the City to authorize the preparation, sale and delivery of the “Goleta Facilities Financing Authority Lease Revenue Bonds, Series 2025A” (the “Series 2025A Bonds”) for the purpose of financing the Project;

**WHEREAS**, in order to facilitate the issuance of the Series 2025A Bonds, the City will lease certain real property described in Exhibit A attached hereto and the improvements located thereon (the “Property”) to the Authority pursuant to a Ground Lease, dated as of the date hereof, and the City will sublease the Property back from the Authority pursuant to this Lease Agreement;

**WHEREAS**, the City and the Authority desire to provide for the issuance of the Series 2025A Bonds pursuant to an Indenture, dated as of the date hereof, by and among the Authority, the City and The Bank of New York Mellon Trust Company, N.A., as trustee (the “Trustee”);

**WHEREAS**, the Series 2025A Bonds are payable from base rental payments (the “Base Rental Payments”) to be made by the City hereunder;

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

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

**NOW, THEREFORE**, in consideration of the mutual covenants hereinafter contained, the parties hereto agree as follows:

**ARTICLE I**  
**DEFINITIONS**

**Section 1.01 Definitions.** Unless the context otherwise requires, the terms defined in this Section shall, for all purposes of this Lease Agreement, have the meanings herein specified, which meanings shall be equally applicable to both the singular and plural forms of any of the terms herein defined. Capitalized terms not otherwise defined herein shall have the meanings assigned to such terms in the Indenture.

“**Additional Bonds**” means bonds other than the Series 2025A Bonds issued under the Indenture in accordance with the provisions thereof.

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

“**Authority**” means the Goleta Facilities Financing Authority, a joint exercise of powers authority organized and existing under the laws of the State of California.

“**Base Rental Deposit Date**” means the fifth (5<sup>th</sup>) Business Day next preceding each Interest Payment Date.

“**Base Rental Payments**” means all amounts payable to the Authority from the City as Base Rental Payments pursuant to Section 3.01 hereof.

“**Base Rental Payment Schedule**” means the schedule of Base Rental Payments payable to the Authority from the City pursuant to Section 3.01 hereof and attached hereto as Exhibit C.

“**Bonds**” means the Series 2025A Bonds, and any Additional Bonds.

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

“**Closing Date**” means [February \_\_\_\_], 2025.

“**Costs**” means, with respect to the Project, together with any other proper item of cost not specifically mentioned herein, (a) costs of payment of, or reimbursement for, acquisition, design, construction, rehabilitation, installation, delivery and financing of the Project, including, but not limited to, the payment of real property rental, administrative costs and capital expenditures relating to acquisition, construction, installation, and demolition, inspection costs, filing and recording costs, printing costs, reproduction and binding costs, fees and charges of the Trustee pursuant to the Indenture and other financing documents, legal fees and charges, financial, accounting and other professional consultant fees, costs of rating agencies or credit ratings, fees for the printing, execution, transportation and safekeeping of the Series 2025A Bonds; (b) all other costs which the City shall be required to pay under the terms of any contract or contracts for the acquisition, construction, delivery and installation of the Project, and demolition work required for the Project, including, but not limited to, the cost of insurance; (c) any sums required to reimburse the City for advances made for any of the above items, or for any other costs incurred and for work done, which is properly chargeable to the Project; (d) any costs paid from the Net Insurance Proceeds to repair, restore or replace the Project; and (e) such other expenses not specified herein as may be necessary or incidental to the acquisition, construction,

delivery and installation of the Project, the financing thereof and the placing of the same in use and operation. Costs, as defined herein, shall be deemed to include the cost and expenses incurred by any agent of the City for any of the above mentioned items.

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

“**Indenture**” means the Indenture, dated as of the date hereof, by and among the Authority, the City and the Trustee, as originally executed and as it may from time to time be amended or supplemented in accordance with the provisions thereof.

“**Joint Powers Agreement**” means the Joint Exercise of Powers Agreement dated as of [November] 1, 2024, by and between the City and California Statewide Communities Development Authority, pursuant to which the Authority is established, as originally executed and as it may from time to time be amended in accordance with the provisions thereof.

“**Lease Agreement**” means this Lease Agreement, as originally executed and as it may from time to time be amended in accordance with the provisions hereof.

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

“**Permitted Encumbrances**” means, with respect to the Property, as of any particular time, (a) liens for general *ad valorem* taxes and assessments, if any, not then delinquent, or which the City may, pursuant to provisions of Article VI hereof, permit to remain unpaid, (b) the Assignment Agreement, (c) this Lease Agreement, (d) the Ground Lease, (e) any right or claim of any mechanic, laborer, materialman, supplier or vendor not filed or perfected in the manner prescribed by law as normally exist with respect to properties similar to the Property for the purposes for which it was acquired or is held by the City, (f) easements, rights of way, mineral rights, drilling rights and other rights, reservations, covenants, conditions or restrictions which exist of record as of the Closing Date which the City certifies in writing will not affect the intended use of the Property or impair the security granted to the Trustee for the benefit of the Owners of the Bonds by the Indenture and the Assignment Agreement and to which the Authority and the City consent in writing, (g) easements, rights of way, mineral rights, drilling rights and other rights, reservations, covenants, conditions or restrictions established following the Closing Date which the City certifies in writing do not affect the intended use of the Property or impair the security granted to the Trustee for the benefit of the Owners of the Bonds by the Indenture and the Assignment Agreement and to which the Authority and the City consent in writing, and (h) future subleases of the Property entered into by the City, as sublessor, and third party tenants, as sublessee, so long as such subleases are entered into in compliance with Section 9.05 hereof.

“**Project**” is defined in the Recitals and further described in Exhibit B attached hereto.

“**Project Agreement**” is defined in the Recitals.

“**Property**” means certain real property and improvements located thereon owned by the City and described in Exhibit A attached hereto and incorporated herein, commonly referred to as the [City of Goleta City Hall, located at 130 Cremona Drive, Goleta, California].

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

“**Rental Period**” means the twelve-month period commencing on May 1 of each year during the term of the Lease Agreement.

“**Series 2025A Bonds**” means the Goleta Facilities Financing Authority Lease Revenue Bonds, Series 2025A issued under the Indenture.

“**Termination Date**” means [May 1, 2055], unless extended or sooner terminated as provided in Section 2.02 hereof.

“**Trustee**” means the trustee appointed under the Indenture and referred to therein as the Trustee.

## ARTICLE II

### LEASE OF PROPERTY; TERM

#### Section 2.01 Lease of Property.

(a) The Authority hereby leases to the City and the City hereby leases from the Authority the Property, on the terms and conditions hereinafter set forth, subject to all Permitted Encumbrances.

(b) The leasing of the Property by the City to the Authority pursuant to the Ground Lease shall not effect or result in a merger of the City’s leasehold estate pursuant to this Lease Agreement and its fee estate as lessor under the Ground Lease, and the Authority shall continue to have a leasehold estate in the Property pursuant to the Ground Lease throughout the term thereof and hereof. The leasehold interest granted by the City to the Authority pursuant to the Ground Lease is and shall be independent of this Lease Agreement; this Lease Agreement shall not be an assignment or surrender of the leasehold interest granted to the Authority under the Ground Lease.

**Section 2.02 Term; Occupancy.** The term of this Lease Agreement shall commence on the Closing Date and shall end on the Termination Date, unless such term is extended or sooner terminated as hereinafter provided. If on the Termination Date the Bonds shall not be fully paid, or provision therefor made in accordance with Article X of the Indenture, or the Indenture shall not be discharged by its terms, or if the Rental Payments shall remain due and payable or shall have been abated at any time and for any reason, or amounts shall be due and owing hereunder or under the Indenture to the Insurer, then the term of this Lease Agreement shall be extended until the date upon which (i) all Bonds shall be fully paid, or provision therefor made in accordance with Article X of the Indenture, (ii) the Indenture shall be discharged by its terms and all Rental Payments shall have been paid in full or (iii) all amounts due and owing to the Insurer hereunder or under the Indenture shall be fully paid.

Notwithstanding the foregoing, the term of this Lease Agreement shall in no event be extended more than ten years beyond the Termination Date, such extended date being the “Maximum Lease Term.” If prior to the Termination Date, all Bonds shall be fully paid, or provision therefor made in accordance with Article X of the Indenture, the Indenture shall be discharged by its terms and all Rental Payments shall have been paid in full, then the term of this Lease Agreement shall end simultaneously therewith.

### **ARTICLE III**

#### **RENTAL PAYMENTS**

##### **Section 3.01 Base Rental Payments.**

(a) Subject to the provisions hereof relating to a revision of the Base Rental Payment Schedule pursuant to subsection (b) of this Section, the City shall pay to the Authority, as Base Rental Payments (subject to the provisions of Section 3.06 and Article VIII hereof) the amount at the times specified in the Base Rental Payment Schedule, a portion of which Base Rental Payments shall constitute principal, and a portion of which shall constitute interest. Rental Payments, including Base Rental Payments, shall be paid by the City to the Authority for and in consideration of the right to use and occupy the Property and in consideration of the continued right to the quiet use and enjoyment thereof during each Rental Period for which such Rental Payments are to be paid.

The obligation of the City to make the Base Rental Payments does not constitute a debt of the City or of the State of California, or of any political subdivision thereof, within the meaning of any constitutional or statutory debt limit or restriction, and does not constitute an obligation for which the City or the State of California is obligated to levy or pledge any form of taxation or for which the City or the State of California has levied or pledged any form of taxation.

(b) If the term of this Lease Agreement shall have been extended pursuant to Section 2.02 hereof, the obligation of the City to pay Rental Payments shall continue to and including the Base Rental Deposit Date preceding the date of termination of this Lease Agreement (as so extended pursuant to Section 2.02 hereof). Upon such extension, the Base Rental Payments shall be established so that they will be sufficient to pay all extended and unpaid Base Rental Payments; provided, however, that the Rental Payments payable in any Rental Period shall not exceed the annual fair rental value of the Property.

**Section 3.02 Additional Rental Payments.** The City shall also pay, as Additional Rental Payments, such amounts as shall be required for the payment of the following:

(a) all taxes and assessments of any type or nature charged to the Authority or the City or affecting the Property or the respective interests or estates of the Authority or the City therein;

(b) all reasonable administrative costs of the Authority relating to the Property including, but without limiting the generality of the foregoing, salaries, wages, fees and expenses, compensation and indemnification of the Trustee payable by the Authority under the Indenture, fees of auditors, accountants, attorneys or engineers, and all other necessary and reasonable administrative costs of the Authority or charges required to be paid by it in order to maintain its existence or to comply with the terms of the Indenture or the Lease Agreement or to defend the Authority and its members, officers, agents and employees;

- (c) insurance premiums for all insurance required pursuant to Article VI hereof;
- (d) any amounts with respect to the Lease Agreement or the Bonds required to be rebated to the federal government in accordance with Section 148(f) of the Code;
- (e) all amounts due to the Insurer under the Indenture; and
- (f) all other payments required to be paid by the City under the provisions of this Lease Agreement or the Indenture.

Amounts constituting Additional Rental Payments payable hereunder shall be paid by the City directly to the person or persons to whom such amounts shall be payable. The City shall pay all such amounts when due or at such later time as such amounts may be paid without penalty or, in any other case, within 60 days after notice in writing from the Trustee to the City stating the amount of Additional Rental Payments then due and payable and the purpose thereof.

**Section 3.03 Fair Rental Value.** The parties hereto have agreed and determined that the annual fair rental value of the Property is not less than the maximum annual Rental Payments due in any year. In making such determination of fair rental value, consideration has been given to the uses and purposes that may be served by the Property and the benefits therefrom which will accrue to the City and the general public. Payments of the Rental Payments for the Property during each Rental Period shall constitute the total rental for said Rental Period.

**Section 3.04 Payment Provisions.** Each installment of Base Rental Payments payable hereunder shall be paid in lawful money of the United States of America to or upon the order of the Authority at the principal office of the Trustee in Los Angeles, California, or such other place or entity as the Authority or Trustee shall designate. Each Base Rental Payment shall be deposited with the Trustee no later than the Base Rental Deposit Date preceding the Interest Payment Date on which such Base Rental Payment is due. Any Base Rental Payment which shall not be paid by the City when due and payable under the terms of this Lease Agreement shall bear interest from the date when the same is due hereunder until the same shall be paid at the rate equal to the highest rate of interest on any of the Outstanding Bonds. Notwithstanding any dispute between the Authority and the City, the City shall make all Rental Payments when due without deduction or offset of any kind and shall not withhold any Rental Payments pending the final resolution of such dispute. In the event of a determination that the City was not liable for said Rental Payments or any portion thereof, said payments or excess of payments, as the case may be, shall be credited against subsequent Rental Payments due hereunder or refunded at the time of such determination. Amounts required to be deposited by the City with the Trustee pursuant to this Section on any date shall be reduced to the extent of available amounts on deposit in the Base Rental Payment Fund, the Interest Fund or the Principal Fund.

**Section 3.05 Appropriations Covenant.** The City covenants to take such action as may be necessary to include all Rental Payments due hereunder as a separate line item in its biennial budgets and to make necessary annual appropriations for all such Rental Payments. The City will deliver to the Authority and the Trustee a Certificate of the City stating that its final biennial budget includes all Base Rental Payments due in the fiscal years addressed in such budget within ten days after the filing or adoption thereof. The covenants on the part of the City herein contained shall be deemed to be and shall be construed to be duties imposed by law and it shall be the duty of each and every public official of the City to take such action and do such things as are required by law in the performance of the



official duty of such officials to enable the City to carry out and perform the covenants and agreements in this Lease Agreement agreed to be carried out and performed by the City.

**Section 3.06 Rental Abatement.** Except as otherwise specifically provided in this Section, during any period in which, by reason of material damage to, or destruction or condemnation of, the Property, or any defect in title to the Property, there is substantial interference with the City's right to use and occupy any portion of the Property, Rental Payments shall be abated proportionately, and the City waives the benefits of Civil Code Sections 1932(1), 1932(2) and 1933(4) and any and all other rights to terminate the Lease Agreement by virtue of any such interference, and the Lease Agreement shall continue in full force and effect. The amount of such abatement shall be agreed upon by the City and the Authority; provided, however, that the Rental Payments due for any Rental Period shall not exceed the annual fair rental value of that portion of the Property available for use and occupancy by the City during such Rental Period. The City and the Authority shall calculate such abatement and shall provide the Trustee with a certificate setting forth such calculation and the basis therefor. Such abatement shall continue for the period commencing with the date of interference resulting from such damage, destruction, condemnation or title defect and, with respect to damage to or destruction of the Property, ending with the substantial completion of the work of repair or replacement of the Property, or the portion thereof so damaged or destroyed; and the term of this Lease Agreement shall be extended as provided in Section 2.02 hereof, except that the term shall in no event be extended beyond the Maximum Lease Term.

Notwithstanding the foregoing, to the extent that moneys are available for the payment of Rental Payments in any of the funds and accounts established under the Indenture or proceeds of the rental interruption insurance required by section 601(d) hereof are available, Rental Payments shall not be abated as provided above but, rather, shall be payable by the City as a special obligation payable solely from said funds, accounts, and proceeds.

## ARTICLE IV

### ACQUISITION, CONSTRUCTION AND IMPROVEMENT OF THE PROJECT

**Section 4.01 Deposit of Bond Proceeds; City Deposit.** Upon the issuance of the Series 2025A Bonds, the Authority agrees that all proceeds of the Series 2025A Bonds shall be paid to the Trustee and that such moneys shall be deposited with the Trustee and be applied as provided in Section 3.02 of the Indenture

**Section 4.02 Acquisition, Construction and Improvement of the Project.** The City agrees to acquire, construct, deliver and install any portion of the Project to be financed with the proceeds of the Series 2025A Bonds, or to cause such portion to be acquired, constructed, delivered and installed, with the proceeds of Series 2025A Bonds paid to the City by the Authority pursuant to Section 4.01 above and the Authority shall have no responsibility with respect thereto.

**Section 4.03 Compliance with Law.** The City shall comply with all applicable provisions for bids and contracts prescribed by law with respect to the Project, including, without limitation, any applicable environmental review and approvals, Sections 20110 et seq. of the Public Contracts Code and Article 42 (commencing with Section 20670 of Part 3 of Division 2 of the Public Contracts Code. The City acknowledges and agrees that specific expenditures for all or any portion of the Project, as now or hereafter designated, are expressly subject to compliance with such requirements.

**Section 4.04 Payment of Costs.** Payment of Costs shall be made from the moneys deposited with the Trustee in the Project Fund as provided in Section 4.01 hereof and Section 3.05 of the Indenture, which shall be disbursed from the Project Fund in accordance and upon compliance with Section 3.05 of the Indenture.

**Section 4.05 Time of Completion.** The construction and equipping of the Project shall be completed on or prior to [February 1, 2028], subject to excused delays pursuant to standard City procedures.

**Section 4.06 Construction and Acquisition of the Project.** The City agrees to oversee the construction, acquisition, delivery and installation of the Project in accordance with the following terms:

(a) Construction and Completion. The City agrees to proceed with all due diligence to complete the construction, acquisition, delivery and installation of the Project, all in accordance with the plans and specifications for the Project (the “Plans and Specifications”) approved by the City Engineer. The City shall comply with all statutes and laws applicable to the performance of its obligations hereunder, including all public laws applicable thereto and all laws regarding the approval, acquisition and construction of public projects by cities in the State of California. The City shall make certain that each contract relating to the Project is awarded in accordance with applicable law and contains a scheduled completion date which requires completion on or before the scheduled Completion Date referred to in Section 4.05 above;

(b) Reserved.

(c) Payment of Costs of the Project. Payment of the portion of the Costs of the Project being financed by the City shall be made from moneys deposited in the Project Fund, and shall be disbursed for such purpose in accordance and upon compliance with the Indenture. Neither the Authority nor the City shall be liable for the payment of Costs of the Project other than from amounts on deposit in the Project Fund; and

(d) Unexpended Monies. The City agrees that unexpended moneys remaining in the Project Fund shall, upon payment in full of all Costs of the Project, be applied solely in accordance with the provisions of the Indenture.

## ARTICLE V

### MAINTENANCE, ALTERATIONS AND ADDITIONS

#### Section 5.01 Modification of the Property.

(a) Subject to Section 9.02 hereof, the City and any sublessee shall, at its own expense, or with the proceeds of Additional Bonds, have the right to make additions, modifications, and improvements to any portion of the Property if such improvements are necessary or beneficial for the use of such portion of the Property. All such additions, modifications and improvements shall thereafter comprise part of the Property and be subject to the provisions of this Lease Agreement. Such additions, modifications and improvements shall not in any way cause an abatement of Rental Payments with respect to the Property or cause it to be used for purposes other than those authorized under the provisions of State and federal law or in any way which would impair the State tax-exempt

status or the exclusion from gross income for federal income tax purposes of the interest on the Bonds and Additional Bonds (to the extent such Additional Bonds were issued as tax exempt Bonds); and the Property, upon completion of any additions, modifications and improvements made pursuant to this Section, shall have an annual fair rental value which is not less than the annual Rental Payments.

(b) Subject to Section 9.02 hereof, the City and any sublessee shall, at its own expense, or with the proceeds of Additional Bonds, have the right to make replacements, redevelopment or renovation of all or a portion of the Property if the following conditions precedent are satisfied:

(i) The City receives an opinion of Bond Counsel, a copy of which the City shall furnish to the Authority and the Trustee, that (1) such replacement does not adversely affect the federal income tax exclusion or the State tax-exempt status of the interest on the Bonds and Additional Bonds (to the extent such Additional Bonds were issued as tax exempt Bonds), and (2) this Lease will remain the legal, valid, binding and enforceable obligation of the City;

(ii) In the event such replacement, redevelopment or renovation would result in the temporary abatement of Rental Payments as provided in Section 3.06 hereof the City shall have notified any rating agency then providing a rating on the Bonds and shall deposit moneys with the Trustee in advance for payment of Rental Payments from the proceeds of Additional Bonds or from special funds of the City or other moneys, the application of which would not, in the opinion of Bond Counsel (a copy of which shall have been delivered to the Trustee), result in such Rental Payments constituting indebtedness of the City in contravention of the Constitution and laws of the State; and

(iii) The City shall certify to the Trustee that it has sufficient funds to complete such replacement, redevelopment or renovation.

**Section 5.02 Maintenance and Utilities.** Throughout the term of this Lease Agreement, as part of the consideration for rental of the Property, all improvement, repair and maintenance of the Property shall be the responsibility of the City, and the City shall pay for or otherwise arrange for the payment of all utility services supplied to the Property, which may include, without limitation, janitor service, security, power gas, telephone, light, heating, ventilation, air conditioning, water and all other utility services, and shall pay for or otherwise arrange for payment of the cost of the repair and replacement of the Property resulting from ordinary wear and tear or want of care on the part of the City or any assignee or sublessee thereof. In exchange for the Rental Payments, the Authority agrees to provide only the Property.

**Section 5.03 Installation of City's Equipment.** The City and any sublessee may at any time and from time to time, in its sole discretion and at its own expense, install or permit to be installed items of equipment or other personal property in or upon the Property. All such items shall remain the sole property of the City or such sublessee, and neither the Authority nor the Trustee shall have any interest therein. The City or such sublessee may remove or modify such equipment or other personal property at any time, provided that such party shall repair and restore any and all damage to the Property resulting from the installation, modification or removal of any such items. Nothing in this Lease Agreement shall prevent the City or any sublessee from purchasing items to be installed pursuant to this Section under a conditional sale or lease purchase contract, or subject to a vendor's lien or security agreement as security for the unpaid portion of the purchase price thereof, provided that no such lien or security interest shall attach to any part of the Property.

## ARTICLE VI

### INSURANCE

#### **Section 6.01 Commercial General Liability and Property Damage Insurance; Workers' Compensation Insurance.**

(a) The City shall maintain or cause to be maintained, throughout the term of this Lease Agreement, a standard commercial general liability insurance policy or policies in protection of the City, the Authority and their respective members, officers, agents and employees. Said policy or policies shall provide for indemnification of said parties against direct or contingent loss or liability for damages for bodily and personal injury, death or property damage occasioned by reason of the use or ownership of the Property. Said policy or policies shall provide coverage in the minimum liability limits of \$1,000,000 for personal injury or death of each person and \$3,000,000 for personal injury or deaths of two or more persons in a single accident or event, and in a minimum amount of \$500,000 for damage to property (subject to a deductible clause of not to exceed \$100,000) resulting from a single accident or event. Such commercial general liability and property damage insurance may, however, be in the form of a single limit policy in the amount of \$3,000,000 covering all such risks. Such liability insurance may be maintained as part of or in conjunction with any other liability insurance coverage carried or required to be carried by the City, and may be maintained in whole or in part in the form of self-insurance by the City provided such self-insurance complies with the provisions of Section 6.04 hereof. The Net Insurance Proceeds of such liability insurance shall be applied toward extinguishment or satisfaction of the liability with respect to which the Net Insurance Proceeds of such insurance shall have been paid.

(b) The City shall maintain or cause to be maintained, throughout the term of this Lease Agreement, workers' compensation insurance issued by a responsible carrier authorized under the laws of the State of California to insure employers against liability for compensation under the California Labor Code, or any act enacted as an amendment or supplement thereto or in lieu thereof, such workers' compensation insurance to cover all persons employed by the City in connection with the Property and to cover full liability for compensation under any such act; provided, however, that the City's obligations under this subsection may be satisfied by self-insurance, provided such self-insurance complies with the provisions of Section 6.04 hereof.

(c) The City shall maintain or cause to be maintained, fire, lightning and special extended coverage insurance (which shall include coverage for vandalism and malicious mischief, but need not include coverage for earthquake damage) on all improvements constituting any part of the Property in an amount equal to the greater of 100% of the replacement cost of such improvements or 100% of the outstanding principal amount of the Bonds. The City has an insurance policy which provides replacement cost coverage. All insurance required to be maintained pursuant to this subsection may be subject to a deductible in an amount not to exceed \$500,000. The City's obligations under this subsection may be satisfied by self-insurance, provided such self-insurance complies with the provisions of Section 6.04 hereof.

(d) The City shall maintain rental interruption insurance to cover the Authority's loss, total or partial, of Base Rental Payments resulting from the loss, total or partial, of the use of any part of the Property as a result of any of the hazards required to be covered pursuant to subsection (c) of this Section in an amount sufficient at all times to pay an amount not less than the product of two times the maximum amount of Base Rental Payments scheduled to be paid during any Rental Period.

The City's obligations under this subsection may be satisfied by self-insurance, provided such self-insurance complies with the provisions of Section 6.04 hereof.

(e) The insurance required by this Section shall be provided by reputable insurance companies with claims paying abilities determined, in the reasonable opinion of a professionally certified risk manager or an independent insurance consultant, to be adequate for the purposes hereof.

**Section 6.02 Title Insurance.** The City shall provide, at its own expense, one or more CLTA or ALTA title insurance policies for the Property, in the aggregate amount of not less than the initial aggregate principal amount of the Series 2025A Bonds and the initial aggregate principal amount of any Additional Bonds issued after the Closing Date. Such policy or policies shall insure (a) the fee interest of the City in the Property, (b) the Authority's ground leasehold estate in the Property under the Ground Lease, and (c) the City's leasehold estate hereunder in the Property, subject only to Permitted Encumbrances. All Net Insurance Proceeds received under said policy or policies shall be deposited with the Trustee and applied as provided in Section 5.03 of the Indenture. So long as any of the Bonds remain Outstanding, each policy of title insurance obtained pursuant to the Indenture or this Lease Agreement or required thereby or hereby shall provide that all proceeds thereunder shall be payable to the Trustee for the benefit of the Bond Owners.

**Section 6.03 Additional Insurance Provision; Form of Policies.** The City shall pay or cause to be paid when due the premiums for all insurance policies required by Section 6.01 hereof, and shall promptly furnish or cause to be furnished evidence of such payments to the Trustee. All such policies shall provide that the Trustee shall be given 30 days' notice of the expiration thereof or any intended cancellation thereof. The Trustee shall be fully protected in accepting payment on account of such insurance or any adjustment, compromise or settlement of any loss agreed to by the Trustee.

The City shall cause to be delivered to the Trustee on or before August 15 each year, commencing August 15, 2025, a Certificate of the City stating that such policies are in full force and effect and that the City is in full compliance with the requirements of this Article. The Trustee shall be entitled to rely upon said Certificate of the City as to the City's compliance with this Article. The Trustee shall not be responsible for the sufficiency of coverage or amounts of such policies.

**Section 6.04 Self-Insurance.** Insurance provided through a California joint powers authority of which the City is a member or with which the City contracts for insurance shall be deemed to be self-insurance for purposes hereof. Any self-insurance maintained by the City pursuant to this Article shall comply with the following terms:

(a) the self-insurance program shall be approved in writing by the City's Risk Manager, a professionally certified risk manager, or an independent insurance consultant;

(b) the self-insurance program shall include an actuarially sound claims reserve fund out of which each self-insured claim shall be paid, the adequacy of each such fund shall be evaluated on an annual basis by the City's Risk Management Department, a professionally certified risk manager or an independent insurance consultant and any deficiencies in any self-insured claims reserve fund shall be remedied in accordance with the recommendation of the City's Risk Management Department, a professionally certified risk manager or an independent insurance consultant, as applicable; and

(c) in the event that the self-insurance program shall be discontinued, the actuarial soundness of its claims reserve fund, as determined by a professionally certified risk manager or by an independent insurance consultant, shall be maintained.

## ARTICLE VII

### DEFAULTS AND REMEDIES

#### Section 7.01 Defaults and Remedies.

(a) (i) If the City shall fail (A) to pay any Rental Payment payable hereunder when the same becomes due and payable, time being expressly declared to be of the essence in this Lease Agreement, or (B) to keep, observe or perform any other term, covenant or condition contained herein or in the Indenture to be kept or performed by the City, or (ii) upon the happening of any of the events specified in this subsection or in subsection (b) of this Section, the City shall be deemed to be in default hereunder and it shall be lawful for the Authority, upon the direction of the Insurer, to exercise any and all remedies available pursuant to law or granted pursuant to this Lease Agreement. The City shall in no event be in default in the observance or performance of any covenant, condition or agreement in this Lease Agreement on its part to be observed or performed, other than as referred to in clause (i)(A) or (ii) of the preceding sentence, unless the City shall have failed, for a period of 30 days or, with the prior written consent of the Insurer, such additional time as is reasonably required to correct any such default after notice by the Authority to the Insurer and the City properly specifying wherein the City has failed to perform any such covenant, condition or agreement. Upon any such default, the Authority, in addition to all other rights and remedies it may have at law, shall have the option to do any of the following:

(1) To terminate this Lease Agreement in the manner hereinafter provided on account of default by the City, notwithstanding any re-entry or re-letting of the Property as hereinafter provided for in subparagraph (2) hereof, and to re-enter the Property and remove all persons in possession thereof and all personal property whatsoever situated upon the Property and place such personal property in storage in any warehouse or other suitable place, for the account of and at the expense of the City. In the event of such termination, the City agrees to surrender immediately possession of the Property, without let or hindrance, and to pay the Authority all damages recoverable at law that the Authority may incur by reason of default by the City, including, without limitation, any costs, loss or damage whatsoever arising out of, in connection with, or incident to any such re-entry upon the Property and removal and storage of such property by the Authority or its duly authorized agents in accordance with the provisions herein contained. Neither notice to pay Rental Payments or to deliver up possession of the Property given pursuant to law nor any entry or re-entry by the Authority nor any proceeding in unlawful detainer, or otherwise, brought by the Authority for the purpose of effecting such re-entry or obtaining possession of the Property nor the appointment of a receiver upon initiative of the Authority to protect the Authority's interest under this Lease Agreement shall of itself operate to terminate this Lease Agreement, and no termination of this Lease Agreement on account of default by the City shall be or become effective by operation of law or acts of the parties hereto, or otherwise, unless and until the Authority shall have given written notice to the City of the election on the part of the Authority to terminate this Lease Agreement. The City covenants and agrees that no surrender of the Property or of the remainder of the term hereof or any termination of this Lease Agreement shall be valid in any manner or for any purpose whatsoever unless stated by the Authority by such written notice.

(2) Without terminating this Lease Agreement, (x) to collect each installment of Rental Payments as the same become due and enforce any other terms or provisions hereof to be kept or performed by the City, regardless of whether or not the City has abandoned the Property, or (y) to exercise any and all rights of entry and re-entry upon the Property. In the event the Authority, at the direction of the Insurer, does not elect to terminate this Lease Agreement in the manner provided for in subparagraph (1) hereof, the City shall remain liable and agrees to keep or perform all covenants and conditions herein contained to be kept or performed by the City and, if the Property is not re-let, to pay the full amount of the Rental Payments to the end of the term of this Lease Agreement or, in the event that the Property is re-let, to pay any deficiency in Rental Payments that results therefrom; and further agrees to pay said Rental Payments and/or Rental Payment deficiency punctually at the same time and in the same manner as hereinabove provided for the payment of Rental Payments hereunder, notwithstanding the fact that the Authority may have received in previous years or may receive thereafter in subsequent years Rental Payments in excess of the Rental Payments herein specified, and notwithstanding any entry or re-entry by the Authority or suit in unlawful detainer, or otherwise, brought by the Authority for the purpose of effecting such re-entry or obtaining possession of the Property. Should the Authority elect to re-enter as herein provided, the City hereby irrevocably appoints the Authority as the agent and attorney-in-fact of the City to re-let the Property, or any part thereof, from time to time, either in the Authority's name or otherwise, upon such terms and conditions and for such use and period as the Authority may deem advisable and to remove all persons in possession thereof and all personal property whatsoever situated upon the Property and to place such personal property in storage in any warehouse or other suitable place, for the account of and at the expense of the City, and the City hereby indemnifies and agrees to save harmless the Authority from any costs, loss or damage whatsoever arising out of, in connection with, or incident to any such re-entry upon and re-letting of the Property and removal and storage of such property by the Authority or its duly authorized agents in accordance with the provisions herein contained. The City agrees that the terms of this Lease Agreement constitute full and sufficient notice of the right of the Authority to re-let the Property in the event of such re-entry without effecting a surrender of this Lease Agreement, and further agrees that no acts of the Authority in effecting such re-letting shall constitute a surrender or termination of this Lease Agreement irrespective of the use or the term for which such re-letting is made or the terms and conditions of such re-letting, or otherwise, but that, on the contrary, in the event of such default by the City the right to terminate this Lease Agreement shall vest in the Authority to be effected in the sole and exclusive manner provided for in subparagraph (1) hereof. The City further agrees to pay the Authority the cost of any alterations or additions to the Property necessary to place the Property in condition for re-letting immediately upon notice to the City of the completion and installation of such additions or alterations.

The City hereby waives any and all claims for damages caused or which may be caused by the Authority in re-entering and taking possession of the Property as herein provided and all claims for damages that may result from the destruction of or injury to the Property and all claims for damages to or loss of any property belonging to the City, or any other person, that may be in or upon the Property.

(b) If (i) the City's interest in this Lease Agreement or any part thereof is assigned or transferred, either voluntarily or by operation of law or otherwise, without the written consent of the Authority and, as hereinafter provided for, or (ii) the City or any assignee shall file any petition or institute any proceeding under any act or acts, state or federal, dealing with or relating to the subject or subjects of bankruptcy or insolvency, or under any amendment of such act or acts, either as a bankrupt or as an insolvent, or as a debtor, or in any similar capacity, wherein or whereby the City asks or seeks or prays to be adjudicated a bankrupt, or is to be discharged from any or all of the City's debts or obligations, or offers to the City's creditors to elect a composition or extension of time to pay the

City's debts or asks, seeks or prays for reorganization or to effect a plan of reorganization, or for a readjustment of the City's debts, or for any other similar relief, or if any such petition or any such proceedings of the same or similar kind or character be filed or be instituted or taken against the City, or if a receiver of the business or of the property or assets of the City shall be appointed by any court, except a receiver appointed at the instance or request of the Authority, or if the City shall make a general assignment for the benefit of the City's creditors, or (iii) the City shall abandon or vacate the Property, then the City shall be deemed to be in default hereunder.

(c) In addition to the other remedies set forth in this Section, upon the occurrence of an event of default, the Authority and its assignee shall be entitled to proceed to protect and enforce the rights vested in the Authority and its assignee by the Lease Agreement or by law. The provisions of the Lease Agreement and the duties of the City and of its city council, officers or employees shall be enforceable by the Authority or its assignee by mandamus or other appropriate suit, action or proceeding in any court of competent jurisdiction. Without limiting the generality of the foregoing, the Authority and its assignee shall have the right to bring the following actions:

(i) Accounting. By action or suit in equity to require the City and its city council, officers and employees and its assigns to account as the trustee of an express trust.

(ii) Injunction. By action or suit in equity to enjoin any acts or things which may be unlawful or in violation of the rights of the Authority or its assignee.

(iii) Mandamus. By mandamus or other suit, action or proceeding at law or in equity to enforce the Authority's or its assignee's rights against the City (and its city council, officers and employees) and to compel the City to perform and carry out its duties and obligations under the law and its covenants and agreements with the City as provided herein.

Each and all of the remedies given to the Authority hereunder or by any law now or hereafter enacted are cumulative and the single or partial exercise of any right, power or privilege hereunder shall not impair the right of the Authority to the further exercise thereof or the exercise of any or all other rights, powers or privileges. The term "re-let" or "re-letting" as used in this Section shall include, but not be limited to, re-letting by means of the operation by the Authority of the Property. If any statute or rule of law validly shall limit the remedies given to the Authority hereunder, the Authority nevertheless shall be entitled to whatever remedies are allowable under any statute or rule of law.

In the event the Authority shall prevail in any action brought to enforce any of the terms and provisions of this Lease Agreement, the City agrees to pay a reasonable amount as and for attorney's fees incurred by the Authority in attempting to enforce any of the remedies available to the Authority hereunder.

Notwithstanding anything to the contrary contained in this Lease Agreement, the Authority shall have no right upon a default hereunder by the City to accelerate Rental Payments.

(d) Notwithstanding anything to the contrary contained in this Lease Agreement, the termination of this Lease Agreement by the Authority and its assignees on account of a default by the City under this Section shall not effect or result in a termination of the Ground Lease.



**Section 7.02 Waiver.** Failure of the Authority to take advantage of any default on the part of the City shall not be, or be construed as, a waiver thereof, nor shall any custom or practice which may grow up between the parties in the course of administering this instrument be construed to waive or to lessen the right of the Authority to insist upon performance by the City of any term, covenant or condition hereof, or to exercise any rights given the Authority on account of such default. A waiver of a particular default shall not be deemed to be a waiver of any other default or of the same default subsequently occurring. The acceptance of Rental Payments hereunder shall not be, or be construed to be, a waiver of any term, covenant or condition of this Lease Agreement.

## **ARTICLE VIII**

### **EMINENT DOMAIN; PREPAYMENT**

**Section 8.01 Eminent Domain.** If all of the Property (or portions thereof such that the remainder is not usable for public purposes by the City) shall be taken under the power of eminent domain, the term hereof shall cease as of the day that possession shall be so taken. If less than all of the Property shall be taken under the power of eminent domain and the remainder is usable for public purposes by the City at the time of such taking, then the Lease Agreement shall continue in full force and effect as to such remainder, and the parties waive the benefits of any law to the contrary, and in such event there shall be a partial abatement of the Rental Payments in accordance with the provisions of Section 3.06 hereof. So long as any Bonds shall be Outstanding, any award made in eminent domain proceedings for the taking of the Property, or any portion thereof, shall be paid to the Trustee and applied to the redemption of Bonds as provided in subsection (a) of Section 4.01 of the Indenture, in the corresponding provisions of any Supplemental Indenture pursuant to which Additional Bonds are issued and in Section 5.03 of the Indenture. Any such award made after all of the Bonds, and all other amounts due under the Indenture and hereunder, have been fully paid, shall be paid to the Authority and to the City as their respective interests may appear.

#### **Section 8.02 Prepayment.**

(a) The City may prepay all or a portion of the Base Rental Payments attributable to the Series 2025A Bonds which are payable on or after May 1, 20\_\_\_\_ from any source of available funds, on any date on or after May 1, 20\_\_\_\_, by paying a prepayment price equal to (i) all or a portion, as selected by the City, of the principal components of such Base Rental Payments, and (ii) the accrued but unpaid interest component of such Base Rental Payments to be prepaid to the date of such prepayment.

(b) The City may prepay, from any source of available funds, all or any portion of the Base Rental Payments attributable to the Series 2025A Bonds by depositing with the Trustee moneys or securities as provided, and subject to the terms and conditions set forth, in Article X of the Indenture sufficient to make such Base Rental Payments when due or to make such Base Rental Payments through a specified date on which the City has a right to prepay such Base Rental Payments pursuant to subsection (a) of this Section, and to prepay such Base Rental Payments on such prepayment date, at a prepayment price determined in accordance with subsection (a) of this Section.

(c) If less than all of the Base Rental Payments attributable to the Series 2025A Bonds are prepaid pursuant to this Section then, as of the date of such prepayment pursuant to subsection (a) of this Section, or the date of a deposit pursuant to subsection (b) of this Section, the principal and interest components of such Base Rental Payments shall be recalculated by the City and

transmitted to the Trustee in order to take such prepayment into account. The City agrees that if, following a partial prepayment of such Base Rental Payments, the Property is damaged or destroyed or taken by eminent domain, or a defect in title to the Property is discovered, the City shall not be entitled to, and by such prepayment waives the right of, abatement of such prepaid Base Rental Payments and the City shall not be entitled to any reimbursement of such Base Rental Payments.

(d) If all of the Base Rental Payments are prepaid in accordance with the provisions of this Lease Agreement then, as of the date of such prepayment pursuant to subsection (a) of this Section and, if applicable, the corresponding provisions hereof relating to the prepayment of Base Rental Payments attributable to Additional Bonds, or deposit pursuant to subsection (b) of this Section and, if applicable, such corresponding provisions, and payment of all other amounts owed under this Lease Agreement, the term of this Lease Agreement shall be terminated.

(e) Prepayments of Base Rental Payments attributable to the Series 2025A Bonds made pursuant to this Section shall be applied to the redemption of the Series 2025A Bonds as directed by the City and as provided in Section 4.01 of the Indenture.

(f) Before making any prepayment pursuant to this Article, the City shall give written notice to the Authority and the Trustee specifying the date on which the prepayment will be made (conditionally or otherwise), which date shall be not less than 20 nor more than 60 days from the date such notice is given to the Authority.

## ARTICLE IX

### COVENANTS

**Section 9.01 Right of Entry.** The Authority and its assignees shall have the right to enter upon and to examine and inspect the Property during reasonable business hours (and in emergencies at all times) for any purpose connected with the Authority's rights or obligations under this Lease Agreement, and for all other lawful purposes.

**Section 9.02 Liens.** In the event the City shall at any time during the term of this Lease Agreement cause any changes, alterations, additions, improvements, or other work to be done or performed or materials to be supplied, in or upon the Property, the City shall pay, when due, all sums of money that may become due for, or purporting to be for, any labor, services, materials, supplies or equipment furnished or alleged to have been furnished to or for the City in, upon or about the Property and which may be secured by a mechanics', materialmen's or other lien against the Property or the Authority's interest therein, and will cause each such lien to be fully discharged and released at the time the performance of any obligation secured by any such lien matures or becomes due, except that, if the City desires to contest any such lien, it may do so as long as such contestment is in good faith. If any such lien shall be reduced to final judgment and such judgment or such process as may be issued for the enforcement thereof is not promptly stayed, or if so stayed and said stay thereafter expires, the City shall forthwith pay and discharge said judgment.

**Section 9.03 Quiet Enjoyment.** The parties hereto mutually covenant that the City, by keeping and performing the covenants and agreements herein contained, shall at all times during the term of this Lease Agreement peaceably and quietly have, hold and enjoy the Property without suit, trouble or hindrance from the Authority.

**Section 9.04 Authority Not Liable.** The Authority and its directors, officers, agents and employees, shall not be liable to the City or to any other party whomsoever for any death, injury or damage that may result to any person or property by or from any cause whatsoever in, on or about the Property. To the extent permitted by law, the City shall, at its expense, indemnify and hold the Authority and the Trustee and all directors, members, officers and employees thereof harmless against and from any and all claims by or on behalf of any person, firm, corporation or governmental authority arising from the acquisition, construction, occupation, use, operation, maintenance, possession, conduct or management of or from any work done in or about the Property or from the subletting of any part thereof, including any liability for violation of conditions, agreements, restrictions, laws, ordinances, or regulations affecting the Property or the occupancy or use thereof, but excepting the negligence or willful misconduct of the persons or entity seeking indemnity. The City also covenants and agrees, at its expense, to pay and indemnify and save the Authority and the Trustee and all directors, officers and employees thereof harmless against and from any and all claims arising from (a) any condition of the Property and the adjoining sidewalks and passageways, (b) any breach or default on the part of the City in the performance of any covenant or agreement to be performed by the City pursuant to this Lease Agreement, (c) any act or negligence of licensees in connection with their use, occupancy or operation of the Property, or (d) any accident, injury or damage whatsoever caused to any person, firm or corporation in or about the Property or upon or under the sidewalks and from and against all costs, reasonable counsel fees, expenses and liabilities incurred in any action or proceeding brought by reason of any claim referred to in this Section, but excepting the negligence or willful misconduct of the person or entity seeking indemnity. In the event that any action or proceeding is brought against the Authority or the Trustee or any director, member, officer or employee thereof, by reason of any such claim, the City, upon notice from the Authority or the Trustee or such director, member, officer employee thereof, covenants to resist or defend such action or proceeding by counsel reasonably satisfactory to the Authority or the Trustee or such director, member, officer or employee thereof.

**Section 9.05 Assignment and Subleasing.** This Lease Agreement may not be assigned by the City. The City may sublease the Property or any portion thereof to any other person or entity for any other purpose, subject to the satisfaction of all of the following conditions (a) through (d) below:

(a) this Lease Agreement and the obligation of the City to make all Rental Payments hereunder shall remain the primary obligation of the City;

(b) the City shall, within 30 days after the delivery thereof, furnish or cause to be furnished to the Authority and the Trustee a true and complete copy of such sublease;

(c) any sublease of the Property by the City shall explicitly provide that such sublease is subject to all rights of the Authority under the Lease Agreement, including, the right to re-enter and re-let the Property or terminate the Lease Agreement upon a default by the City; and

(d) the City shall furnish the Authority and the Trustee with an Opinion of Counsel to the effect that such sublease will not, in and of itself, cause the interest on the Bonds to be included in gross income for federal income tax purposes.

Notwithstanding any other provision of this Lease Agreement, so long as (a) the Insured Series 2025A Bonds are Outstanding or any amounts are due and payable to the Insurer and (b) so long as the Policy is in effect and the Insurer is not in default in respect of its payment obligations thereunder, no

sublease, release, sale, disposition or substitution of the Property shall occur without the prior written consent of the Insurer.

**Section 9.06 Title to Property.** Upon the termination or expiration of this Lease Agreement (other than as provided in Section 7.01 and Section 8.01 hereof), and the first date upon which the Bonds are no longer Outstanding, all right, title and interest in and to the Property shall vest in the City. Upon any such termination or expiration, the Authority shall execute such conveyances, deeds and other documents as may be necessary to effect such vesting of record.

**Section 9.07 Authority's Purpose.** The Authority covenants that, prior to the discharge of this Lease Agreement and the Bonds, it will not engage in any activities inconsistent with the purposes for which the Authority is organized, as set forth in the Joint Powers Agreement.

**Section 9.08 Representations of the City.** The City represents and warrants to the Authority that (a) the City has the full power and authority to enter into, to execute and to deliver this Lease Agreement, the Ground Lease, and the Indenture, and to perform all of its duties and obligations hereunder and thereunder, and has duly authorized the execution and delivery of this Lease Agreement, the Ground Lease, and the Indenture, and (b) the Property will be used in the performance of essential governmental functions.

**Section 9.09 Representation of the Authority.** The Authority represents and warrants to the City that the Authority has the full power and authority to enter into, to execute and to deliver this Lease Agreement, the Ground Lease, the Assignment Agreement and the Indenture, and to perform all of its duties and obligations hereunder and thereunder, and has duly authorized the execution and delivery of this Lease Agreement, the Ground Lease, the Assignment Agreement and the Indenture.

## ARTICLE X

### NO CONSEQUENTIAL DAMAGES; USE OF THE PROPERTY; SUBSTITUTION OR RELEASE

**Section 10.01 No Consequential Damages.** In no event shall the Authority or the Trustee be liable for any incidental, indirect, special or consequential damage in connection with or arising out of this Lease Agreement or the City's use of the Property.

**Section 10.02 Use of the Property.** The City will not use, operate or maintain the Property improperly, carelessly, in violation of any applicable law or in a manner contrary to that contemplated by this Lease Agreement. In addition, the City agrees to comply in all respects (including, without limitation, with respect to the use, maintenance and operation of the Property) with all laws of the jurisdictions in which its operations may extend and any legislative, executive, administrative or judicial body exercising any power or jurisdiction over the Property; provided, however, that the City may contest in good faith the validity or application of any such law or rule in any reasonable manner which does not, in the opinion of the Authority, adversely affect the estate of the Authority in and to any of the Property or its interest or rights under this Lease Agreement.

**Section 10.03 Substitution or Release of the Property.** The City shall have the right to substitute alternate real property for any portion of the Property or to release a portion of the Property from this Lease Agreement. All costs and expenses incurred in connection with such substitution or release shall be borne by the City. Notwithstanding any substitution or release of Property pursuant to

this subsection, there shall be no reduction in or abatement of the Base Rental Payments due from the City hereunder as a result of such substitution or release. Any such substitution or release of any portion of the Property shall be subject to the following specific conditions, which are hereby made conditions precedent to such substitution or release:

(a) the City shall have found (as set forth in a certificate delivered by the City to the Trustee) that the Property, as constituted after such substitution or release, (i) has an annual fair rental value at least equal to the maximum annual Base Rental Payments payable by the City in any Rental Period, during the remaining term of this Lease Agreement, as determined by the City on the basis of commercially reasonable evidence of the fair rental value of the Property, and (ii) has a useful life in excess of the final maturity of any Outstanding Bonds;

(b) the City shall have obtained or caused to be obtained a CLTA or ALTA title insurance policy or policies with respect to any substituted property in the amount at least equal to the aggregate principal amount of any Outstanding Bonds of the type and with the endorsements described in Section 6.02 hereof;

(c) the City shall have provided the Trustee with an Opinion of Counsel to the effect that such substitution or release will not, in and of itself, cause the interest on the Bonds to be included in gross income for federal income tax purposes;

(d) the City, the Authority and the Trustee shall have executed, and the City shall have caused to be recorded with the Santa Barbara County Clerk – Recorder, any document necessary to reconvey to the City the portion of the Property being released and to include any substituted real property in the description of the Property contained herein and in the Ground Lease;

(e) the City shall have provided notice of such substitution to each rating agency then rating the Bonds;

(f) no event of default (as described in Article VII hereof) has occurred and is continuing;

(g) the City will give, or cause to be given, any notice of the occurrence of such substitution required to be given pursuant to the Continuing Disclosure Certificate;

(h) the City will certify to the Trustee that the City has a current need for the substituted real property;

(i) the City shall certify to the Trustee that any substitution shall not cause the City to violate any of its covenants, representations and warranties made in the Lease Agreement; and

(j) the Insurer shall have consented in writing to such substitution or release.

## ARTICLE XI

### MISCELLANEOUS

**Section 11.01 Law Governing.** THIS LEASE AGREEMENT SHALL BE GOVERNED EXCLUSIVELY BY THE PROVISIONS HEREOF AND BY THE LAWS OF THE STATE OF CALIFORNIA AS THE SAME FROM TIME TO TIME EXIST.



The City or any sublessee may, at the City's or such sublessee's expense and in its name, in good faith contest any such taxes, assessments, utility and other charges and, in the event of any such contest, may permit the taxes, assessments or other charges so contested to remain unpaid during the period of such contest and any appeal therefrom unless the Authority or the Trustee shall notify the City or such sublessee that, in the opinion of independent counsel, by nonpayment of any such items, the interest of the Authority in the Property will be materially endangered or the Property, or any part thereof, will be subject to loss or forfeiture, in which event the City or such sublessee shall promptly pay such taxes, assessments or charges or provide the Authority with full security against any loss which may result from nonpayment, in form satisfactory to the Authority and the Trustee.

**Section 11.06 Section Headings.** All section headings contained herein are for convenience of reference only and are not intended to define or limit the scope of any provision of this Lease Agreement.

**Section 11.07 Amendments.**

(a) This Lease Agreement and the Ground Lease may be amended and the rights and obligations of the Insurer, the Authority and the City hereunder and thereunder may be amended at any time by an amendment hereto or thereto which shall become binding upon execution and delivery by the Authority and the City, but only with the prior written consent of the Insurer and the Owners of a majority of the principal amount of the Bonds then Outstanding pursuant to the Indenture, provided that no such amendment shall (i) extend the payment date of any Base Rental Payments, reduce the interest component or principal component of any Base Rental Payments or change the prepayment terms and provisions, without the prior written consent of the Insurer and the Owner of each Bond so affected, or (ii) reduce the percentage of the principal amount of the Bonds the consent of the Owners of which is required for the execution of any amendment of this Lease Agreement or the Ground Lease. For purposes of this Section, the Insurer shall be deemed to be the Owner of all Insured Series 2025A Bonds.

(b) This Lease Agreement and the Ground Lease and the rights and obligations of the Authority and the City hereunder and thereunder may also be amended at any time by an amendment hereto or thereto which shall become binding upon execution by the Authority and the City, without the written consents of any Owners, but only to the extent permitted by law and only for any one or more of the following purposes:

(i) to add to the agreements, conditions, covenants and terms required by the Authority or the City to be observed or performed herein or therein other agreements, conditions, covenants and terms thereafter to be observed or performed by the Authority or the City, or to surrender any right or power reserved herein or therein to or conferred herein or therein on the Authority or the City, and which in either case shall not materially adversely affect the interests of the Owners, as evidenced by an Opinion of Bond Counsel;

(ii) to make such provisions for the purpose of curing any ambiguity or of correcting, curing or supplementing any defective provision contained herein or therein or in regard to questions arising hereunder or thereunder which the Authority or the City may deem desirable or necessary and not inconsistent herewith or therewith, and which shall not materially adversely affect the interests of the Owners, as evidenced by an Opinion of Bond Counsel;

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

(iv) to provide for the substitution or release of a portion of the Property in accordance with the provisions of Sections 10.03 or 10.04 hereof;

(v) to provide for the issuance of Additional Bonds in accordance with Article III of the Indenture including, without limitation, to increase the Base Rental Payments payable by the City hereunder and to add or substitute property as necessary; or

(vi) to make such other changes herein or therein or modifications hereto or thereto as the Authority or the City may deem desirable or necessary, and which shall not materially adversely affect the interests of the Owners, as evidenced by an Opinion of Bond Counsel.

**Section 11.08 Assignment.** The City and the Authority hereby acknowledge the assignment of this Lease Agreement (except for the Authority's obligations and its rights to give consents or approvals hereunder), and the Base Rental Payments payable hereunder, to the Trustee pursuant to the Assignment Agreement. To the extent that this Lease Agreement confers upon or gives or grants the Trustee any right, remedy or claim under or by reason of this Lease Agreement, the Trustee is hereby explicitly recognized as being a third-party beneficiary hereunder and may enforce any such right, remedy or claim conferred, given or granted hereunder.

**Section 11.09 Insurer as Third Party Beneficiary.** The Insurer is recognized as and shall be deemed to be a third party beneficiary of this Lease Agreement and may enforce the provisions of this Lease Agreement as if it were a party hereto.

**Section 11.10 Insurer as Owner of Insured Series 2025A Bonds.** So long as the Policy is in effect and the Insurer is not in default in respect of its payment obligations thereunder, the Insurer shall be (i) deemed to be the sole and exclusive Owner of the Insured Series 2025A Bonds for purposes of all approvals, consents, waivers, institution of any action, and the direction of all remedies and (ii) entitled to direct and control the enforcement of all remedies granted under this Lease Agreement on behalf of the Owners of Insured Series 2025A Bonds.

**Section 11.11 Execution.** This Lease Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, but all together shall constitute but one and the same Lease Agreement.



**IN WITNESS WHEREOF**, the Authority and the City have caused this Lease Agreement to be executed by their respective officers thereunto duly authorized, all as of the day and year first above written.

CITY OF GOLETA

By: \_\_\_\_\_  
PAULA PEROTTE, MAYOR

ATTEST:

By: \_\_\_\_\_  
DEBORAH S. LOPEZ  
CITY CLERK

GOLETA FACILITIES FINANCING AUTHORITY

By: \_\_\_\_\_  
PAULA PEROTTE, CHAIR

ATTEST:

By: \_\_\_\_\_  
DEBORAH S. LOPEZ  
SECRETARY OF THE BOARD

**EXHIBIT A**

**LEGAL DESCRIPTION OF THE PROPERTY**

Real property in the City of Goleta, County of Santa Barbara, State of California, described as follows:

[To Be Inserted]

## **EXHIBIT B**

### **DESCRIPTION OF THE PROJECT**

The design, acquisition, construction and/or installation of certain public capital improvements to be located in the City of Goleta, including some or all of the following: the Ekwill Street and Fowler Road extension (including the Hollister Avenue Old Town interim striping project), Cathedral Oaks crib wall repair, San Jose Creek bike path, Hollister Avenue Bridge replacement, and Goleta Train Depot and South La Patera improvements, and other capital improvements subject to the approval of Bond Counsel.

**EXHIBIT C**

**BASE RENTAL PAYMENT SCHEDULE**

<i>Base Rental Deposit Date (Fifth Business Day Prior to)</i>	<i>Principal Component</i>	<i>Interest Component</i>	<i>Total Base Rental Payment</i>
05/01/2025	\$ --		
11/01/2025			
05/01/2026			
11/01/2026			
05/01/2027			
11/01/2027			
05/01/2028			
11/01/2028			
05/01/2029			
11/01/2029			
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11/01/2045			
05/01/2046			
11/01/2046			
05/01/2047			
11/01/2047			
05/01/2048			

<i>Base Rental Deposit Date (Fifth Business Day Prior to)</i>	<i>Principal Component</i>	<i>Interest Component</i>	<i>Total Base Rental Payment</i>
11/01/2048			
05/01/2049			
11/01/2049			
05/01/2050			
11/01/2050			
05/01/2051			
11/01/2051			
05/01/2052			
11/01/2052			
05/01/2053			
11/01/2053			
05/01/2054			
11/01/2054			
05/01/2055			
<b>Total</b>			

## **Attachment 8**

Form of Indenture

**INDENTURE**

**by and among**

**GOLETA FACILITIES FINANCING AUTHORITY**

**and**

**CITY OF GOLETA**

**and**

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

**Dated as of [February] 1, 2025**

**Relating to**

**\$\_\_\_\_\_**

**GOLETA FACILITIES FINANCING AUTHORITY  
LEASE REVENUE BONDS, SERIES 2025A**

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## INDENTURE

**THIS INDENTURE** (this “Indenture”), executed and entered into as of [February] 1, 2025, is by and among the GOLETA FACILITIES FINANCING AUTHORITY, a joint exercise of powers entity duly organized and existing pursuant to the Joint Powers Agreement (defined below) and the laws of the State of California (the “Authority”), the CITY OF GOLETA, a municipal corporation and general law city duly organized and existing under and by virtue of the Constitution and laws of the State of California (the “City”), and The Bank of New York Mellon Trust Company, N.A., a national banking association duly organized and existing under and by virtue of the laws of the United States, as Trustee (the “Trustee”).

### *WITNESSETH:*

**WHEREAS**, the City and the Authority desire to finance all or a portion of the acquisition, construction and/or installation of certain capital improvement projects in the City, including the Ekwill Street and Fowler Road extension (including the Hollister Avenue Old Town interim striping project), Cathedral Oaks crib wall repair, San Jose Creek bike path, Hollister Avenue Bridge replacement, and Goleta Train Depot and South La Patera improvements (collectively, the “Project”);

**WHEREAS**, the City and the Authority have determined that it would be in the best interests of the City and residents of the City to authorize the preparation, sale and delivery of the “Goleta Facilities Financing Authority Lease Revenue Bonds, Series 2025A” (the “Series 2025A Bonds”) for the purpose of financing the Project;

**WHEREAS**, in order to facilitate the issuance of the Series 2025A Bonds, the City will lease certain real property and the improvements located thereon (the “Property”) to the Authority pursuant to a Ground Lease, dated as of the date hereof, and the City will sublease the Property back from the Authority pursuant to a Lease Agreement, dated as of the date hereof (the “Lease Agreement”);

**WHEREAS**, the City and the Authority have determined that it would be in the best interests of the City and the Authority to provide the funds necessary to finance all or a portion of the Project through the issuance by the Authority of the Series 2025A Bonds payable from the base rental payments (the “Base Rental Payments”) to be made by the City under the Lease Agreement;

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

**WHEREAS**, the Series 2025A Bonds will be payable equally and ratably from the Base Rental Payments;

**WHEREAS**, the Authority and the City desire to provide for the issuance of additional bonds in the future (the “Additional Bonds”) payable from the Base Rental Payments on a parity with the Series 2025A Bonds (the Series 2025A Bonds and any such Additional Bonds being collectively referred to as the “Bonds”);

**WHEREAS**, in order to provide for the authentication and delivery of the Bonds, to establish and declare the terms and conditions upon which the Bonds are to be issued and secured, and to secure

the payment of the principal thereof, premium, if any, and interest thereon, the Authority and the City have authorized the execution and delivery of this Indenture; and

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

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

## **ARTICLE I**

### **DEFINITIONS; EQUAL SECURITY**

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

**“Additional Bonds”** means Bonds other than the Series 2025A Bonds issued hereunder in accordance with the provisions of Sections 3.06 and 3.07 hereof.

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

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

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

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

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

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

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

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

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

**“Beneficial Owner”** means, whenever used with respect to a Book-Entry Bond, the person whose name is recorded as the beneficial owner of such Book-Entry Bond or a portion of such Book-Entry Bond by a Participant on the records of such Participant or such person’s subrogee.

**“Bonds”** means the Series 2025A Bonds and any Additional Bonds issued hereunder.

**“Book-Entry Bonds”** means the Bonds of a Series registered in the name of the nominee of DTC, or any successor securities depository for such Series of Bonds, as the registered owner thereof pursuant to the terms and provisions of Section 2.10 hereof.

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

**“Cede & Co.”** means Cede & Co., the nominee of DTC, and any successor nominee of DTC with respect to a Series of Book-Entry Bonds.

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

**“Closing Date”** means February \_\_\_\_\_, 2025.

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

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

**“Costs of Issuance”** means all the costs of issuing and delivering the Bonds, including, but not limited to, all printing and document preparation expenses in connection with this Indenture, the Lease Agreement, the Ground Lease, the Assignment Agreement, the Bonds and any preliminary official statement and final official statement pertaining to the Bonds, rating agency fees, CUSIP Service Bureau charges, market study fees, legal fees and expenses of counsel with the issuance and delivery of the Bonds, the initial fees and expenses of the Trustee and its counsel, the initial fees and expenses of any bond insurer or reserve fund credit facility provider, and other fees and expenses incurred in connection with the issuance and delivery of the Bonds, to the extent such fees and expenses are approved by the City.

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

“**DTC**” means The Depository Trust Company, a limited-purpose trust company organized under the laws of the State of New York, and its successors as securities depository for any Series of Book-Entry Bonds, including any such successor appointed pursuant to Section 2.10 hereof.

“**Electronic Means**” shall mean the following communications methods: e-mail, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys issued by the Trustee, or another method or system specified by the Trustee as available for use in connection with its services hereunder.

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

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

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

“**Information Services**” means Municipal Securities Rulemaking Board through the Electronic Municipal Marketplace Access (EMMA) website; and, in accordance with then current guidelines of the Securities and Exchange Commission, such other services providing information with respect to called bonds as the Authority may designate in a Written Certificate of the Authority delivered to the Trustee.

[“**Insured Series 2025A Bonds**” means the Series 2025A Bonds maturing on May 1, 20\_\_\_\_ and May 1, 20\_\_\_\_.]

“**Insurer**” means [\_\_\_\_\_], or any successor thereto.

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

“**Interest Payment Date**” means May 1 and November 1 of each year, commencing on [May 1, 2025].

“**Joint Powers Agreement**” means the Joint Exercise of Powers Agreement dated as of [November] 1, 2024, by and between the City and California Statewide Communities Development Authority, pursuant to which the Authority is established, as originally executed and as it may from time to time be amended in accordance with the provisions thereof.

[“**Late Payment Rate**” means the lesser of (a) the greater of (i) the per annum rate of interest, publicly announced from time to time by JPMorgan Chase Bank, N.A., at its principal office in The City of New York, New York, as its prime or base lending rate (“Prime Rate”) (any change in such Prime Rate to be effective on the date such change is announced by JPMorgan Chase Bank, N.A.) plus 5%, and (ii) the then applicable highest rate of interest on the insured Series 2025A Bonds and (b) the maximum rate permissible under applicable usury or similar laws limiting interest rates. In the event

JPMorgan Chase Bank, N.A., ceases to announce its Prime Rate, the Prime Rate shall be the prime or base lending rate of such other bank, banking association or trust company as the Insurer, in its sole absolute discretion, shall designate. Interest at the Late Payment Rate on any amount owing to the Insurer shall be computed on the basis of the actual number of days elapsed in a year of 360 days.]

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

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

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

“**Opinion of Counsel**” means a written opinion of Stradling Yocca Carlson & Rauth LLP, or other counsel of recognized national standing in the field of law relating to municipal bonds, appointed and paid by the Authority or the City and which written opinion is satisfactory to the Trustee.

“**Outstanding**,” when used as of any particular time with reference to Bonds, means (subject to the provisions of Section 11.09 hereof) all Bonds theretofore, or thereupon being, authenticated and delivered by the Trustee under this Indenture except:

- (a) Bonds theretofore canceled by the Trustee or surrendered to the Trustee for cancellation;
- (b) Bonds with respect to which all liability of the Authority shall have been discharged in accordance with Section 10.01 hereof; and
- (c) Bonds for the transfer or exchange of or in lieu of or in substitution for which other Bonds shall have been authenticated and delivered by the Trustee pursuant to this Indenture.

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

“**Participant**” means any entity which is recognized as a participant by DTC in the book-entry system of maintaining records with respect to Book-Entry Bonds.

“**Participating Underwriter**” has the meaning ascribed thereto in the Continuing Disclosure Certificate.

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

(1) (a) Direct obligations (other than an obligation subject to—variation in principal repayment) of the United States of America (“United States Treasury Obligations”), (b) obligations fully and unconditionally guaranteed as to timely payment of principal and interest by the United States of America, (c) obligations fully and unconditionally guaranteed as to timely payment of principal and interest by any agency or instrumentality of the United States of America when such obligations are backed by the full faith and credit of the United States of America, or (d) evidences of ownership of proportionate interests in future interest and principal payments on obligations described above held by a bank or trust company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor and the underlying government obligations are not available to any person claiming through the custodian or to whom the custodian may be obligated (collectively “United States Obligations”). These include, but are not necessarily limited to:

- U.S. Treasury obligations  
All direct or fully guaranteed obligations
- Farmers Home Administration  
Certificates of beneficial ownership
- General Services Administration  
Participation certificates
- U.S. Maritime Administration  
Guaranteed Title XI financing
- Small Business Administration  
Guaranteed participation certificates  
Guaranteed pool certificates
- Government National Mortgage Association (GNMA)  
GNMA-guaranteed mortgage-backed securities  
GNMA-guaranteed participation certificates
- U.S. Department of Housing & Urban Development  
Local authority bonds
- Washington Metropolitan Area Transit Authority  
Guaranteed transit bonds

(2) Federal Housing Administration debentures.

(3) The listed obligations of government-sponsored agencies which are not backed by the full faith and credit of the United States of America:

- Federal Home Loan Mortgage Corporation (FHLMC)  
Participation certificates (excluded are stripped mortgage securities which are purchased at prices exceeding their principal amounts)  
Senior debt obligations
- Farm Credit Banks (formerly: Federal Land Banks, Federal intermediate Credit Banks and Banks for Cooperatives)  
Consolidated systemwide bonds and notes
- Federal Home Loan Banks (FHL Banks)  
Consolidated debt obligations



- Federal National Mortgage Association (FNMA)
  - Senior debt obligations
  - Mortgage-backed securities (excluded are stripped mortgages securities which are purchased at prices exceeding their principal amounts)
- Financing Corporation (FICO)
  - Debt obligations
- Resolution Funding Corporation (REFCORP)
  - Debt obligations

(4) Bank deposit products, unsecured certificates of deposit (including those placed by a third party pursuant to an agreement between the City and the Trustee), trust funds, trust accounts, overnight banking deposits, interest bearing deposits, interest bearing money market accounts, time deposits, demand deposits, other deposit products, and bankers' acceptances (having maturities of not more than 30 days) of any bank (including the Trustee and any affiliate) [the short-term obligations of which are rated "A-1" or "A-2" without regard to qualifier by a nationally recognized rating agency service.]

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

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

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

(8) Repurchase agreements:

With (1) any domestic bank, or domestic branch of a foreign bank or any non-bank financial institution or primary dealer as designated by the Federal Reserve the long term debt of which is rated at least "BBB+" by Standard & Poor's or Moody's (including the Trustee or any of its affiliates); or (2) any broker-dealer with "retail customers" or a related affiliate thereof which broker-dealer has, or the parent company (which guarantees the provider) of which has, long-term debt rated at least "BBB+" by Standard & Poor's or Moody's, which broker-dealer falls under the jurisdiction of the Securities Investors Protection Corporation; or (3) any other entity rated "BBB+" or better by Standard & Poor's or Moody's, provided that:

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

(b) The Trustee or a third party acting solely as agent therefor or for the City (the "Holder of the Collateral") has possession of the collateral or the collateral

has been transferred to the Holder of the Collateral in accordance with applicable state and federal laws (other than by means of entries on the transferor's books);

(c) The repurchase or reverse repurchase agreement shall state and an opinion of counsel shall be rendered at the time such collateral is delivered that the Holder of the Collateral has a first priority security interest in the collateral, any substituted collateral and all proceeds thereof (in the case of bearer securities, this means the Holder of the Collateral is in possession);

(d) The repurchase or reverse repurchase agreement shall provide that if during its term the provider's rating by either Moody's or Standard & Poor's is withdrawn or suspended or falls below "BBB" by Standard & Poor's or "Baa2" by Moody's, as appropriate, the provider must, at the direction of Trustee, within 10 days of receipt of such direction, repurchase all collateral and terminate the agreement, with no penalty or premium to the Trustee or the City.

Notwithstanding the above, if a repurchase agreement has a term of 270 days or less (with no evergreen provision), collateral levels need not be as specified in (a) above, so long as such collateral levels are 103% or better and the provider is rated at least "A" by Standard & Poor's or Moody's, respectively.

(9) State Obligations

(a) Direct general obligations of any state of the United States or any subdivision or agency thereof to which is pledged the full faith and credit of a state the unsecured general obligation debt of which is rated "A2" by Moody's and "A" by S&P, or better, or any obligation fully and unconditionally guaranteed by any state, subdivision or agency whose unsecured general obligation debt is so rated.

(b) Direct, general short-term obligations of any state agency or subdivision described in (a) above and rated "A-1+" by S&P and "Prime-1" by Moody's.

(c) Special Revenue Bonds (as defined in the United States Bankruptcy Code) of any state, state agency or subdivision described in (a) above and rated "AA" or better by S&P and "Aa" or better by Moody's.

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

(11) Investment agreements with a domestic or foreign bank or corporation (other than a life or property casualty insurance company) the long-term debt of which, or, in the case of a guaranteed corporation the long-term debt of the guarantor, or in the case of a monoline financial guaranty insurance company the claims paying ability of the guarantor, is rated at least "A+" by S&P and "A1" by Moody's; provided, that prior written notice of an investment in the investment agreement is provided to S&P and, provided, further, by the terms of the investment agreement:

(a) interest payments are to be made to the Trustee at times and in amounts as necessary to pay debt service on the Bonds;

(b) the invested funds are available for withdrawal without penalty or premium, at any time for purposes identified in this Indenture other than acquisition of alternative investment property upon not more than seven days prior notice (which notice may be amended or withdrawn at any time prior to the specified withdrawal date); provided that the Indenture specifically requires the Trustee or the City to give notice in accordance with the terms of the investment agreement so as to receive funds thereunder with no penalty or premium paid;

(c) the investment agreement shall state that it is the unconditional and general obligation of, and is not subordinated to any other obligation of, the provider thereof;

(d) a guaranteed rate of interest is to be paid on invested funds and all future deposits, if any, required to be made to restore the amount of such funds to the level specified under the Indenture;

(e) the Trustee and the City receive the opinion of domestic counsel (which opinion shall be addressed to the City) that such investment agreement is legal, valid and binding and enforceable against the provider in accordance with its terms and of foreign counsel (if applicable);

(f) the investment agreement shall provide that if during its term (A) the provider's or the guarantor's rating by either Moody's or S&P is withdrawn or suspended or falls below "A+" or "A1", respectively, or, with respect to a foreign bank, below the ratings of such provider at the delivery date of the investment agreement, the provider must, at the direction of the City or the Trustee (acting at the direction of the City) within 10 days of receipt of such direction, either (1) collateralize the investment agreement by delivering or transferring in accordance with applicable state and federal laws (other than by means of entries on the provider's books) to the Trustee, the City or a Holder of the Collateral, United States Treasury Obligations which are free and clear of any third-party liens or claims at the Collateral Levels set forth below; or (2) repay the principal of and accrued but unpaid interest on the investment (the choice of (1) or (2) above shall be that of the City or Trustee (acting at the direction of the City), as appropriate), and (B) the provider's or the guarantor's rating by either Moody's or S&P is withdrawn or suspended or falls below "BBB" or "Baa2," or, with respect to a foreign bank, below "A+" or "A1" by S&P or Moody's, as appropriate, the provider must, at the direction of the City or the Trustee (acting at the direction of the City), within 10 days of receipt of such direction, repay the principal of and accrued but unpaid interest on the investment, in either case with no penalty or premium to the City or Trustee;

(g) the investment agreement shall state, and an opinion of counsel shall be rendered to the effect, that the Trustee has a perfected first priority security interest in the collateral, any substituted collateral and all proceeds thereof (in the case of bearer securities, this means the Trustee is in possession); and

(h) the investment agreement must provide that if during its term (A) the provider shall default in its payment obligations, the provider's obligation under the investment agreement shall, at the direction of the City or the Trustee, be accelerated

and amounts invested and accrued but unpaid interest thereon shall be repaid to the City or Trustee, as appropriate, and (B) the provider shall become insolvent, not pay its debts as they become due, be declared or petition to be declared bankrupt, etc. (“event of insolvency”), the provider’s obligations shall automatically be accelerated and amounts invested and accrued but unpaid interest thereon shall be repaid to the City or Trustee, as appropriate.

(12) Pre-refunded municipal obligations rated “AAA” by S&P and “Aaa” by Moody’s meeting the following requirements:

(a) the municipal obligations are (1) not subject to redemption prior to maturity or (2) the trustee for the municipal obligations has been given irrevocable instructions concerning their call and redemption and the issuer of the municipal obligations has covenanted not to redeem such municipal obligations other than as set forth in such instructions;

(b) the municipal obligations are secured by cash or United States Treasury Obligations which may be applied only to payment of the principal of, interest and premium on such municipal obligations;

(c) the principal of and interest on the United States Treasury Obligations (plus any cash in the escrow) has been verified by the report of independent certified public accountants to be sufficient to pay in full all principal of, interest, and premium, if any, due and to become due on the municipal obligations (“Verification”);

(d) the cash or United States Treasury Obligations serving as security for the municipal obligations are held by an escrow agent or trustee in trust for owners of the municipal obligations;

(e) no substitution of a United States Treasury Obligation shall be permitted except with another United States Treasury Obligation and upon delivery of a new Verification; and

(f) the cash or United States Treasury Obligations are not available to satisfy any other claims, including those by or against the trustee or escrow agent.

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

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

[“**Policy**” means the Municipal Bond Insurance Policy issued by the Insurer that guarantees the scheduled payment of principal of and interest on the Insured Series 2025A Bonds when due.]

“**Project**” means the acquisition, construction and installation of certain public capital improvements to be located in various sites in the City, including the Ekwill Street and Fowler Road extension (including the Hollister Avenue Old Town interim striping project), Cathedral Oaks crib wall repair, San Jose Creek bike path, Hollister Avenue Bridge replacement, and Goleta Train Depot and

South La Patera improvements, and related infrastructure improvements as further described in Exhibit B to the Lease Agreement.

“**Project Fund**” means the fund by that name established in accordance with Section 3.05 hereof.

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

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

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

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

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

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

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

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

“**Rental Period**” means the period from the Closing Date through April 30, 2025 and, thereafter, the twelve-month period commencing on May 1 of each year during the term of the Lease Agreement.

“**Representation Letter**” means the Letter of Representations from the Authority to DTC, or any successor securities depository for any Series of Book-Entry Bonds, in which the Authority makes certain representations with respect to issues of its securities for deposit by DTC or such successor depository.

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

“**Securities Depositories**” means The Depository Trust Company; and, in accordance with then current guidelines of the Securities and Exchange Commission, such other securities depositories as the Authority may designate in a Written Certificate of the Authority delivered to the Trustee.

“**Security Documents**” means this Indenture, the Lease Agreement and the Assignment Agreement.

“**Series**” means the Series 2025A Bonds executed, authenticated and delivered on the Closing Date and identified pursuant to this Indenture and any Additional Bonds issued pursuant to a Supplemental Indenture and identified as a separate Series of Bonds.

“**Series 2025A Bonds**” means the Goleta Facilities Financing Authority Lease Revenue Bonds, Series 2025A issued hereunder.

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

“**Tax Certificate**” means the Tax Certificate executed by the Authority and the City at the time of issuance of the Series 2025A Bonds relating to the requirements of Section 148 of the Code, as originally executed and as it may from time to time be amended in accordance with the provisions thereof.

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

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

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

**Section 1.02 Equal Security.** In consideration of the acceptance of the Bonds by the Owners thereof, this Indenture shall be deemed to be and shall constitute a contract among the Authority, the City, the Trustee and the Owners from time to time of all Bonds authorized, executed, issued and delivered hereunder and then Outstanding to secure the full and final payment of the principal of, premium, if any, and interest on all Bonds which may from time to time be authorized, executed, issued and delivered hereunder, subject to the agreements, conditions, covenants and provisions contained herein; and all agreements and covenants set forth herein to be performed by or on behalf of the Authority or the City shall be for the equal and proportionate benefit, protection and security of all Owners of the Bonds without distinction, preference or priority as to security or otherwise of any Bonds over any other Bonds by reason of the number or date thereof or the time of authorization, sale, execution, issuance or delivery thereof or for any cause whatsoever, except as expressly provided herein or therein.

## ARTICLE II

### THE BONDS

**Section 2.01 Authorization of Bonds.** The Authority hereby authorizes the issuance of the Bonds under and subject to the terms of this Indenture and applicable laws of the State of California for the purpose of financing and refinancing the Project. The Bonds may consist of one or more Series of Bonds of varying denominations, dates, maturities, interest rates and other provisions, subject to the provisions and conditions contained herein.

**Section 2.02 Terms of Series 2025A Bonds.**

(a) The Series 2025A Bonds shall be designated the “Goleta Facilities Financing Authority Lease Revenue Bonds, Series 2025A.” Each Series of Additional Bonds shall bear such additional designation as may be necessary or appropriate to distinguish such Series from every other Series of Bonds.

(b) The Series 2025A Bonds shall be issued in fully registered form without coupons in Authorized Denominations, so long as no Series 2025A Bond shall have more than one maturity date. The Series 2025A Bonds shall be dated as of the Closing Date, shall be issued in the aggregate principal amount of \$\_\_\_\_\_, shall mature on May 1 of each year and shall bear interest (calculated on the basis of a 360-day year comprised of twelve 30-day months) at the rates per annum as follows:

<i>Maturity Date (May 1)</i>	<i>Principal Amount</i>	<i>Interest Rate</i>
[2025]		
2026		
2027		
2028		
2029		
2030		
2031		
2032		
2033		
2034		
2035		
2036		
2037		
2038		
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2040		
2041		
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2046		
2047		
2048		
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2053		
2054		
2055		

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T Term Bond

(c) Interest on the Series 2025A Bonds shall be payable from the Interest Payment Date next preceding the date of authentication thereof unless (i) a Series 2025A Bond is authenticated on or before an Interest Payment Date and after the close of business on the preceding Record Date, in which event it shall bear interest from such Interest Payment Date, (ii) a Series 2025A Bond is authenticated on or before the first Record Date, in which event interest thereon shall be payable from the dated date thereof, or (iii) interest on any Series 2025A Bond is in default as of the date of authentication thereof, in which event interest thereon shall be payable from the date to which interest has been paid in full, payable on each Interest Payment Date. Interest shall be paid in lawful money of the United States on each Interest Payment Date to the Persons in whose names the ownership of the Series 2025A Bonds is registered on the Registration Books at the close of business on the immediately preceding Record Date, except as provided below. Interest shall be paid by check of the Trustee mailed by first class mail, postage prepaid, on each Interest Payment Date to the Series 2025A Bond Owners at their respective addresses shown on the Registration Books as of the close of business on the preceding Record Date.



(d) The principal and premium, if any, of the Series 2025A Bonds shall be payable in lawful money of the United States of America upon presentation and surrender thereof upon maturity or earlier redemption at the Office of the Trustee.

(e) The Series 2025A Bonds shall be subject to redemption as provided in Article IV.

**Section 2.03 Form of Series 2025A Bonds.** The Series 2025A Bonds shall be in substantially the form set forth in Exhibit A hereto, with appropriate or necessary insertions, omissions and variations as permitted or required hereby.

**Section 2.04 Transfer and Exchange of Bonds.** Any Bond may, in accordance with its terms, be transferred upon the Registration Books by the Person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such Bond for cancellation, accompanied by delivery of a written instrument of transfer, duly executed in a form acceptable to the Trustee. Whenever any Bond or Bonds shall be surrendered for transfer, the Authority shall execute and the Trustee shall authenticate and shall deliver a new Bond or Bonds of the same Series in a like aggregate principal amount, in any Authorized Denomination. The Trustee shall require the Bond Owner requesting such transfer to pay any tax or other governmental charge required to be paid with respect to such transfer.

The transferor shall also provide or cause to be provided to the Trustee all information necessary to allow the Trustee to comply with any applicable tax reporting obligations, including without limitation any cost basis reporting obligations under Internal Revenue Code Section 6045. The Trustee may rely on the information provided to it and shall have no responsibility to verify or ensure the accuracy of such information.

The Bonds may be exchanged at the Office of the Trustee for a like aggregate principal amount of Bonds of the same Series of other authorized denominations. The Trustee shall require the payment by the Bond Owner requesting such exchange of any tax or other governmental charge required to be paid with respect to such exchange.

The Trustee shall not be obligated to make any transfer or exchange of Bonds of a Series pursuant to this Section during the period established by the Trustee for the selection of Bonds of such Series for redemption, or with respect to any Bonds of such Series selected for redemption.

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

**Section 2.06 Execution of Bonds.** The Bonds shall be executed in the name and on behalf of the Authority with the manual or facsimile signature of an Authorized Authority Representative attested by the manual or facsimile signature of the Secretary or any duly authorized deputy secretary of the Authority. The Bonds shall then be delivered to the Trustee for authentication by it. In case any of such officers of the Authority who shall have signed or attested any of the Bonds shall cease to be such officers of the Authority before the Bonds so signed or attested shall have been authenticated or

delivered by the Trustee, or issued by the Authority, such Bonds may nevertheless be authenticated, delivered and issued and, upon such authentication, delivery and issue, shall be as binding upon the Authority as though those who signed and attested the same had continued to be such officers of the Authority, and also any Bonds may be signed and attested on behalf of the Authority by such Persons as at the actual date of execution of such Bonds shall be the proper officers of the Authority although at the nominal date of such Bonds any such Person shall not have been such officer of the Authority.

**Section 2.07 Authentication of Bonds.** Only such of the Bonds as shall bear thereon a certificate of authentication substantially in the form as that set forth in Exhibit A hereto, manually executed by the Trustee, shall be valid or obligatory for any purpose or entitled to the benefits of this Indenture, and such certificate of or on behalf of the Trustee shall be conclusive evidence that the Bonds so authenticated have been duly executed, authenticated and delivered hereunder and are entitled to the benefits of this Indenture.

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

**Section 2.09 Bonds Mutilated, Lost, Destroyed or Stolen.** If any Bond shall become mutilated, the Authority, at the expense of the Owner of said Bond, shall execute, and the Trustee shall thereupon authenticate and deliver, a new Bond of like tenor and Series in exchange and substitution for the Bond so mutilated, but only upon surrender to the Trustee of the Bond so mutilated. Every mutilated Bond so surrendered to the Trustee shall be canceled by it and delivered to, or in accordance with the order of, the Authority. If any Bond shall be lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the Trustee and, if such evidence and indemnity satisfactory to the Trustee shall be given, the Authority, at the expense of the Owner, shall execute, and the Trustee shall thereupon authenticate and deliver, a new Bond of like tenor and Series in lieu of and in replacement for the Bond so lost, destroyed or stolen (or if any such Bond shall have matured or shall have been selected for redemption, instead of issuing a replacement Bond, the Trustee may pay the same without surrender thereof). The Authority may require payment by the Owner of a sum not exceeding the actual cost of preparing each replacement Bond issued under this Section and of the expenses which may be incurred by the Authority and the Trustee. Any Bond of a Series issued under the provisions of this Section in lieu of any Bond of such Series alleged to be lost, destroyed or stolen shall constitute an original additional contractual obligation on the part of the Authority whether or not the Bond so alleged to be lost, destroyed or stolen be at any time enforceable by anyone, and shall be entitled to the benefits of this Indenture with all other Bonds of such Series secured by this Indenture.

## **Section 2.10 Book-Entry Bonds.**

(a) Prior to the issuance of a Series of Bonds, the Authority may provide that such Series of Bonds shall initially be issued as Book-Entry Bonds and, in such event, the Bonds of such Series for each maturity shall be in the form of a separate single fully registered Bond (which may be typewritten). The Series 2025A Bonds shall initially be issued as Book-Entry Bonds.

Except as provided in subsection (c) of this Section, the registered Owner of all of the Book-Entry Bonds shall be Cede & Co., as nominee of DTC. Notwithstanding anything to the contrary contained in this Indenture, payment of interest with respect to any Book-Entry Bond registered as of each Record Date in the name of Cede & Co. shall be made by wire transfer of same-day funds to the account of Cede & Co. on the Interest Payment Date at the address indicated on the Record Date for Cede & Co. in the Registration Books or as otherwise provided in the Representation Letter.

(b) The Trustee and the Authority may treat DTC (or its nominee) as the sole and exclusive Owner of Book-Entry Bonds registered in its name for the purposes of payment of the principal, premium, if any, or interest with respect to Book-Entry Bonds, selecting Book-Entry Bonds or portions thereof to be redeemed, giving any notice permitted or required to be given to Owners of Book-Entry Bonds under this Indenture, registering the transfer of Book-Entry Bonds, obtaining any consent or other action to be taken by Owners of Book-Entry Bonds and for all other purposes whatsoever, and neither the Trustee nor the Authority shall be affected by any notice to the contrary. Neither the Trustee nor the Authority shall have any responsibility or obligation to any Participant, any person claiming a beneficial ownership interest in Book-Entry Bonds under or through DTC or any Participant, or any other person which is not shown on the Registration Books as being an Owner, with respect to the accuracy of any records maintained by DTC or any Participant, the payment by DTC or any Participant of any amount in respect of the principal, premium, if any, or interest with respect to Book-Entry Bonds, any notice which is permitted or required to be given to Owners of Book-Entry Bonds under this Indenture, the selection by DTC or any Participant of any person to receive payment in the event of a partial redemption of Book-Entry Bonds, or any consent given or other action taken by DTC as Owner of Book-Entry Bonds. The Trustee shall pay all principal, premium, if any and interest with respect to Book-Entry Bonds, only to DTC, and all such payments shall be valid and effective to fully satisfy and discharge the Authority's obligations with respect to the principal, premium, if any, and interest with respect to the Book-Entry Bonds to the extent of the sum or sums so paid. Except under the conditions of subsection (c) of this Section, no person other than DTC shall receive an executed Book-Entry Bond for each separate stated maturity. Upon delivery by DTC to the Trustee of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions herein with respect to record dates, the term "Cede & Co." in this Indenture shall refer to such new nominee of DTC.

(c) In the event (i) DTC, including any successor as securities depository for a Series of Bonds, determines not to continue to act as securities depository for such Series of Bonds, or (ii) the Authority determines that the incumbent securities depository shall no longer so act, and delivers a written certificate to the Trustee to that effect, then the Authority will discontinue the book-entry system with the incumbent securities depository for such Series of Bonds. If the Authority determines to replace the incumbent securities depository for such Series of Bonds with another qualified securities depository, the Authority shall prepare or direct the preparation of a new single, separate fully registered Bond of such Series for the aggregate outstanding principal amount of Bonds of such Series of each maturity, registered in the name of such successor or substitute qualified securities depository, or its nominee, or make such other arrangement acceptable to the Authority, the

Trustee and the successor securities depository for the Bonds of such Series as are not inconsistent with the terms of this Indenture. If the Authority fails to identify another qualified successor securities depository for such Series of Bonds to replace the incumbent securities depository, then the Bonds of such Series shall no longer be restricted to being registered in the Registration Books in the name of the incumbent securities depository or its nominee, but shall be registered in whatever name or names the incumbent securities depository for such Series of Bonds, or its nominee, shall designate. In such event the Authority shall execute, and deliver to the Trustee, a sufficient quantity of Bonds of such Series to carry out the transfers and exchanges provided in Sections 2.04, 2.08 and 2.09 hereof. All such Bonds of such Series shall be in fully registered form in Authorized Denominations.

(d) Notwithstanding any other provision of this Indenture to the contrary, so long as any Book-Entry Bond is registered in the name of DTC, or its nominee, all payments with respect to the principal, premium, if any, and interest with respect to such Book-Entry Bond and all notices with respect to such Book-Entry Bond shall be made and given, respectively, as provided in the Representation Letter.

(e) In connection with any notice or other communication to be provided to Owners of Book-Entry Bonds pursuant to this Indenture by the Authority, the City or the Trustee with respect to any consent or other action to be taken by Owners, the Authority, the City or the Trustee, as the case may be, shall establish a record date for such consent or other action and give DTC notice of such record date not less than 15 calendar days in advance of such record date to the extent possible.

In connection with any proposed transfer outside the Book-Entry Only system, the Authority, the City or DTC shall provide or cause to be provided to the Trustee all information necessary to allow the Trustee to comply with any applicable tax reporting obligations, including without limitation any cost basis reporting obligations under Internal Revenue Code Section 6045. The Trustee may rely on the information provided to it and shall have no responsibility to verify or ensure the accuracy of such information.

### ARTICLE III

#### ISSUANCE OF BONDS; APPLICATION OF PROCEEDS

**Section 3.01 Issuance of Series 2025A Bonds.** The Authority may, at any time, execute the Series 2025A Bonds for issuance hereunder and deliver the same to the Trustee. The Trustee shall authenticate the Series 2025A Bonds and deliver the Series 2025A Bonds to the original purchaser thereof upon receipt of a Written Request of the Authority and upon receipt of the purchase price therefor.

**Section 3.02 Application of Proceeds of the Series 2025A Bonds.** On the Closing Date, the net proceeds of the sale of the Series 2025A Bonds received by the Trustee in the amount of \$\_\_\_\_\_ (being the purchase price for the Series 2025A Bonds [less the premium paid to the Insurer for the Policy]), shall be deposited by the Trustee as follows:

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

(b) The Trustee shall deposit the amount of \$\_\_\_\_\_ in the Project Fund to be applied as provided in Section 3.05 hereof.

**Section 3.03 [Reserved].**

**Section 3.04 Costs of Issuance Fund.** The Trustee shall establish and maintain a separate fund designated the “Costs of Issuance Fund.” On the Closing Date, there shall be deposited in the Costs of Issuance Fund the amount specified in Section 3.02 hereof. There shall be additionally deposited in the Cost of Issuance Fund the portion, if any, of the proceeds of the sale of any Additional Bonds required to be deposited therein under the Supplemental Indenture pursuant to which such Additional Bonds are issued.

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

**Section 3.05 Project Fund.**

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

**Section 3.06 Conditions for the Issuance of Additional Bonds.** The Authority may at any time issue one or more Series of Additional Bonds (in addition to the Series 2025A Bonds) payable from Base Rental Payments as provided herein on a parity with all other Bonds theretofore issued hereunder, but only subject to the following conditions, which are hereby made conditions precedent to the issuance of such Additional Bonds:

(a) The issuance of such Additional Bonds shall have been authorized under and pursuant hereto and shall have been provided for by a Supplemental Indenture which shall specify the following:

(i) The application of the proceeds of the sale of such Additional Bonds;

(ii) The principal amount and designation of such Series of Additional Bonds and the denomination or denominations of the Additional Bonds;

(iii) The date, the maturity date or dates, the interest payment dates and the dates on which mandatory sinking fund redemptions, if any, are to be made for such Additional Bonds; provided, however, that (i) the serial Bonds of such Series of Additional Bonds shall be payable as to principal annually on May 1 of each year in which principal falls due, and the term Bonds of such Series of Additional Bonds shall have annual mandatory sinking fund redemptions on May 1, (ii) the Additional Bonds shall be payable as to interest semiannually on May 1 and November 1 of each year, except that the first installment of interest may be payable on either May 1 or November 1 and shall be for a period of not longer than twelve months and the interest shall be payable thereafter semiannually on May 1 and November 1, (iii) all Additional Bonds of a Series of like maturity shall be identical in all respects, except as to number or denomination, and (iv) serial maturities of serial Bonds or mandatory sinking fund redemptions for term Bonds, or any combination thereof, shall be established to provide for the redemption or payment of such Additional Bonds on or before their respective maturity dates;

(iv) The redemption premiums and terms, if any, for such Additional Bonds;

(v) The form of such Additional Bonds; and

(vi) If a reserve fund is to be established and maintained for such Series of Additional Bonds, the applicable reserve requirement and the amount, if any, to be deposited from the proceeds of sale of such Additional Bonds in such reserve fund to be held as separate security for such Series of Additional Bonds;

(vii) Designate accounts in the Interest Fund, the Principal Fund, the Redemption Fund, the Rebate Fund and the reserve fund (if any) to be applicable to such Additional Bonds; and

(viii) Such other provisions that are appropriate or necessary and are not inconsistent with the provisions hereof, including the establishment of a capitalized interest fund for the Additional Bonds, if appropriate;

(b) The Authority shall be in compliance with all agreements, conditions, covenants and terms contained herein, in the Lease Agreement and in the Ground Lease required to be observed or performed by it;

(c) The City shall be in compliance with all agreements, conditions, covenants and terms contained herein, in the Lease Agreement and in the Ground Lease required to be observed or performed by it; and

(d) The Ground Lease shall have been amended, to the extent necessary, and the Lease Agreement shall have been amended so as to increase the Base Rental Payments payable by the City thereunder by an aggregate amount equal to the principal of and interest on such Additional Bonds, payable at such times and in such manner as may be necessary to provide for the timely payment of the principal of and interest on such Additional Bonds; provided, however, that no such amendment

shall be made such that the sum of Base Rental Payments, including any increase in the Base Rental Payments as a result of such amendment, plus Additional Rental Payments, in any Rental Period shall be in excess of the annual fair rental value of the Property after taking into account the use of the proceeds of any Additional Bonds issued in connection therewith (evidence of the satisfaction of such condition shall be made by a Written Certificate of the City).

Nothing contained herein shall limit the issuance of any bonds or other obligations payable from Base Rental Payments if, after the issuance and delivery of such bonds or other obligations, none of the Bonds theretofore issued hereunder will be Outstanding.

**Section 3.07 Procedure for the Issuance of Additional Bonds.** At any time after the sale of any Additional Bonds in accordance with the Act, such Additional Bonds shall be executed by the Authority for issuance hereunder and shall be delivered to the Trustee and thereupon shall be authenticated and delivered by the Trustee, but only upon receipt by the Trustee of the following:

(a) Certified copies of the Supplemental Indenture authorizing the issuance of such Additional Bonds, the amendment to the Lease Agreement required by Section 3.06 hereof and the amendment to the Ground Lease, if any, required by Section 3.06 hereof, together with satisfactory evidence that such amendment to the Lease Agreement and such amendment to the Ground Lease, if any, have been (or will be immediately upon issuance of such Additional Bonds) duly recorded in the Official Records of the Santa Barbara County, California Recorder's office;

(b) A Written Request of the Authority as to the delivery of such Additional Bonds;

(c) An opinion of Bond Counsel substantially to the effect that (i) the Indenture (including all Supplemental Indentures), the Lease Agreement (including the amendment thereto required by Section 3.06 hereof) and the Ground Lease (including any amendment thereto required by Section 3.06 hereof) have been duly authorized, executed and delivered by, and constitute the valid and binding obligations of, the Authority and the City, enforceable in accordance with their terms (except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights and by the application of equitable principles and by the exercise of judicial discretion in appropriate cases and subject to the limitations on legal remedies against political subdivisions in the State of California), (ii) such Additional Bonds constitute valid and binding special obligations of the Authority payable solely from Base Rental Payments as provided herein and are enforceable in accordance with their terms (except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights and by the application of equitable principles and by the exercise of judicial discretion in appropriate cases and subject to the limitations on legal remedies against political subdivisions in the State of California), and (iii) the issuance of such Additional Bonds, in and of itself, will not adversely affect the exclusion of interest on any tax-exempt Bonds Outstanding prior to the issuance of such Additional Bonds from gross income for federal income tax purposes;

(d) a Written Certificate of the Authority that the requirements of Section 3.06 hereof have been met;

(e) a Written Certificate of the City that the requirements of Section 3.06 hereof and Sections 6.01 and 6.02 of the Lease Agreement have been met, and a Written Certificate of the City directing the application of the proceeds of such Additional Bonds; and

(f) Such further documents as are required by the provisions hereof or by the provisions of the Supplemental Indenture authorizing the issuance of such Additional Bonds.

**Section 3.08 Additional Bonds.** So long as any of the Bonds remain Outstanding, the Authority shall not issue any Additional Bonds or obligations payable from the Base Rental Payments, except pursuant to Sections 3.06 and 3.07 hereof.

#### ARTICLE IV

#### REDEMPTION OF BONDS

##### **Section 4.01 Redemption of Series 2025A Bonds.**

(a) Extraordinary Redemption. The Series 2025A Bonds shall be subject to extraordinary redemption, in whole or in part, on any date, in Authorized Denominations, from and to the extent of any Net Insurance Proceeds received with respect to all or a portion of the Property, deposited by the Trustee in the Redemption Fund pursuant to Sections 5.03 and 5.04 hereof, at a Redemption Price equal to the principal amount of the Series 2025A Bonds to be redeemed, plus accrued interest thereon to the date of redemption, without premium.

(b) Optional Redemption. The Series 2025A Bonds maturing on or after May 1, 20\_\_\_\_, shall be subject to optional redemption, in whole or in part, on any date on or after May 1, 20\_\_\_\_, in Authorized Denominations, from and to the extent of prepaid Base Rental Payments paid pursuant to subsection (a) of Section 8.02 of the Lease Agreement, at a Redemption Price equal to the principal amount of the Series 2025A Bonds to be redeemed, plus accrued interest thereon to the date of redemption, without premium.

(c) Sinking Fund Redemption. The Series 2025A Bonds maturing on May 1, 20\_\_\_\_ are subject to mandatory sinking fund redemption in part (by lot) on each May 1 on and after May 1, 20\_\_\_\_, in integral multiples of \$5,000 at a Redemption Price of the principal amount thereof plus accrued interest to the date fixed for redemption, without premium, in accordance with the following schedule:

<i>Sinking Fund Redemption Date</i> <i>(May 1)</i>	<i>Principal Amount</i> <i>To Be Redeemed</i>
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(maturity)

The Series 2025A Bonds maturing on May 1, 20\_\_\_\_ are subject to mandatory sinking fund redemption in part (by lot) on each May 1 on and after May 1, 20\_\_\_\_, in integral multiples of \$5,000 at a Redemption Price of the principal amount thereof plus accrued interest to the date fixed for redemption, without premium, in accordance with the following schedule:

<i>Sinking Fund Redemption Date</i> <i>(May 1)</i>	<i>Principal Amount</i> <i>To Be Redeemed</i>
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(maturity)

In the event of a partial redemption pursuant to Section 4.01(a) or (b), the City shall provide the Trustee with a revised mandatory sinking fund schedule giving effect to the redemption so completed.

**Section 4.02 Notice of Redemption.** The Trustee on behalf and at the expense of the Authority shall mail (by first class mail) notice of any redemption to the respective Owners of any Bonds designated for redemption at their respective addresses appearing on the Registration Books, to the Securities Depositories and to one or more Information Services, at least 20 but not more than 60 days prior to the date fixed for redemption. Such notice shall state the date of the notice, the redemption date, the redemption place and the Redemption Price and shall designate the CUSIP numbers, the Bond numbers and the maturity or maturities (except in the event of redemption of all of the Bonds of such maturity or maturities in whole) of the Bonds to be redeemed, and shall require that such Bonds be then surrendered at the Office of the Trustee for redemption at the Redemption Price, giving notice also that further interest on such Bonds will not accrue from and after the date fixed for redemption. Such notice of redemption may also state that no representation is made as to the accuracy or correctness of the CUSIP numbers printed therein or on the Bonds. Neither the failure to receive any notice so mailed, nor any defect in such notice, shall affect the validity of the proceedings for the redemption of the Bonds or the cessation of accrual of interest thereon from and after the date fixed for redemption.

With respect to any notice of optional redemption of the Bonds, such notice may state that such redemption shall be conditional upon the receipt by the Trustee, on or prior to the date fixed for such redemption, of moneys sufficient to pay the principal of, premium if any, and interest on the Bonds to be redeemed and upon other conditions set forth therein and that, if such money shall not have been so received or such other conditions shall not have been satisfied, said notice shall be of no force and effect and the Trustee shall not be required to redeem such Bonds. If sufficient moneys for redemption shall not have been received or any condition stated in the redemption notice for an optional redemption shall not have been satisfied on or prior to the redemption date: (i) the redemption notice shall be of no force and effect, (ii) the Authority shall not be required to redeem such Bonds, (iii) the redemption shall not be made, and (iv) the Trustee shall within a reasonable time thereafter give notice to the persons in the manner in which the conditional redemption notice was given that such condition or conditions were not met and that the redemption was canceled.

The Trustee shall not have any liability to any party in connection with any failure to timely file such notice of redemption with the Information Service and the sole remedy available shall be an action by the Owners of the Bonds in mandamus for specific performance or similar remedy to compel performance.

**Section 4.03 Selection of Bonds for Redemption.** Whenever provision is made in this Indenture for the redemption of less than all of the Bonds, the Trustee shall select the Bonds to be redeemed from all Bonds not previously called for redemption (a) with respect to any optional redemption of Bonds of a Series, among maturities of Bonds of such Series as directed in a Written Request of the Authority, (b) with respect to any redemption pursuant to Section 4.01(a) hereof and

the corresponding provision of any Supplemental Indenture pursuant to which Additional Bonds are issued, among maturities of all Series of Bonds on a pro rata basis as nearly as practicable, and (c) with respect to any other redemption of Additional Bonds, among maturities as provided in the Supplemental Indenture pursuant to which such Additional Bonds are issued, and by lot among Bonds of the same Series with the same maturity in any manner which the Trustee in its sole discretion shall deem appropriate and fair. For purposes of such selection, all Bonds shall be deemed to be comprised of separate \$5,000 denominations and such separate denominations shall be treated as separate Bonds which may be separately redeemed.

**Section 4.04 Partial Redemption of Bonds.** Upon surrender of any Bonds redeemed in part only, the Authority shall execute and the Trustee shall authenticate and deliver to the Owner thereof, at the expense of the Authority, a new Bond or Bonds of the same Series in authorized denominations equal in aggregate principal amount representing the unredeemed portion of the Bonds surrendered.

**Section 4.05 Effect of Notice of Redemption.** Notice having been mailed as aforesaid, and moneys for the Redemption Price, and the interest to the applicable date fixed for redemption, having been set aside in the Redemption Fund, the Bonds shall become due and payable on said date, and, upon presentation and surrender thereof at the Office of the Trustee, said Bonds shall be paid at the Redemption Price thereof, together with interest accrued and unpaid to said date.

If, on said date fixed for redemption, moneys for the Redemption Price of all the Bonds to be redeemed, together with interest to said date, shall be held by the Trustee so as to be available therefor on such date, and, if notice of redemption thereof shall have been mailed as aforesaid and not canceled, then, from and after said date, interest on said Bonds shall cease to accrue and become payable. All moneys held by or on behalf of the Trustee for the redemption of Bonds shall be held in trust for the account of the Owners of the Bonds so to be redeemed without liability to such Owners for interest thereon.

All Bonds paid at maturity or redeemed prior to maturity pursuant to the provisions hereof shall be canceled upon surrender thereof and destroyed.

## ARTICLE V

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

**Section 5.01 Pledge; Special Obligations.** Subject only to the provisions of this Indenture permitting the application thereof for the purposes and on the terms and conditions set forth herein, all of the Base Rental Payments and any other amounts (including proceeds of the sale of the Bonds) held in the Base Rental Payment Fund, the Interest Fund, the Principal Fund and the Redemption Fund are hereby pledged to secure the payment of the principal of, premium, if any, and interest on the Bonds in accordance with their terms, the provisions of this Indenture and the Act. Said pledge shall constitute a first lien on such assets. This pledge shall secure the payment of such Bonds and shall be effective, binding, and enforceable against the Authority, its successors, creditors and all others irrespective of whether those parties have notice of the pledge or grant and without the need of any physical delivery, recordation, filing, or further act. The pledge and grant is an agreement between the Authority and the Owners of Bonds to provide security for the Bonds in addition to any statutory lien that may exist.

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

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

(a) The Trustee shall establish and maintain separate funds designated the “Base Rental Payment Fund,” the “Interest Fund,” the “Principal Fund” and the “Redemption Fund.” If Additional Bonds are issued, the Trustee shall establish subaccounts within each fund for each Series of Additional Bonds.

All Base Rental Payments shall be paid directly by the City to the Trustee, and if received by the Authority at any time shall be transferred by the Authority to the Trustee within one Business Day after the receipt thereof. All Base Rental Payments received by the Trustee shall be deposited by the Trustee in the Base Rental Payment Fund.

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

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

(2) Principal Fund. On the Business Day immediately preceding each May 1, commencing [May 1, 2025], the Trustee shall transfer from the Base Rental Payment Fund to the Principal Fund the amount, if any, necessary to cause the amount on deposit in the Principal Fund to be equal to the principal amount of the Bonds due on such May 1 either as a result of the maturity thereof or mandatory sinking fund redemption payments required to be made with respect thereto. Moneys in the Principal Fund shall be used by the Trustee for the purpose of paying the principal of the Bonds when due and payable at their maturity dates or upon earlier mandatory sinking fund redemption.

(3) Redemption Fund. The Trustee, on the redemption date specified in the Written Request of the City filed with the Trustee at the time that any prepaid Base Rental Payment is paid to the Trustee pursuant to the Lease Agreement, shall deposit in the Redemption Fund that amount of moneys representing the portion of the Base Rental Payments designated as prepaid Base Rental Payments. Additionally, the Trustee shall deposit in the Redemption Fund any amounts required to be deposited therein pursuant to Section 5.03 or Section 5.04 hereof. Moneys in the Redemption Fund shall be used by the Trustee for the purpose of paying the principal of and interest and premium, if any, on Series 2025A Bonds redeemed pursuant to the provisions of subsections (a) and (b) of Section 4.01 hereof and

Additional Bonds redeemed pursuant to the corresponding provisions of the Supplemental Indenture pursuant to which such Additional Bonds are issued.

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

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

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

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

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

The proceeds of any award in eminent domain received in respect to the Property shall be deposited by the Trustee in the Redemption Fund and applied to the redemption of Bonds pursuant to subsection (a) of Section 4.01 hereof and the corresponding provisions of any Supplemental Indenture pursuant to which Additional Bonds are issued.

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

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

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

**Section 5.05 Rebate Fund.**

(a) Establishment. The Trustee shall establish a fund for the Bonds designated the “Rebate Fund” when required in accordance herewith. Absent an Opinion of Counsel that the exclusion from gross income for federal income tax purposes of interest on the Series 2025A Bonds will not be adversely affected, the Authority shall cause to be deposited in the Rebate Fund such amounts as are required to be deposited therein pursuant to this Section and the Tax Certificate. All money at any time deposited in the Rebate Fund shall be held by the Trustee in trust for payment to the United States Treasury. All amounts on deposit in the Rebate Fund for the Series 2025A Bonds shall be governed by this Section and the Tax Certificate, unless and to the extent that the Authority delivers to the Trustee an opinion of Bond Counsel that the exclusion from gross income for federal income tax purposes of interest on the Bonds will not be adversely affected if such requirements are not satisfied. Notwithstanding anything to the contrary contained herein or in the Tax Certificate, the Trustee: (1) shall be deemed conclusively to have complied with the provisions thereof if it follows all Written Requests of the Authority or Written Requests of the City; (2) shall have no liability or responsibility to enforce compliance by the Authority or the City with the terms of the Tax Certificate and shall not be deemed to have knowledge of the terms thereof; (3) may rely conclusively on the Authority’s or the City’s calculations and determinations and certifications relating to rebate matters; and (4) shall have no responsibility to independently make any calculations or determinations or to review the Authority’s or the City’s calculations or determinations thereunder.

(i) Annual Computation. Within 55 days of the end of each fifth Bond Year (as such term is defined in the Tax Certificate), the Authority shall calculate or cause to be calculated the amount of rebatable arbitrage, in accordance with Section 148(f)(2) of the Code and Section 1.148-3 of the Treasury Regulations (taking into account any applicable

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

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

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

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

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

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

(b) Disposition of Unexpended Funds. Any funds remaining in the Rebate Fund after redemption and payment of the Series 2025A Bonds and the payments described in subsection (a) above being made may be withdrawn by the Authority and utilized in any manner by the Authority.

(c) Survival of Defeasance. Notwithstanding anything in this Section to the contrary, the obligation to comply with the requirements of this Section shall survive the defeasance or payment in full of the Series 2025A Bonds.

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

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

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

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

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

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

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

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

## ARTICLE VI

### COVENANTS

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

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

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

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

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

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



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

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

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

**Section 6.08 Tax Covenants.** Notwithstanding any other provision of the Indenture, absent an Opinion of Counsel that the exclusion from gross income of the interest on the Series 2025A Bonds will not be adversely affected for federal income tax purposes, the City and the Authority covenant to comply with all applicable requirements of the Code necessary to preserve such exclusion from gross income with respect to the Series 2025A Bonds and specifically covenant, without limiting the generality of the foregoing, as follows:

(a) Private Activity. The City and the Authority will not take any action or refrain from taking any action or make any use of the proceeds of the Series 2025A Bonds or of any other moneys or property which would cause the Series 2025A Bonds to be "private activity bonds" within the meaning of Section 141 of the Code;

(b) Arbitrage. The City and the Authority will make no use of the proceeds of the Series 2025A Bonds or of any other amounts or property, regardless of the source, and will not take any action or refrain from taking any action which would cause the Series 2025A Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code;

(c) Federal Guarantee. The City and the Authority will make no use of the proceeds of the Series 2025A Bonds and will not take or omit to take any action that would cause the Series 2025A Bonds to be "federally guaranteed" within the meaning of Section 149(b) of the Code;

(d) Information Reporting. The City and the Authority will take or cause to be taken all necessary action to comply with the informational reporting requirement of Section 149(e) of the Code necessary to preserve the exclusion of interest on the Series 2025A Bonds pursuant to Section 103(a) of the Code;

(e) Hedge Bonds. The City and the Authority will make no use of the proceeds of the Series 2025A Bonds or any other amounts or property, regardless of the source, and will not take any action or refrain from taking any action that would cause the Series 2025A Bonds to be considered "hedge bonds" within the meaning of Section 149(g) of the Code unless the City and the Authority take all necessary action to assure compliance with the requirements of Section 149(g) of the Code to

maintain the exclusion from gross income of interest on the Series 2025A Bonds for federal income tax purposes; and

(f) Miscellaneous. The City and the Authority will not take any action or refrain from taking any action inconsistent with its expectations stated in the Tax Certificate and will comply with the covenants and requirements stated therein and incorporated by reference herein.

This Section and the covenants set forth herein shall not be applicable to, and nothing contained herein shall be deemed to prevent the City and the Authority from causing the Trustee to issue revenue bonds or to execute and deliver contracts payable on a parity with the Series 2025A Bonds, the interest with respect to which has been determined by an Opinion of Counsel to be subject to federal income taxation.

**Section 6.09 Continuing Disclosure.** The City will comply with and carry out all of the provisions of the Continuing Disclosure Certificate. Notwithstanding any other provision of this Indenture, failure of the City to comply with the Continuing Disclosure Certificate shall not constitute an event of default hereunder; provided, however, that the Trustee may (and, at the written direction of any Participating Underwriter or the holders of at least 25% of the aggregate principal amount of Outstanding Bonds, and upon being indemnified to its reasonable satisfaction therefor, shall) or any holder or Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate to compel performance, including seeking mandate or specific performance by court order.

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

## ARTICLE VII

### DEFAULT AND LIMITATIONS OF LIABILITY

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

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

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

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

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

Nothing herein shall be deemed to authorize the Trustee to authorize or consent to or accept or adopt on behalf of any Owner any plan of reorganization, arrangement, adjustment or composition affecting the Bonds or the rights of any Owner thereof, or to authorize the Trustee to vote in respect of the claim of any Owner in any such proceeding without the approval of the Owners so affected.

**Section 7.03 Non-Waiver.** A waiver of any default or breach of duty or contract by the Trustee shall not affect any subsequent default or breach of duty or contract or impair any rights or remedies on any such subsequent default or breach of duty or contract. No default or event of default may be waived without the Insurer's express written consent. No delay or omission by the Trustee to exercise any right or remedy accruing upon any default or breach of duty or contract shall impair any such right or remedy or shall be construed to be a waiver of any such default or breach of duty or contract or an acquiescence therein, and every right or remedy conferred upon the Trustee by law or by this Article may be enforced and exercised from time to time and as often the Trustee shall deem expedient.

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

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

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

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

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

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

- (a) to the payment of all amounts due the Trustee under Article VIII hereof;
- (b) to the payment of all amounts then due for interest on the Bonds, in respect of which, or for the benefit of which, money has been collected (other than Bonds which have become payable prior to such event of default and money for the payment of which is held by the Trustee), ratably without preference or priority of any kind, according to the amounts of interest on such Bonds due and payable; and
- (c) to the payment of all amounts then due for principal of the Bonds, in respect of which, or for the benefit of which, money has been collected (other than Bonds which have become payable prior to such event of default and money for the payment of which is held by the Trustee), ratably without preference or priority of any kind, according to the amounts of principal of such Bonds due and payable.

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

**Section 7.10 Limitation on Suits.** No Owner of any Bond shall have any right to institute any proceeding, judicial or otherwise, with respect to this Indenture, or for the appointment of a receiver or Trustee, or for any other remedy hereunder, unless (a) such Owner shall have previously given written notice to the Trustee of a continuing event of default, (b) the Owners of not less than

25% of the aggregate principal amount of Bonds then Outstanding shall have made written request to the Trustee to institute proceedings in respect of such event of default in its own name as Trustee hereunder, (c) such Owner or Owners shall have afforded to the Trustee indemnity reasonably satisfactory to the Trustee against the costs, expenses and liabilities to be incurred in compliance with such request, (d) the Trustee for 60 days after its receipt of such notice, request and offer of indemnity shall have failed to institute any such proceedings, and (e) no direction inconsistent with such written request shall have been given to the Trustee during such 60 day period by the Owners of a majority of the aggregate principal amount of Bonds then Outstanding; it being understood and intended that no one or more Owners shall have any right in any manner whatever by virtue of, or by availing of, any provision of this Indenture to affect, disturb or prejudice the rights of any other Owner, or to obtain or seek to obtain priority or preference over any other Owner or to enforce any right under this Indenture, except in the manner herein provided and for the equal and ratable benefit of all the Owners.

**Section 7.11 Consent of Insurer.** Any reorganization or liquidation plan with respect to the City or the Authority must be acceptable to the Insurer. In the event of any reorganization or liquidation of the City or the Authority, the Insurer shall have the right to vote on behalf of all holders of the Insured Series 2025A Bonds absent a continuing failure by the Insurer to make a payment under the Policy.

Anything in the Security Documents to the contrary notwithstanding, upon the occurrence and continuance of a default or an event of default, the Insurer shall be entitled to control and direct the enforcement of all rights and remedies granted to the holders of the Insured Series 2025A Bonds or the Trustee for the benefit of the holders of the Insured Series 2025A Bonds under this Indenture.

**Section 7.12 Insurer as Owner.** Upon the occurrence and continuance of a default or an event of default, the Insurer shall be deemed to be the sole owner of the Insured Series 2025A Bonds for all purposes under the Security Documents, including, without limitation, for purposes of exercising remedies and approving amendments.

**Section 7.13 Special Provision for Insurer Default.** If an Insurer Default shall occur and be continuing, then, notwithstanding anything herein to the contrary, (1) if at any time prior to or following an Insurer Default, the Insurer has made payment under the Policy, to the extent of such payment the Insurer shall be treated like any other holder of the Insured Series 2025A Bonds for all purposes, including giving of consents, and (2) if the Insurer has not made any payment under the Policy, the Insurer shall have no further consent rights until the particular Insurer Default is no longer continuing or the Insurer makes a payment under the Policy, in which event, the foregoing clause (1) shall control. For purposes of this paragraph, "Insurer Default" means: (A) the Insurer has failed to make any payment under the Policy when due and owing in accordance with its terms; or (B) the Insurer shall (i) voluntarily commence any proceeding or file any petition seeking relief under the United States Bankruptcy Code or any other Federal, state or foreign bankruptcy, insolvency or similar law, (ii) consent to the institution of or fail to controvert in a timely and appropriate manner, any such proceeding or the filing of any such petition, (iii) apply for or consent to the appointment of a receiver, trustee, custodian, sequestrator or similar official for such party or for a substantial part of its property, (iv) file an answer admitting the material allegations of a petition filed against it in any such proceeding, (v) make a general assignment for the benefit of creditors, or (vi) take action for the purpose of effecting any of the foregoing; or (C) any state or federal agency or instrumentality shall order the suspension of payments on the Policy or shall obtain an order or grant approval for the rehabilitation, liquidation, conservation or dissolution of the Insurer (including without limitation under the New York Insurance Law).

## ARTICLE VIII

### THE TRUSTEE

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

**Section 8.02 Duties, Removal and Resignation of the Trustee.** The Authority shall provide prior written notice to the Insurer of any name change of the Trustee or the resignation or removal of the Trustee initially a party hereto and any successor thereto shall remove the Trustee initially a party hereto and any successor thereto if at any time (a) requested to do so by an instrument or concurrent instruments in writing signed by the Owners of a majority of the aggregate principal amount of Bonds at the time Outstanding (or their attorneys duly authorized in writing), or (b) the Trustee shall cease to be eligible in accordance with the following sentence, and shall appoint a successor Trustee. The Trustee and any successor Trustee shall be: (i) a national banking association in good standing authorized to exercise trust powers or having the powers of a trust company and duly authorized to exercise trust powers within the State having a combined capital and surplus of at least \$250,000,000, and subject to supervision or examination by federal or state authority, (ii) a state-chartered commercial bank that is a member of the Federal Reserve System having at least \$1,000,000,000 of assets, or (iii) an entity otherwise approved by the Insurer in writing. No removal, resignation or termination of the Trustee shall take effect until a successor, meeting the requirements above or acceptable to the Insurer, shall be qualified and appointed. If such entity publishes a report of condition at least annually, pursuant to law or to the requirements of any supervising or examining authority above referred to, then for the purposes of this Section the combined capital and surplus of such entity shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published.

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

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

successor Trustee. Any resignation or removal of a Trustee and appointment of a successor Trustee shall become effective only upon acceptance of appointment by the successor Trustee.

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

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

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

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

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

Upon an Event of Default, and only upon an Event of Default, the Trustee shall have a first lien with right of payment prior to payment on account of principal of and premium, if any, and interest

on any Bond, upon the trust estate for the foregoing fees, charges and expenses incurred by it. When the Trustee incurs expenses or renders services after the occurrence of an Event of Default, such expenses and the compensation for such services are intended to constitute expenses of administration under any federal or state bankruptcy, insolvency, arrangement, moratorium, reorganization or other debtor relief law.

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

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

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

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

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



receiver selected by it with reasonable care. The Trustee shall not be liable for any error of judgment made by it in good faith unless it shall be proved that the Trustee was negligent in ascertaining the pertinent facts.

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

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

The Trustee may, on behalf of the Owners, intervene in any judicial proceeding to which the Authority or the City is a party and which, in the opinion of the Trustee and its counsel, affects the Bonds or the security therefor, and shall do so if requested in writing by the Owners of at least 5% of the aggregate principal amount of Bonds then Outstanding, provided the Trustee shall have no duty to take such action unless it has been indemnified to its reasonable satisfaction against all risk or liability arising from such action.

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

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

The permissive right of the Trustee to do things enumerated in this Indenture shall not be construed as a duty, and the Trustee shall not be answerable for other than its negligence or willful default. The Trustee shall have no responsibility or liability with respect to any information, statements or recitals in any offering memorandum or other disclosure material prepared or distributed with respect to the issuance of these Bonds. The Trustee shall not be accountable for the use or application by the Borrower of any of the Bonds or the proceeds thereof or for the use or application of any money paid over by the Trustee in accordance with the provisions of this Indenture or for the use and application of money received by any paying agent.

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

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

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

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

## **ARTICLE IX**

### **MODIFICATION OR AMENDMENTS**

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

(a) This Indenture and the rights and obligations of the Authority, the City, the Owners of the Bonds and the Trustee may be modified or amended from time to time and at any time by a Supplemental Indenture, which the Authority, the City and the Trustee may enter into with the prior written consent of the Insurer and the Owners of a majority in aggregate principal amount of all Bonds then Outstanding, which shall have been filed with the Trustee. For purposes of this Section, the Insurer shall be treated as the Owner of any Insured Series 2025 Bonds. No such modification or amendment shall (i) extend the fixed maturity of any Bonds, or reduce the amount of principal thereof or the rate of interest thereon, or extend the time of payment, without the consent of the Insurer and Owner of each Bond so affected, or (ii) reduce the aforesaid percentage of Bonds the consent of the Owners of which is required to effect any such modification or amendment, or (iii) permit the creation

of any lien on the Base Rental Payments and other assets pledged under this Indenture prior to or on a parity with the lien created by this Indenture or deprive the Owners of the Bonds of the lien created by this Indenture on such Base Rental Payments and other assets (except as expressly provided in this Indenture), without the consent of the Insurer and the Owners of all of the Bonds then Outstanding. It shall not be necessary for the consent of the Insurer or the Bond Owners to approve the particular form of any Supplemental Indenture, but it shall be sufficient if such consent shall approve the substance thereof.

(b) This Indenture and the rights and obligations of the Authority, the City, the Trustee and the Owners of the Bonds may also be modified or amended from time to time and at any time by a Supplemental Indenture, which the Authority, the City and the Trustee may enter into without the consent of any Bond Owners or the Insurer for any one or more of the following purposes:

(1) to add to the covenants and agreements of the Authority or the City in this Indenture contained other covenants and agreements thereafter to be observed, to pledge or assign additional security for the Bonds (or any portion thereof), or to surrender any right or power herein reserved to or conferred upon the Authority or the City;

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

(3) to provide for the issuance of one or more Series of Additional Bonds, and to provide the terms and conditions under which such Series of Additional Bonds may be issued, subject to and in accordance with the provisions of Sections 3.06 and 3.07 hereof;

(4) to modify, amend or supplement this Indenture in such manner as to permit the qualification hereof under the Trust Indenture Act of 1939, as amended, or any similar federal statute hereafter in effect, and to add such other terms, conditions and provisions as may be permitted by said act or similar federal statute;

(5) to modify, amend or supplement this Indenture in such manner as to cause interest on the Bonds to be excludable from gross income for purposes of federal income taxation by the United States of America; and

(6) in any other respect whatsoever as the Authority and the City may deem necessary or desirable, provided that such modification or amendment does not materially adversely affect the interests of the Bond Owners hereunder.

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

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

The Authority or the City shall send copies of any Supplemental Indenture to the Insurer and any rating agency which maintains a rating with respect to the Insured Series 2025A Bonds.

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

In executing, or accepting the additional trusts created by any supplemental indenture permitted by this Article or the modification thereby of the trusts created by this Indenture, the Trustee shall be entitled to receive, and shall be fully protected in relying upon, an opinion of counsel stating that the execution of such supplemental indenture is authorized or permitted by this Indenture and complies with the terms hereof.

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

**Section 9.04 Amendment of Particular Bonds.** The provisions of this Article shall not prevent any Bond Owner from accepting any amendment as to the particular Bonds held by such Owner.

## ARTICLE X

### DEFEASANCE

**Section 10.01 Discharge of Indenture.** If the Authority shall pay or cause to be paid or there shall otherwise be paid to the Owners of all Outstanding Bonds the principal thereof and the interest and premium, if any, thereon at the times and in the manner stipulated herein and therein, then the Owners of such Bonds shall cease to be entitled to the pledge of the Base Rental Payments and the other assets as provided herein, and all agreements, covenants and other obligations of the Authority and the City to the Owners of such Bonds hereunder shall thereupon cease, terminate and become void and be discharged and satisfied. In such event, the Trustee shall execute and deliver to the Authority, the City and the Insurer all such instruments as may be necessary or desirable to evidence such discharge and satisfaction, and the Trustee shall pay over or deliver to the City all money or securities

held by it pursuant hereto which are not required for the payment of the principal of and interest and premium, if any, on such Bonds.

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

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

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

[Notwithstanding the foregoing, the investments in the defeasance escrow relating to the Insured Series 2025A Bonds shall be limited to non-callable, direct obligations of the United States of America and securities fully and conditionally guaranteed as to the timely payment of principal and interest by the United States of America, or as otherwise maybe authorized under State law and approved by the Insurer. At least three (3) Business Days prior to any defeasance with respect to the Insured Series 2025A Bonds, the Authority shall deliver to the Insurer draft copies of an escrow agreement, an opinion of Bond Counsel regarding the validity and enforceability of the escrow agreement and the defeasance of the Insured Series 2025A Bonds, a verification report prepared by a nationally recognized independent financial analyst or firm of certified public accountants regarding the sufficiency of the escrow fund. Such opinion and verification report shall be addressed to the Insurer and shall be in form and substance satisfactory to the Insurer. In addition, the escrow agreement shall provide that: (i) any substitution of securities shall require the delivery of a verification report, an opinion of Bond Counsel that such substitution will not adversely affect the exclusion (if interest on the Insured Series 2025A Bonds is excludable) from gross income of the holders of the Insured Series 2025A Bonds of the interest on the Insured Series 2025A Bonds for federal income tax purposes and the prior written consent of the Insurer, which consent will not be unreasonably withheld; (ii) the Authority and the City will not exercise any prior optional redemption of the Insured Series 2025A Bonds secured by the escrow agreement or any other redemption other than mandatory sinking fund redemption unless (1) the right to make any such redemption has been expressly reserved in the escrow agreement and such reservation has been disclosed in detail in the official statement for the refunding bonds, and (2) as a condition to any such redemption there shall be provided to the Insurer a verification report as to the sufficiency of escrow receipts without reinvestment to meet the escrow requirements remaining following any such redemption; (iii) the Authority and the City shall not amend the escrow agreement or enter into a forward purchase agreement or other agreement with respect to rights in the escrow without the prior written consent of the Insurer.]

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

## ARTICLE XI

### MISCELLANEOUS

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

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

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

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

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

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

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

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

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

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

**Section 11.08 Partial Invalidity.** If any one or more of the agreements, conditions, covenants or terms required herein to be observed or performed by or on the part of the Authority, the City or the Trustee shall be contrary to law, then such agreement or agreements, such condition or conditions, such covenant or covenants or such term or terms shall be null and void to the extent contrary to law and shall be deemed separable from the remaining agreements, conditions, covenants and terms hereof and shall in no way affect the validity hereof or of the Bonds, and the Owners shall retain all the benefit, protection and security afforded to them under any applicable provisions of law. The Authority, the City and the Trustee hereby declare that they would have executed this Indenture, and each and every Article, Section, paragraph, subsection, sentence, clause and phrase hereof and would have authorized the execution and delivery of the Bonds pursuant hereto irrespective of the fact that any one or more Articles, Sections, paragraphs, subsections, sentences, clauses or phrases hereof or the application thereof to any person or circumstance may be held to be unconstitutional, unenforceable or invalid.

**Section 11.09 Disqualified Bonds.** In determining whether the Owners of the requisite aggregate principal amount of Bonds have concurred in any demand, request, direction, consent or waiver under this Indenture, Bonds which are actually known by the Trustee to be owned or held by or for the account of the Authority or the City, or by any Person directly or indirectly controlling or controlled by, or under direct or indirect common control with, the Authority or the City, shall be disregarded and deemed not to be Outstanding for the purpose of any such determination; except that, in determining whether the Trustee shall be protected in relying upon any such demand, request, direction, consent or waiver of an Owner, only Bonds which the Trustee actually knows to be owned or held by or for the account of the Authority or the City, or by any Person directly or indirectly controlling or controlled by, or under direct or indirect common control with, the Authority or the City, shall be disregarded unless all Bonds are so owned or held, in which case such Bonds shall be considered Outstanding for the purpose of such determination. Bonds so owned which have been pledged in good faith may be regarded as Outstanding for the purposes of this Section if the pledgee shall establish to the satisfaction of the Trustee the pledgee’s right to vote such Bonds and that the pledgee is not a Person directly or indirectly controlling or controlled by, or under direct or indirect common control with, the Authority or the City. In case of a dispute as to such right, any decision by the Trustee taken upon the advice of counsel shall be full protection to the Trustee. Upon request of the Trustee, the Authority and the City shall specify in a Written Certificate of the City and Authority those Bonds disqualified pursuant to this Section and the Trustee may conclusively rely on such Certificate.

**Section 11.10 Money Held for Particular Bonds.** The money held by the Trustee for the payment of the interest, principal or premium due on any date with respect to particular Bonds (or portions of Bonds in the case of Bonds redeemed in part only) shall, on and after such date and pending



such payment, be set aside on its books and held in trust by it for the Owners of the Bonds entitled thereto, subject, however, to the provisions of Section 10.03 hereof but without any liability for interest thereon.

**Section 11.11 Payment on Non-Business Days.** In the event any payment is required to be made hereunder on a day which is not a Business Day, such payment shall be made on the next succeeding Business Day with the same effect as if made on such non-Business Day.

**Section 11.12 California Law.** This Indenture shall be construed and governed in accordance with the laws of the State of California.

**Section 11.13 Notices.** All written notices to be given hereunder shall be given by mail to the party entitled thereto at its address set forth below, or at such other address as such party may provide to the other parties in writing from time to time, namely:

- If to the City: City of Goleta  
130 Cremona Drive  
Goleta, California 93117  
Attention: City Manager
  
- If to the Authority: Goleta Facilities Financing Authority  
c/o City of Goleta  
130 Cremona Drive  
Goleta, California 93117  
Attention: Executive Director
  
- If to the Trustee: The Bank of New York Mellon Trust Company, N.A.  
333 South Hope Street  
Los Angeles, CA 90071  
Attention: Global Corporate Trust Services  
Ref: City of Goleta
  
- If to the Insurer: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Attention: \_\_\_\_\_  
Ref: Policy No. \_\_\_\_\_  
Telephone: \_\_\_\_\_  
Telecopier: \_\_\_\_\_  
Email: \_\_\_\_\_

Each such notice, statement, demand, consent, approval, authorization, offer, designation, request or other communication hereunder shall be deemed delivered to the party to whom it is addressed (a) if personally served or delivered, upon delivery, (b) if given by electronic communication, upon the sender's receipt of an appropriate answer back or other written acknowledgment, (c) if given by registered or certified mail, return receipt requested, deposited with the United States mail postage prepaid, 72 hours after such notice is deposited with the United States mail, (d) if given by overnight courier, with courier charges prepaid, 24 hours after delivery to said

overnight courier, or (e) if given by any other means, upon delivery at the address specified in this Section.

**Section 11.14 Notice to Rating Agencies.** The Trustee shall provide S&P, if the Bonds are then rated by S&P, and Moody's, if the Bonds are then rated by Moody's, with prompt notice of any substitution or release of property pursuant to Section 10.03 of the Lease Agreement.

**Section 11.15 Execution in Counterparts.** This Indenture may be executed in several counterparts, each of which shall be deemed an original, and all of which shall constitute but one and the same instrument.

*[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK.]*

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

GOLETA FACILITIES FINANCING  
AUTHORITY

By: \_\_\_\_\_  
PAULA PEROTTE, CHAIR

ATTEST:

By: \_\_\_\_\_  
DEBORAH S. LOPEZ  
SECRETARY OF THE BOARD

CITY OF GOLETA

By: \_\_\_\_\_  
PAULA PEROTTE, MAYOR

ATTEST:

By: \_\_\_\_\_  
DEBORAH S. LOPEZ  
CITY CLERK

*[SIGNATURES CONTINUED ON NEXT PAGE.]*

*[SIGNATURE PAGE CONTINUED.]*

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

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

**EXHIBIT A**

**FORM OF SERIES 2025A BOND**

No. \_\_\_\_\_

\$ \_\_\_\_\_

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

**GOLETA FACILITIES FINANCING AUTHORITY  
LEASE REVENUE BOND,  
SERIES 2025A**

<b>INTEREST RATE</b>	<b>MATURITY DATE</b>	<b>DATED DATE</b>	<b>CUSIP</b>
_____ %	May 1, 20__	[_____] __, 2025	

**REGISTERED OWNER:** CEDE & CO.

**PRINCIPAL AMOUNT:** \_\_\_\_\_ THOUSAND DOLLARS

The Goleta Facilities Financing Authority (the “Authority”), for value received, hereby promises to pay, solely from the Base Rental Payments (as hereinafter defined) or amounts in certain funds and accounts held under the Indenture (as hereinafter defined), to the Registered Owner identified above or registered assigns (the “Registered Owner”); on the Maturity Date identified above or on any earlier redemption date, the Principal Amount identified above in lawful money of the United States of America; and to pay interest thereon at the Interest Rate identified above in like lawful money from the date hereof payable semiannually on May 1 and November 1 in each year, commencing [May 1, 2025] (the “Interest Payment Dates”), until payment of such Principal Amount in full. This Bond shall bear interest from the Interest Payment Date next preceding the date of authentication of this Bond (unless this Bond is authenticated on or before an Interest Payment Date and after the close of business on the fifteenth calendar day of the month next preceding such Interest Payment Date, whether or not such day is a Business Day, in which event it shall bear interest from such Interest Payment Date, or unless this Bond is authenticated on or prior to [April 15, 2025], in which event it shall bear interest from the Dated Date identified above; provided, however, that if, at the time of authentication of this Bond, interest is in default on this Bond, interest on this Bond shall be payable from the date to which interest hereon has been paid in full, payable on each Interest Payment Date). The Principal Amount hereof is payable upon surrender hereof upon maturity or earlier redemption at the Office of the Trustee (as hereinafter defined). Interest hereon is payable by wire or check of The Bank of New York Mellon Trust Company, N.A., as Trustee (the “Trustee”), mailed by first class mail, postage prepaid, on each Interest Payment Date to the Registered Owner hereof at the address of the Registered

Owner shown on the Registration Books at the close of business on the fifteenth calendar day of the month next preceding such Interest Payment Date. “Office of the Trustee” means the principal corporate trust office of the Trustee in Los Angeles, California, or such other office as may be specified to the Authority and the City of Goleta (the “City”) by the Trustee in writing, except that with respect to presentation of Bonds for payment or for registration of transfer and exchange such term shall mean the office or the agency of the Trustee at which, at any particular time, its corporate trust agency shall be conducted as specified to the Authority and the City by the Trustee in writing.

This Bond is one of a series of a duly authorized issue of bonds issued for the purpose of financing the Project (as defined in the Indenture), and is one of the series of bonds designated “Goleta Facilities Financing Authority Lease Revenue Bonds, Series 2025A” (the “Series 2025A Bonds”) in the aggregate principal amount of \$\_\_\_\_\_. The Series 2025A Bonds are issued pursuant to the Indenture, dated as of [February] 1, 2025 (the “Indenture”), by and among the Authority, the City and the Trustee, and this reference incorporates the Indenture herein, and by acceptance hereof the owner of this Bond assents to said terms and conditions. Pursuant to and as more particularly provided in the Indenture, additional bonds (“Additional Bonds”), may be issued by the Authority secured by a lien on a parity with the lien on Base Rental Payments and amounts in certain funds and accounts held under the Indenture securing the Series 2025A Bonds. The Series 2025A Bonds and any Additional Bonds are collectively referred to as the “Bonds.” The Indenture is entered into, and this Bond is issued under, the Marks-Roos Local Bond Pooling Act of 1985 (the “Act”) and the laws of the State of California.

Pursuant to the Indenture, the principal of and interest on the Bonds are payable solely from certain base rental payments (the “Base Rental Payments”) under and pursuant to that certain Lease Agreement, dated as of [February] 1, 2025 (the “Lease Agreement”), by and between the City, as lessee, and the Authority, as lessor, all of which rights to receive such Base Rental Payments have been assigned without recourse by the Authority to the Trustee. Subject only to the provisions of the Indenture permitting the application thereof for the purposes and on the terms and conditions set forth therein, all of the Base Rental Payments and any other amounts (including proceeds of the sale of the Bonds) held in the Base Rental Payment Fund, the Interest Fund, the Principal Fund and the Redemption Fund established under the Indenture are pledged to secure the payment of the principal of, premium, if any, and interest on the Bonds in accordance with their terms, the provisions of the Indenture and the Act. Said pledge constitutes a first lien on such assets.

The Series 2025A Bonds are authorized to be issued in the form of fully registered bonds without coupons in denominations of \$5,000 or any integral multiple thereof (“Authorized Denominations”).

The Series 2025A Bonds shall be subject to extraordinary redemption, in whole or in part, on any date, in Authorized Denominations, from and to the extent of any Net Insurance Proceeds received with respect to all or a portion of the Property, deposited by the Trustee in the Redemption Fund pursuant to the Indenture, at a Redemption Price equal to the principal amount of the Series 2025A Bonds to be redeemed, plus accrued interest thereon to the date of redemption, without premium.

The Series 2025A Bonds maturing on or after May 1, 20\_\_\_\_, shall be subject to optional redemption, in whole or in part, on any date on or after May 1, 20\_\_\_\_, in Authorized Denominations, from and to the extent of prepaid Base Rental Payments paid pursuant to the Lease Agreement, at a Redemption Price equal to the principal amount of the Series 2025A Bonds to be redeemed, plus accrued interest thereon to the date of redemption, without premium.

The Series 2025A Bonds maturing on May 1, 20\_\_\_\_ are subject to mandatory sinking fund redemption in part (by lot) on each May 1 on and after May 1, 20\_\_\_\_, in integral multiples of \$5,000 at a Redemption Price of the principal amount thereof plus accrued interest to the date fixed for redemption, without premium, in accordance with the following schedule:

<i>Sinking Fund Redemption Date (May 1)</i>	<i>Principal Amount To Be Redeemed</i>
---	--

(maturity)

The Series 2025A Bonds maturing on May 1, 20\_\_\_\_ are subject to mandatory sinking fund redemption in part (by lot) on each May 1 on and after May 1, 20\_\_\_\_, in integral multiples of \$5,000 at a Redemption Price of the principal amount thereof plus accrued interest to the date fixed for redemption, without premium, in accordance with the following schedule:

<i>Sinking Fund Redemption Date (May 1)</i>	<i>Principal Amount To Be Redeemed</i>
---	--

(maturity)

In the event of a partial redemption pursuant to the Indenture, the City shall provide the Trustee with a revised mandatory sinking fund schedule giving effect to the redemption so completed.

The Trustee on behalf and at the expense of the Authority shall mail (by first class mail) notice of any redemption to the respective Owners of any Series 2025A Bonds designated for redemption at their respective addresses appearing on the Registration Books, to the Securities Depositories and to one or more Information Services, at least 20 but not more than 60 days prior to the date fixed for redemption. Such notice shall state the date of the notice, the redemption date, the redemption place and the Redemption Price and shall designate the CUSIP numbers, the Series 2025A Bond numbers and the maturity or maturities (except in the event of redemption of all of the Series 2025A Bonds of such maturity or maturities in whole) of the Series 2025A Bonds to be redeemed, and shall require that such Series 2025A Bonds be then surrendered at the Office of the Trustee for redemption at the Redemption Price, giving notice also that further interest on such Series 2025A Bonds will not accrue from and after the date fixed for redemption. Such notice may state that such redemption is conditioned upon sufficient funds being on deposit on the redemption date to redeem the Series 2025A Bonds so called for redemption. Such notice of redemption may also state that no representation is made as to the accuracy or correctness of the CUSIP numbers printed therein or on the Series 2025A Bonds. Neither the failure to receive any notice so mailed, nor any defect in such notice, shall affect the validity of the proceedings for the redemption of the Series 2025A Bonds or the cessation of accrual of interest thereon from and after the date fixed for redemption.

Subject to the limitations and upon payment of the charges, if any, provided in the Indenture, fully registered Series 2025A Bonds may be exchanged at the Office of the Trustee for a like aggregate

principal amount and maturity of fully registered Series 2025A Bonds of other authorized denominations.

This Bond is transferable by the Registered Owner hereof, in person or by his duly authorized attorney, but only in the manner, subject to the limitations and upon payment of the charges provided in the Indenture, and upon surrender and cancellation of this Bond. Upon such transfer a new fully registered Series 2025A Bond or Series 2025A Bonds, in Authorized Denominations, for the same aggregate principal amount will be issued to the transferee in exchange herefor. The Authority, the City and the Trustee may treat the Registered Owner hereof as the absolute owner hereof for all purposes, and the Authority, the City and the Trustee shall not be affected by any notice to the contrary.

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

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

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



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

GOLETA FACILITIES FINANCING AUTHORITY

By: \_\_\_\_\_  
PAULA PEROTTE, CHAIR

Attest:

\_\_\_\_\_  
DEBORAH S. LOPEZ  
SECRETARY OF THE BOARD

[FORM OF TRUSTEE'S CERTIFICATE OF AUTHENTICATION]

This is one of the Series 2025A Bonds described in the within-mentioned Indenture and registered on the Registration Books.

Date: \_\_\_\_\_, 2025

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

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

[FORM OF LEGAL OPINION]

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

---

Secretary of the Board of the Goleta Facilities  
Financing Authority

[FORM OF STATEMENT OF INSURANCE]

[FORM OF ASSIGNMENT]

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

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

Signature Guaranteed:

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

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

**EXHIBIT B**

**FORM OF PROJECT FUND REQUISITION**

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

The undersigned hereby states and certifies:

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

(ii) that, pursuant to Section 3.05 of the Indenture, dated as of [February] 1, 2025 (the “Indenture”), by and among the Goleta Facilities Financing Authority (the “Authority”), the City and The Bank of New York Mellon Trust Company, N.A., as trustee (the “Trustee”), related to the Authority’s Lease Revenue Bonds, Series 2025A, the undersigned hereby requests the Trustee to disburse this date the following amounts from the Project Fund established under the Indenture, to the payees designated on the attached Exhibit A;

(iii) that each obligation mentioned herein has been incurred by the City and is a proper charge against the Project Fund; and

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

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

Dated: \_\_\_\_\_, 2025

CITY OF GOLETA

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

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

**EXHIBIT A**

**PROJECT FUND DISBURSEMENTS**

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

## **Attachment 9**

Form of Assignment Agreement

**RECORDING REQUESTED BY:**  
Goleta Facilities Financing Authority

**AND WHEN RECORDED RETURN TO:**  
Stradling Yocca Carlson & Rauth LLP  
660 Newport Center Drive, Suite 1600  
Newport Beach, California 92660  
Attention: Vanessa S. Legbandt, Esq.

---

[Space above for Recorder's use.]

THIS TRANSACTION IS EXEMPT FROM CALIFORNIA DOCUMENTARY TRANSFER TAX PURSUANT TO SECTION 11921 OF THE CALIFORNIA REVENUE AND TAXATION CODE. THIS DOCUMENT IS EXEMPT FROM RECORDING FEES PURSUANT TO SECTION 27383 OF THE CALIFORNIA GOVERNMENT CODE. THE ASSIGNOR IS A GOVERNMENTAL AGENCY.

**ASSIGNMENT AGREEMENT**

**by and between**

**GOLETA FACILITIES FINANCING AUTHORITY**

**and**

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

**Dated as of [February] 1, 2025**

**Relating to**

**\$ \_\_\_\_\_  
GOLETA FACILITIES FINANCING AUTHORITY  
LEASE REVENUE BONDS, SERIES 2025A**

## ASSIGNMENT AGREEMENT

**THIS ASSIGNMENT AGREEMENT** (this “Assignment Agreement”), executed and entered into as of [February] 1, 2025, is by and between the GOLETA FACILITIES FINANCING AUTHORITY, a joint exercise of powers entity organized and existing under and by virtue of the laws of the State of California (the “Authority”), and THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., a national banking association organized and existing under the laws of the United States, as Trustee (the “Trustee”).

### WITNESSETH:

**WHEREAS**, the City of Goleta (the “City”) and the Authority desire to finance all or a portion of the acquisition, construction and/or installation of certain capital improvement projects in the City, including the Ekwill Street and Fowler Road extension (including the Hollister Avenue Old Town interim striping project), Cathedral Oaks crib wall repair, San Jose Creek bike path, Hollister Avenue Bridge replacement, and Goleta Train Depot and South La Patera improvements (collectively, the “Project”);

**WHEREAS**, the City and the Authority have determined that it would be in the best interests of the City and residents of the City to authorize the preparation, sale and delivery of the “Goleta Facilities Financing Authority Lease Revenue Bonds, Series 2025A” (collectively, the “Series 2025A Bonds”) for the purpose of financing the Project;

**WHEREAS**, in order to facilitate the issuance of the Series 2025A Bonds, the City will lease certain real property described in Exhibit A attached hereto and the improvements located thereon (the “Property”) to the Authority pursuant to a Ground Lease, dated as of the date hereof and recorded concurrently herewith (the “Ground Lease”), and the City will sublease the Property back from the Authority pursuant to a Lease Agreement, dated as of the date hereof, a memorandum of which will be recorded concurrently herewith (the “Lease Agreement”);

**WHEREAS**, under the Lease Agreement, the City is obligated to make Base Rental Payments (as defined in the Lease Agreement) to the Authority;

**WHEREAS**, the Authority desires to assign without recourse certain of its rights in the Ground Lease and the Lease Agreement, including its right to receive the Base Rental Payments, to the Trustee for the benefit of the owners of the Series 2025A Bonds to be issued pursuant to the Indenture, dated as of the date hereof (the “Indenture”), by and among the Authority, the City and the Trustee;

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

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



**Section 1. Assignment.** The Authority, for good and valuable consideration, the receipt of which is hereby acknowledged, does hereby sell, assign and transfer to the Trustee, irrevocably and absolutely, without recourse, for the benefit of the owners of the Series 2025A Bonds, all of its right, title and interest in and to the Ground Lease and the Lease Agreement including, without limitation, its right to receive the Base Rental Payments to be paid by the City under and pursuant to the Lease Agreement; provided, however, that the Authority shall retain its obligations under the Lease Agreement and Ground Lease, the rights to indemnification, to give approvals and consents under the Lease Agreement and the Ground Lease and to payment or reimbursement of its reasonable costs and expenses under the Lease Agreement.

**Section 2. Acceptance.** The Trustee hereby accepts the foregoing assignment, subject to the terms and provisions of the Indenture, and all such Base Rental Payments shall be applied and the rights so assigned shall be exercised by the Trustee as provided in the Lease Agreement and the Indenture.

**Section 3. Conditions.** This Assignment Agreement shall impose no obligations upon the Trustee beyond those expressly provided in the Indenture.

**Section 4. Further Assurances.** The Authority shall make, execute and deliver any and all such further resolutions, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of this Assignment Agreement, and for the better assuring and confirming to the Trustee, for the benefit of the owners of the Series 2025A Bonds, the rights intended to be conveyed pursuant hereto.

**Section 5. Governing Law.** THIS ASSIGNMENT AGREEMENT SHALL BE GOVERNED EXCLUSIVELY BY THE PROVISIONS HEREOF AND BY THE LAWS OF THE STATE OF CALIFORNIA AS THE SAME FROM TIME TO TIME EXIST.

**Section 6. Execution.** This Assignment Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, but all together shall constitute but one and the same Assignment Agreement.

*[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK.]*

**IN WITNESS WHEREOF**, the Authority and the Trustee have caused this Assignment Agreement to be executed by their respective officers thereunto duly authorized, all as of the day and year first above-written.

GOLETA FACILITIES FINANCING AUTHORITY

By: \_\_\_\_\_  
PAULA PEROTTE, CHAIR

ATTEST:

\_\_\_\_\_  
DEBORAH S. LOPEZ  
SECRETARY OF THE BOARD

*[SIGNATURES CONTINUED ON NEXT PAGE.]*

*[SIGNATURE PAGE CONTINUED.]*

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

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

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA )  
 ) ss.  
COUNTY OF SANTA BARBARA )

On \_\_\_\_\_ before me, \_\_\_\_\_, Notary Public,

personally appeared \_\_\_\_\_, who proved to me on the basis of satisfactory evidence to be the person(s) whose names(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal

\_\_\_\_\_  
SIGNATURE OF NOTARY PUBLIC

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA )  
 ) ss.  
COUNTY OF \_\_\_\_\_ )

On \_\_\_\_\_ before me, \_\_\_\_\_, Notary Public,

personally appeared \_\_\_\_\_, who proved to me on the basis of satisfactory evidence to be the person(s) whose names(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal

\_\_\_\_\_  
SIGNATURE OF NOTARY PUBLIC

**EXHIBIT A**

**LEGAL DESCRIPTION OF THE PROPERTY**

Real property in the City of Goleta, County of Santa Barbara, State of California, described as follows:

[To Be Inserted]

## **Attachment 12**

Form of Bond Purchase Agreement (2025A LRBs)

**GOLETA FACILITIES FINANCING AUTHORITY  
Lease Revenue Bonds, Series 2025A**

**BOND PURCHASE AGREEMENT**

[Pricing Date]

Goleta Facilities Financing Authority  
c/o City of Goleta  
130 Cremona Drive  
Goleta, California 93117  
Attention: Executive Director

City of Goleta  
130 Cremona Drive  
Goleta, California 93117  
Attention: City Manager

Ladies and Gentlemen:

The undersigned, Stifel, Nicolaus & Company, Incorporated (the “Underwriter”), acting not as a fiduciary or agent for you, but on behalf of itself, offers to enter into this Bond Purchase Agreement (which, together with the exhibits hereto, is referred to as the “Purchase Agreement”) with the Goleta Facilities Financing Authority (the “Authority”) and the City of Goleta, California (the “City”), which, upon the acceptance of the Authority and the City, will be binding upon the Authority, the City and the Underwriter. This offer is made subject to acceptance by the Authority and by the City by the execution of this Purchase Agreement and delivery of the same to the Underwriter prior to 11:59 P.M., California time, on the date hereof, and, if not so accepted, will be subject to withdrawal by the Underwriter upon notice delivered to the Authority and the City at any time prior to the acceptance hereof by the Authority and the City. Capitalized terms that are used herein and not otherwise defined have the meanings that are set forth in the Indenture, dated as of [February] 1, 2025 (the “Indenture”), by and among the Authority, the City and The Bank of New York Mellon Trust Company, N.A., as trustee (the “Trustee”).

**Section 1. Purchase and Sale.** Upon the terms and conditions and upon the basis of the representations, warranties and agreements herein set forth, the Underwriter hereby agrees to purchase from the Authority, and the Authority hereby agrees to issue, sell and deliver to the Underwriter all (but not less than all) of the Goleta Facilities Financing Authority Lease Revenue Bonds, Series 2025A in the aggregate principal amount of \$\_\_\_\_\_ (the “Bonds”). The Bonds will be dated as of their date of delivery. Interest on the Bonds shall be payable semiannually on [May 1, 2025] and each May 1 and November 1 thereafter, and will mature, bear interest and be subject to redemption prior to maturity as set forth in Exhibit A. The purchase price of the Bonds shall be equal to \$\_\_\_\_\_ (being the aggregate principal amount thereof [plus][less] a [net] original issue [premium][discount] of \$\_\_\_\_\_, less an underwriter’s discount of \$\_\_\_\_\_). The Authority and the City acknowledge that the Underwriter will on the Closing Date (as such term is defined herein), on behalf



of the Authority and the City, wire a portion of the purchase price in the amount of \$\_\_\_\_\_ representing the premium for the Policy (as such term is defined herein), directly to \_\_\_\_\_ (the “Insurer”).

**Section 2. The Bonds.** The Bonds shall be secured by a pledge of revenues consisting primarily of base rental payments (“Base Rental Payments”) to be paid by the City to the Authority pursuant to the Lease Agreement, dated as of [February] 1, 2025 (the “Lease Agreement”), by and between the City and the Authority, under which the Authority will sublease certain real property to the City in consideration for the City’s payment of the Base Rental Payments. The Authority’s right to receive the Base Rental Payments due under the Lease Agreement and to exercise remedies upon default under the Lease Agreement shall be assigned to the Trustee for the benefit of the owners of the Bonds pursuant to an Assignment Agreement, dated as of [February] 1, 2025 (the “Assignment Agreement”), by and between the Authority and the Trustee.

The Bonds shall be as described in, and shall be secured under and pursuant to the Indenture substantially in the form previously submitted to the Underwriter with only such changes therein as shall be mutually agreed upon by the Authority, the City and the Underwriter.

The leased asset under the Lease Agreement and Ground Lease (defined below) shall consist of the [City Hall building and the land on which City Hall is located] (collectively, the “Property”).

The proceeds of the Bonds shall be used to: [(i) to finance all or a portion of the acquisition, construction and/or installation of certain capital improvement projects in the City, including the Ekwil Street and Fowler Road extension (including the Hollister Avenue Old Town interim striping project), Cathedral Oaks crib wall repair, San Jose Creek bike path, Hollister Avenue Bridge replacement, and Goleta Train Depot and South La Patera Lane improvements, and related street resurfacing and public walkway improvements (collectively, the “Project”), and (ii) pay the costs incurred in connection with the issuance of the Bonds, including the premium for a municipal bond insurance policy to be issued by the Insurer insuring the Bonds maturing on November 1 of the years \_\_\_ through \_\_\_, inclusive (the “Policy”).

The Bonds, this Purchase Agreement, the Indenture, the Lease Agreement, the Ground Lease, dated as of [February] 1, 2025 (the “Ground Lease”), by and between the Authority and the City, the Assignment Agreement, and the resolution of the Authority authorizing the issuance of the Bonds and the resolution of the Authority approving the Preliminary Official Statement and final Official Statement with respect to the Bonds, duly adopted at regular meetings of the Authority Board of Directors held, respectively, on \_\_\_\_\_, 2024 and \_\_\_\_\_, 2025 (collectively, the “Authority Resolutions”) are collectively referred to herein as the “Authority Documents.”

This Purchase Agreement, the Continuing Disclosure Certificate of the City, dated the date of issuance of the Bonds (the “Continuing Disclosure Certificate”), the Lease Agreement, the Ground Lease and the resolution of the City approving the issuance of the Bonds and the resolution of the City approving the Preliminary Official Statement and final Official Statement and authorizing the execution and delivery of the Continuing Disclosure Certificate with respect to the Bonds, duly adopted at regular meetings of the City Council held, respectively, on \_\_\_\_\_, 2024 and \_\_\_\_\_, 2025 (collectively, the “City Resolutions”) are collectively referred to herein as the “City Documents.”

Concurrently with the issuance and delivery of the Bonds, Authority expects to issue and deliver its Local Measure A Transportation Sales Tax Revenue Bonds, Series 2025 (the “2025 Sales

Tax Revenue Bonds”) to provide funds to pay for a portion of the Project. The delivery of the Bonds is not contingent upon the concurrent issuance and delivery of the 2025 Sales Tax Revenue Bonds.

### **Section 3. Public Offering and Establishment of Issue Price.**

(a) The Underwriter agrees to make an initial public offering of all of the Bonds at the public offering prices (or yields) set forth in Exhibit A and incorporated herein by reference. Subsequent to the initial public offering, the Underwriter reserves the right to change the public offering prices (or yields) as the Underwriter deems necessary in connection with the marketing of the Bonds, provided that the Underwriter shall not change the interest rates set forth on Exhibit A. The Bonds may be offered and sold to certain dealers at prices lower than such initial public offering prices. The City and the Authority acknowledge and agree that: (i) the purchase and sale of the Bonds pursuant to this Purchase Agreement is an arm’s-length commercial transaction between the City and the Authority, on one hand, and the Underwriter, on the other; (ii) in connection therewith and with the discussions, undertakings and procedures leading up to the consummation of such transaction, the Underwriter is and has been acting solely as principal and is not acting as a Municipal Advisor (as defined in Section 15B of The Securities Exchange Act of 1934, as amended); (iii) the Underwriter has not assumed an advisory or fiduciary responsibility in favor of the City or Authority with respect to the offering contemplated hereby or the discussions, undertakings and procedures leading thereto (irrespective of whether the Underwriter has provided other services or is currently providing other services to the City or Authority on other matters); (iv) the Underwriter has financial and other interests that differ from those of the City and the Authority; and (v) the City and Authority have consulted their own legal, financial and other advisors to the extent that they have deemed appropriate.

(b) The Underwriter agrees to assist the Authority in establishing the issue price of the Bonds and shall execute and deliver to the Authority at Closing (as defined below) an “issue price” or similar certificate, together with the supporting pricing wires or equivalent communications, substantially in the form set forth in Exhibit B, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Underwriter, the Authority and Bond Counsel (as such term is defined below), to accurately reflect, as applicable, the sales price or prices or the initial offering price or prices to the public of the Bonds and the 2024 Sales Tax Revenues Bonds, if applicable. All actions to be taken by the Authority under this section to establish the issue price of the Bonds may be taken on behalf of the Authority by the Authority’s municipal advisor, Urban Futures, Incorporated (the “Municipal Advisor”) and any notice or report to be provided to the Authority may be provided to the Authority’s Municipal Advisor.

(c) Except as otherwise set forth in Exhibit A, the Authority will treat the first price at which 10% of each maturity of the Bonds (the “10% test”), identified under the column “10% Test Used” in Exhibit A, is sold to the public as the issue price of that maturity. At or promptly after the execution of this Purchase Agreement, the Underwriter shall report to the Authority the price or prices at which it has sold to the public each maturity of Bonds. If at that time the 10% test has not been satisfied as to any maturity of the Bonds, the Underwriter agrees to promptly report to the Authority the prices at which it sells the unsold Bonds of that maturity to the public. That reporting obligation shall continue, whether or not the Closing Date (as defined below) has occurred, until either: (i) the Underwriter has sold all of the Bonds of that maturity; or (ii), the 10% test has been satisfied as to the Bonds of that maturity, provided that, the Underwriter’s reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon the request of the Authority or Bond Counsel. For purposes of this Section, if Bonds mature on the same date but have different interest rates, each separate CUSIP number within that maturity will be treated as a separate maturity of the Bonds. For

clarity, and notwithstanding any other condition to Closing set forth in this Purchase Agreement, the sale of 10% of each maturity of the Bonds to the public prior to the Closing Date shall not be a condition to Closing.

(d) The Underwriter confirms that it has offered the Bonds to the public on or before the date of this Purchase Agreement at the offering price or prices (the “initial offering price”), or at the corresponding yield or yields, set forth in Exhibit A, except as otherwise set forth therein. Exhibit A also sets forth, identified under the column “Hold the Offering Price Rule Used,” as of the date of this Purchase Agreement, the maturities, if any, of the Bonds for which the 10% test has not been satisfied and for which the Authority and the Underwriter agree that the restrictions set forth in the next sentence shall apply, which will allow the Authority to treat the initial offering price to the public of each such maturity as of the sale date as the issue price of that maturity (the “hold-the-offering-price rule”). So long as the hold-the-offering-price rule remains applicable to any maturity of the Bonds, the Underwriter will neither offer nor sell unsold Bonds of that maturity to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

- (i) the close of the fifth (5th) business day after the sale date; or
- (ii) the date on which the Underwriter has sold at least 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

The Underwriter will advise the Authority promptly after the close of the fifth (5th) business day after the sale date whether it has sold 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

(e) The Underwriter confirms that:

(1) any selling group agreement and any third-party distribution agreement relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each dealer who is a member of the selling group, and each broker-dealer that is a party to such third-party distribution agreement, as applicable, (A) (i) to report the prices at which it sells to the public the unsold Bonds of each maturity allocated to it, whether or not the Closing Date has occurred, until either all Bonds of that maturity allocated to it have been sold or it is notified by the Underwriter that the 10% test has been satisfied as to the Bonds of that maturity, provided that, the reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the Underwriter, and (ii) to comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the Underwriter; (B) to promptly notify the Underwriter of any sales of Bonds that, to its knowledge, are made to a purchaser who is a related party to an underwriter participating in the initial sale of the Bonds to the public (each such term being used as defined below), and (C) to acknowledge that, unless otherwise advised by the dealer or broker-dealer, the Underwriter shall assume that each order submitted by the dealer or broker-dealer is a sale to the public; and

(2) any selling group agreement relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each dealer that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the Bonds to the public to require each broker-dealer that is a party to such third-party distribution agreement to (A) report the prices at which it sells to the public the unsold Bonds of each

maturity allocated to it, whether or not the Closing Date has occurred, until either all Bonds of that maturity allocated to it have been sold or it is notified by the Underwriter or the dealer that the 10% test has been satisfied as to the Bonds of that maturity, provided that, the reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the Underwriter or the dealer and (B) comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the Underwriter or the dealer and as set forth in the related pricing wires.

(f) The Authority acknowledges that, in making the representations set forth in this Section, the Underwriter will rely on (i) in the event a selling group has been created in connection with the initial sale of the Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, as set forth in a selling group agreement and the related pricing wires, and (ii) in the event that a third-party distribution agreement was employed in connection with the initial sale of the Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, as set forth in the third-party distribution agreement and the related pricing wires. The Authority further acknowledges that the Underwriter shall not be liable for the failure of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a third-party distribution agreement, to comply with its corresponding agreement to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds.

(g) The Underwriter acknowledges that sales of any Bonds to any person that is a related party to an underwriter participating in the initial sale of the Bonds to the public (each such term being used as defined below) shall not constitute sales to the public for purposes of this section. Further, for purposes of this section:

(i) “public” means any person other than an underwriter or a related party;

(ii) “underwriter” means (A) any person that agrees pursuant to a written contract with the Authority (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the public (including a member of a selling group or a party to a third party distribution agreement participating in the initial sale of the Bonds to the public);

(iii) a purchaser of any of the Bonds is a “related party” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (A) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (B) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (C) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other); and

(iv) “sale date” means the date of execution of this Purchase Agreement by all parties.

**Section 4. The Official Statement.** By their acceptance of this proposal, the Authority and the City ratify, confirm and approve of the use and distribution by the Underwriter prior to the date hereof of the Preliminary Official Statement relating to the Bonds dated [POS Date] (including the cover page, all appendices and all information incorporated therein and any other supplements or amendments thereto and as disseminated in its printed physical form or in electronic form in all respects materially consistent with such physical form, the “Preliminary Official Statement”) that authorized officers of the City and the Authority deemed “final” as of its date for purposes of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934, as amended (“Rule 15c2-12”), except for certain information that is permitted to be omitted therefrom by Rule 15c2-12. The Authority and the City agree to deliver or cause to be delivered to the Underwriter, within seven business days of the date hereof, copies of the final official statement, dated the date hereof, relating to the Bonds (including all information that was previously permitted to have been omitted by Rule 15c2-12), including the cover page, all appendices, all information incorporated therein and any amendments or supplements as have been approved by the Authority, the City and the Underwriter (the “Official Statement”) in such quantity as the Underwriter shall reasonably request to comply with Section (b)(4) of Rule 15c2-12 and the rules of the Municipal Securities Rulemaking Board (the “MSRB”).

The Underwriter hereby agrees that it will not request that payment be made by any purchaser of the Bonds prior to delivery by the Underwriter to the purchaser of a copy of the Official Statement. The Underwriter agrees: (i) to provide the Authority and the City with final pricing information on the Bonds on a timely basis; and (ii) to file a copy of the Official Statement, including any supplements prepared by the Authority or the City in accordance with MSRB rules with the MSRB at <http://emma.msrb.org>. The Authority and the City hereby approve of the use and distribution by the Underwriter of the Preliminary Official Statement in connection with the offer and sale of the Bonds. The Authority and the City will cooperate with the Underwriter in the filing by the Underwriter of the Official Statement with the MSRB.

**Section 5. Closing.** At 8:30 a.m., California time, on [Closing Date], or at such other time or date as the Authority and the Underwriter agree upon (the “Closing Date”), the Authority shall deliver or cause to be delivered to the Trustee, the Bonds, in definitive form, registered in the name of Cede & Co., as the nominee of The Depository Trust Company (“DTC”), so that the Bonds may be authenticated by the Trustee and credited to the account specified by the Underwriter under DTC’s FAST procedures. Concurrently with the delivery of the Bonds, the Authority and the City will deliver the documents hereinafter mentioned at the offices of Stradling Yocca Carlson & Rauth LLP, Newport Beach, California (“Bond Counsel”), or another place to be mutually agreed upon by the Authority, the City and the Underwriter. The Underwriter will accept such delivery and pay the purchase price of the Bonds as set forth in Section 1 hereof by wire transfer in immediately available funds. This payment for and delivery of the Bonds, together with the delivery of the aforementioned documents, is herein called the “Closing.”

The Bonds shall be registered in the name of Cede & Co., as nominee of DTC in denominations of five thousand dollars (\$5,000) or any integral multiple thereof. The Authority and the City acknowledge that the services of DTC will be used initially by the Underwriter in order to permit the issuance of the Bonds in book-entry form, and agree to cooperate fully with the Underwriter in employing such services.

**Section 6. Representations, Warranties and Covenants of the Authority.** The Authority represents, warrants and covenants to the Underwriter and the City that:

(a) The Authority is a public body that is duly organized and existing under the Constitution and laws of the State of California (the “State”), including Articles 1, 2 and 4 of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California (the “JPA Act”) and the Joint Exercise of Powers Agreement, dated [\_\_\_\_\_, 2024] (the “JPA Agreement”), by and between the City and the California Statewide Communities Development Authority.

(b) The Authority has full legal right, power and authority to adopt or enter into, as the case may be, and to carry out and consummate the transactions on its part contemplated by the Authority Documents.

(c) By all necessary official action at regular meetings of the Authority’s Board of Directors that were duly noticed and held, the Authority has adopted the Authority Resolutions, has duly authorized and approved the issuance of the Bonds and the execution of the Authority Documents, has duly authorized and approved the Preliminary Official Statement, will, by execution thereof, duly authorize and approve the Official Statement, and has duly authorized and approved the execution and delivery of, and the performance by the Authority of the obligations on its part contained in, the Authority Documents and the consummation by it of all other transactions contemplated by the Authority Documents in connection with the issuance of the Bonds. As of the date hereof, such authorizations and approvals are in full force and effect and have not been amended, modified or rescinded. When executed and delivered, and assuming due execution and delivery by the other parties thereto, if applicable, the Authority Documents will constitute the legally valid and binding obligations of the Authority enforceable in accordance with their respective terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws or equitable principles relating to or affecting creditors’ rights generally, or by the exercise of judicial discretion and the limitations on legal remedies against joint powers authorities in the State. The Authority has complied, and will at the Closing be in compliance in all material respects, with the terms of the Authority Documents.

(d) The Authority is not in any material respect in breach of or default under any applicable constitutional provision, law or administrative regulation of any state or of the United States, or any agency or instrumentality of either, or any applicable judgment or decree, or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Authority is a party which breach or default has or may have a materially adverse effect on the ability of the Authority to perform its obligations under the Authority Documents, and no event has occurred and is continuing which with the passage of time or the giving of notice, or both, would constitute such a default or event of default under any such instrument; and the adoption, execution and delivery of the Authority Documents, if applicable, and compliance with the provisions on the Authority’s part contained therein, will not conflict in any material way with or constitute a material breach of or a material default under any constitutional provision, law, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Authority is a party, nor will any such execution, delivery, adoption or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the property or assets of the Authority or under the terms of any such law, regulation or instrument, except as may be provided by the Authority Documents.

(e) All material authorizations, approvals, licenses, permits, consents and orders of any governmental authority, legislative body, board, agency or commission having jurisdiction of the matter which are required for the due authorization by, or which would constitute a condition precedent to or the absence of which would materially adversely affect the due performance by the Authority of its obligations in connection with the Authority Documents have been duly obtained or, when required for future performance, are expected to be obtained, other than such approvals, consents and orders as may be required under the Blue Sky or securities laws of any state in connection with the offering and sale of the Bonds; except as described in or contemplated by the Preliminary Official Statement and the Official Statement, all authorizations, approvals, licenses, permits, consents and orders of any governmental authority, board, agency or commission having jurisdiction of the matter which are required for the due authorization by, or which would constitute a condition precedent to or the absence of which would materially adversely affect the due performance by, the Authority of its obligations under the Authority Documents have been duly obtained.

(f) The Authority hereby agrees that it will notify the other parties hereto if, within the period from the date of this Purchase Agreement to and including the date that is twenty-five (25) days following the end of the underwriting period (as such term is defined below), the Authority discovers any pre-existing or subsequent fact or becomes aware of the occurrence of any event, in any such case, which might cause the Official Statement (as the same may have then been supplemented or amended) to contain any untrue statement of a material fact or to omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(g) As of the time of acceptance hereof and the Closing, except as disclosed in the Official Statement, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, governmental authority, public board or body, pending, with service of process upon the Authority having been accomplished, or threatened in writing to the Authority: (i) in any way questioning the corporate existence of the Authority or the titles of the officers of the Authority to their respective offices; (ii) affecting, contesting or seeking to prohibit, restrain or enjoin the issuance or delivery of any of the Bonds, or the payment or collection of Base Rental Payments with respect to the Lease Agreement or any amounts pledged or to be pledged to pay the principal of and interest on the Bonds, or in any way contesting or affecting the validity of the Bonds or the other Authority Documents or the consummation of the transactions contemplated thereby or hereby, or contesting the exclusion of the interest on the Bonds from taxation or contesting the powers of the Authority or its authority to issue the Bonds; (iii) which would be likely to result in any material adverse change relating to the business, operations or financial condition of the Authority; or (iv) contesting the completeness or accuracy of the Preliminary Official Statement or the Official Statement or any supplement or amendment thereto or asserting that the Preliminary Official Statement or the Official Statement contained any untrue statement of a material fact or omitted to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(h) To the Authority's knowledge, there is no basis for any action, suit, proceeding, inquiry or investigation of the nature described in clauses (i) through (iv) of paragraph 6(g).

(i) The information set forth under the caption "THE AUTHORITY" in the Preliminary Official Statement as of its date does not and in the Official Statement as of the date hereof and as of the Closing Date does not and will not contain any untrue statement of a material fact or omit

to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

(j) The Authority will refrain from taking any action, or permitting any action to be taken, with regard to which the Authority may exercise control, that results in the loss of the tax-exempt status of the interest on the Bonds.

(k) The Authority will refrain from taking any action, or permitting any action to be taken, to reduce the amount of the Base Rental Payments while the Bonds are Outstanding, and the Authority will collect the Base Rental Payments in accordance with the Lease Agreement.

(l) Any certificate signed by any officer of the Authority authorized to execute such certificate in connection with the execution, sale and delivery of the Bonds and delivered to the Underwriter shall be deemed a representation and warranty of the Authority to the Underwriter and the City as to the statements made therein but not of the person signing such certificate.

**Section 7. Representations, Warranties and Covenants of the City.** The City represents, warrants and covenants to the Underwriter and the Authority that:

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

(b) The City has full legal right, power and authority to adopt or enter into, as the case may be, and to carry out and consummate the transactions on its part contemplated by the City Documents.

(c) By all necessary official action, the City has adopted the City Resolutions, has duly authorized and approved the City Documents, has duly authorized and approved the Preliminary Official Statement and the Official Statement and has duly authorized and approved the execution and delivery of, and the performance by the City of the obligations on its part contained in, the City Documents and the consummation by it of all other transactions contemplated by the City Documents in connection with the issuance of the Bonds. As of the date hereof, such authorizations and approvals are in full force and effect and have not been amended, modified or rescinded. When executed and delivered, and assuming due execution and delivery by the other parties thereto, if applicable, the City Documents will constitute the legally valid and binding obligations of the City enforceable in accordance with their respective terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws or equitable principles relating to or affecting creditors' rights generally, or by the exercise of judicial discretion and the limitations on legal remedies against municipal corporations in the State. The City has complied, and will at the Closing be in compliance in all material respects, with the terms of the City Documents.

(d) The City is not in any material respect in breach of or default under any applicable constitutional provision, law, ordinance or administrative rule or regulation of the State or the County, or administrative regulation of any state or of the United States, or any agency or instrumentality thereof, or any applicable judgment or decree, or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the City is a party which breach or default has or may have a materially adverse effect on the ability of the City to perform its obligations under the City Documents, and no event has occurred and is continuing which with the passage of time or the giving of notice, or both, would constitute such a default or event of default under any such instrument;



and the adoption, execution and delivery of the City Documents, if applicable, and compliance with the provisions on the City's part contained therein, will not conflict in any material way with or constitute a material breach of or a material default under any constitutional provision, law, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the City is a party, nor will any such execution, delivery, adoption or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the property or assets of the City or under the terms of any such law, regulation or instrument, except as may be provided by the City Documents.

(e) All material authorizations, approvals, licenses, permits, consents and orders of any governmental authority, legislative body, board, agency or commission having jurisdiction of the matter which are required for the due authorization by, or which would constitute a condition precedent to or the absence of which would materially adversely affect the due performance by the City of its obligations in connection with the City Documents have been duly obtained or, when required for future performance, are expected to be obtained, other than such approvals, consents and orders as may be required under the Blue Sky or securities laws of any state in connection with the offering and sale of the Bonds; except as described in or contemplated by the Preliminary Official Statement, all authorizations, approvals, licenses, permits, consents and orders of any governmental authority, board, agency or commission having jurisdiction of the matter which are required for the due authorization by, or which would constitute a condition precedent to or the absence of which would materially adversely affect the due performance by, the City of its obligations under the City Documents have been duly obtained.

(f) The Preliminary Official Statement was as of its date and at the date hereof, and the Official Statement is, and at all times subsequent to the date of the Official Statement up to and including the Closing will be, true and correct in all material respects, and the Preliminary Official Statement did not as of its date and at the hereof, and the Official Statement does not and will not, at all times subsequent to the date of the Official Statement up to and including the Closing, contain any untrue statement of a material fact or omit to state a material fact that is necessary to make the statements contained therein, in the light of the circumstances under which they were made, not misleading (except that this representation does not include statements in the Official Statement under the captions "THE AUTHORITY" and "UNDERWRITING," information regarding DTC and its book-entry only system, and information regarding the Insurer and the Policy, as to which no view is expressed).

(g) The City will advise the Underwriter promptly of any proposal to amend or supplement the Official Statement. The City will advise the Underwriter promptly of the institution of any proceedings known to it by any governmental authority prohibiting or otherwise affecting the use of the Official Statement in connection with the offering, sale or distribution of the Bonds.

(h) As of the time of acceptance hereof and the Closing, except as disclosed in the Official Statement, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, governmental authority, public board or body, pending, with service of process upon the City having been accomplished, or threatened in writing to the City: (i) in any way questioning the corporate existence of the City or the titles of the officers of the City to their respective offices; (ii) affecting, contesting or seeking to prohibit, restrain or enjoin the issuance or delivery of any of the Bonds, or the payment or collection of Base Rental Payments with respect to the Lease Agreement or of any amounts pledged or to be pledged to pay the principal of and interest on the Bonds, or in any way contesting or affecting the validity of the Bonds or the City Documents or the

consummation of the transactions contemplated thereby or hereby, or contesting the exclusion of the interest on the Bonds from taxation, or contesting the powers of the Authority to issue the Bonds; (iii) which would be likely to result in any material adverse change relating to the business, operations or financial condition of the City; or (iv) contesting the completeness or accuracy of the Preliminary Official Statement or the Official Statement or any supplement or amendment thereto or asserting that the Preliminary Official Statement or the Official Statement contained any untrue statement of a material fact or omitted to state any material fact that is necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(i) To the City's knowledge, there is no basis for any action, suit, proceeding, inquiry or investigation of the nature described in clauses (i) through (iv) of paragraph 7(h).

(j) Until the date which is twenty-five (25) days after the end of the underwriting period, if any event shall occur of which the City is aware that would cause the Official Statement to contain any untrue statement of a material fact or omit to state a material fact that is necessary in order to make the statements in the Official Statement, in light of the circumstances under which they were made, not misleading (except that this representation does not include information regarding DTC and its book entry only system, and information regarding the Insurer and the Policy, as to which no view is expressed), the City shall forthwith notify the Underwriter of any such event of which it has knowledge and shall cooperate fully in furnishing any information available to it for any supplement to the Official Statement necessary, in the Underwriter's reasonable opinion, so that the statements therein as so supplemented will not be misleading in light of the circumstances existing at such time and the City shall promptly furnish to the Underwriter a reasonable number of copies of such supplement. As used herein, the term "end of the underwriting period" means the later of such time as: (i) the Authority delivers the Bonds to the Underwriter; or (ii) the Underwriter does not retain, directly or as a member of an underwriting syndicate, an unsold balance of the Bonds for sale to the public. Unless the Underwriter gives notice to the contrary, the end of the underwriting period shall be deemed to be the Closing Date. Any notice delivered pursuant to this provision shall be written notice delivered by the Underwriter to the City at or prior to the Closing Date of the Bonds and shall specify a date (other than the Closing Date) to be deemed the end of the underwriting period.

(k) Except as disclosed in the Preliminary Official Statement and the Official Statement, the City has not within the last five years failed to comply in any material respect with any continuing disclosure undertakings with regard to Rule 15c2-12 to provide annual reports or notices of material events specified in such rule.

(l) The City will refrain from taking any action, or permitting any action to be taken, with regard to which the City may exercise control, that results in the loss of the tax-exempt status of the interest on the Bonds.

(m) The financial statements relating to the receipts, expenditures and cash balances of the City as of [June 30, 2023] attached as [Appendix C] to the Official Statement fairly represent the receipts, expenditures and cash balances of the City. Except as disclosed in the Official Statement or otherwise disclosed in writing to the Underwriter, there has not been any materially adverse change in the financial condition of the City or in its operations since [June 30, 2023] and there has been no occurrence, circumstance or combination thereof which is reasonably expected to result in any such materially adverse change.

(n) To the extent required by law, the City will undertake, pursuant to the Continuing Disclosure Certificate, to provide annual reports and notices of certain events. A form of the Continuing Disclosure Certificate is set forth in [Appendix E] to the Preliminary Official Statement and will also be set forth in the Official Statement.

(o) Except in connection with the redemption or defeasance of bonds pursuant to the terms of the Indenture or as permitted under the Lease Agreement due to damage, destruction, eminent domain, or substantial interference with the use and occupancy by the City of the property that is subject to the Lease Agreement or any portion thereof, the City will refrain from taking any action, or permitting any action to be taken, to reduce the amount of the Base Rental Payments while the Bonds are Outstanding, and the City will pay the Base Rental Payments in accordance with the Lease Agreement.

(p) Any certificate signed by any officer of the City authorized to execute such certificate in connection with the execution, sale and delivery of the Bonds and delivered to the Underwriter shall be deemed a representation and warranty of the City to the Underwriter and the Authority as to the statements made therein but not of the person signing such certificate.

**Section 8. Conditions to the Obligations of the Underwriter.** The Underwriter has entered into this Purchase Agreement in reliance upon the representations and warranties of the Authority and the City contained herein. The obligations of the Underwriter to accept delivery of and pay for the Bonds on the Closing Date shall be subject, at the option of the Underwriter, to the accuracy in all material respects of the statements of the officers and other officials of the Authority and of the City, as well as authorized representatives of Bond Counsel and the Trustee made in any certificates or other documents furnished pursuant to the provisions hereof; to the performance by the Authority and the City of their obligations to be performed under the Authority Documents and the City Documents, respectively, at or prior to the Closing Date; and to the following additional conditions:

(a) The representations, warranties and covenants of the City and the Authority contained herein shall be true and correct at the date hereof and at the time of the Closing, as if made on the Closing Date.

(b) At the time of Closing, the City Documents and the Authority Documents shall be in full force and effect as valid and binding agreements between or among the various parties thereto, and the City Documents, the Authority Documents and the Official Statement shall not have been amended, modified or supplemented except as may have been agreed to in writing by the Underwriter.

(c) At the time of the Closing, no material default shall have occurred or be existing under the City Documents, the Authority Documents or any other agreement or document pursuant to which any of the City's financial obligations were executed and delivered, and the City and the Authority shall not be in default in the payment of principal or interest with respect to any of their respective financial obligations, which default would materially adversely impact the ability of the City to pay the Base Rental Payments or the Authority to pay the Bonds.

(d) In recognition of the desire of the Authority, the City and the Underwriter to effect a successful public offering of the Bonds, and in view of the potential adverse impact of any of the following events on such a public offering, this Purchase Agreement shall be subject to termination in the discretion of the Underwriter by notification, in writing, to the Authority and the City prior to

delivery of and payment for the Bonds, if between the date hereof and the time of Closing, in the Underwriter's sole and reasonable judgment any of the following events shall occur (each a "Termination Event"):

(i) the market price or marketability of the Bonds, or the ability of the Underwriter to enforce contracts for the sale of the Bonds, shall be materially adversely affected by any of the following events:

(A) legislation shall have been enacted by the Congress of the United States or the legislature of the State or shall have been favorably reported out of committee of either body or be pending in committee of either body, or shall have been recommended to the Congress for passage by the President of the United States or a member of the President's Cabinet, or a decision shall have been rendered by a court of the United States or the State or the Tax Court of the United States, or a ruling, resolution, regulation or temporary regulation, release or announcement shall have been made or shall have been proposed to be made by the Treasury Department of the United States or the Internal Revenue Service, or other federal or state authority with appropriate jurisdiction, with respect to federal or state taxation upon interest received on obligations of the general character of the Bonds;

(B) there shall have occurred (1) an outbreak or escalation of hostilities or the declaration by the United States of a national emergency or war or (2) any other calamity or crisis in the financial markets of the United States or elsewhere or the escalation of such calamity or crisis; or

(C) a general suspension of trading on the New York Stock Exchange or other major exchange shall be in force, or minimum or maximum prices for trading shall have been fixed and be in force, or maximum ranges for prices for securities shall have been required and be in force on any such exchange, whether by virtue of determination by that exchange or by order of U.S. Securities and Exchange Commission ("SEC") or any other governmental authority having jurisdiction; or

(D) legislation shall have been enacted by the Congress of the United States or shall have been favorably reported out of committee or be pending in committee, or shall have been recommended to the Congress for passage by the President of the United States or a member of the President's Cabinet, or a decision by a court of the United States shall be rendered, or a ruling, regulation, proposed regulation or statement by or on behalf of the SEC or other governmental agency having jurisdiction of the subject matter shall be made, to the effect that any obligations of the general character of the Securities, or the Bonds are not exempt from registration under or other requirements of the Securities Act of 1933, as amended and as then in effect, or the Securities Exchange Act of 1934, as amended and as then in effect, or that the Indenture is not exempt from qualification under or other requirements of the Trust Indenture Act of 1939, as amended and as then in effect; or

(E) except as disclosed in or contemplated by the Official Statement, any material adverse change in the affairs of the City or the Authority shall have occurred; or

(F) any rating of the Bonds or the rating of any obligations of the City secured by the City's general fund or the Insurer shall have been downgraded, withdrawn or placed on credit watch with negative outlook by any major credit rating agency; or

(ii) any event or circumstance shall exist that either makes untrue or incorrect in any material respect any statement or information in the Official Statement (other than any statement provided by the Underwriter) or is not reflected in the Official Statement but should be reflected therein in order to make the statements therein, in the light of the circumstances under which they were made, not misleading and, in either such event, the Authority or the City refuses to permit the Official Statement to be supplemented to supply such statement or information, or the effect of the Official Statement as so supplemented is to materially adversely affect the market price or marketability of the Bonds or the ability of the Underwriter to enforce contracts for the sale of the Bonds; or

(iii) a general banking moratorium shall have been declared by federal or State authorities having jurisdiction and be in force; or

(iv) a material disruption in securities settlement, payment or clearance services affecting the Bonds shall have occurred; or

(v) any new restriction on transactions in securities materially affecting the market for securities (including the imposition of any limitation on interest rates) or the extension of credit by, or a charge to the net capital requirements of, underwriters shall have been established by the New York Stock Exchange, the SEC, any other federal or State agency or the Congress of the United States, or by Executive Order; or

(vi) a decision by a court of the United States shall be rendered, or a stop order, release, regulation or no-action letter by or on behalf of the SEC or any other governmental agency having jurisdiction of the subject matter shall have been issued or made, to the effect that the issuance, offering or sale of the Bonds, including the underlying obligations as contemplated by this Agreement or by the Official Statement, or any document relating to the issuance, offering or sale of the Bonds, is or would be in violation of any provision of the federal securities laws at the Closing Date, including the Securities Act of 1933, as amended and as then in effect, the Securities Exchange Act of 1934, as amended and as then in effect, or the Trust Indenture Act of 1939; or

(vii) the commencement of any action, suit or proceeding described in Section 6(g) or Section 7(h).

Subject to Section 18, upon the occurrence of a Termination Event and the termination of this Purchase Agreement by the Underwriter, all obligations of the Authority, the City and the Underwriter under this Purchase Agreement shall terminate, without further liability.

(e) at or prior to the Closing, the Underwriter shall receive the following documents, in each case to the reasonable satisfaction in form and substance of the Underwriter:

(i) The executed Authority Resolutions;

(ii) The executed City Resolutions;

(iii) The City Documents and the Authority Documents, each duly executed and delivered by the respective parties thereto, with only such amendments, modifications or supplements as may have been agreed to in writing by the Underwriter;

(iv) Specimen Bonds;

(v) Evidence that the Assignment Agreement, the Lease Agreement and the Ground Lease, or memoranda thereof, have been recorded in the Office of the County Recorder of the County of Santa Barbara;

(vi) Evidence that the insurance required to be in effect on the Closing Date under the Lease Agreement is in fact in effect as of such date;

(vii) The approving opinion of Bond Counsel dated the Closing Date and addressed to the City, in substantially the form attached as [Appendix D] to the Official Statement, and a reliance letter or letters thereon addressed to the Underwriter and the Trustee;

(viii) A supplemental opinion of Bond Counsel dated the Closing Date and addressed to the Underwriter and the Insurer, in substantially the form attached as Exhibit C hereto.

(ix) The Official Statement, executed on behalf of the City and the Authority, and the Preliminary Official Statement;

(x) Evidence that the rating on the Bonds is as described in the Official Statement;

(xi) A certificate, dated the Closing Date, signed by a duly authorized officer of the Authority, satisfactory in form and substance to the Underwriter, to the effect that: (i) the Authority Resolutions were duly adopted at regular meetings of the Authority held on September 17, 2024 and November 19, 2024, at which a quorum was present and acting throughout, are in full force and effect as of the date hereof and have not been amended, modified or supplemented, except as agreed to by the Underwriter; (ii) the representations, warranties and covenants of the Authority contained in this Purchase Agreement are true and correct in all material respects on and as of the Closing Date with the same effect as if made on the Closing Date by the Authority, and the Authority has complied with, in all material respects, all of the terms and conditions of the Purchase Agreement required to be complied with by the Authority at or prior to the Closing Date; (iii) no event affecting the Authority has occurred since the date of the Official Statement which should be disclosed in the Official Statement for the purposes for which it is to be used or which is necessary to disclose therein in order to make the statements and information therein not misleading in any material respect; (iv) the information and statements contained in the Official Statement under the caption "THE AUTHORITY" did not as of its date and do not as of the Closing contain an untrue statement of a material fact or omit to state any material fact that is necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading in any material respect; and (v) the Authority is not, in any material respect, in breach of or default under any applicable law or administrative regulation of the State or the United States or any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement (including but not limited to the Lease Agreement) or other instrument to which the Authority is a party or is otherwise subject, which would have a material adverse impact on the Authority's ability to perform its obligations under the Authority Documents, and no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute such a default or event of default under any such instrument;

(xii) A certificate, dated the Closing Date, signed by a duly authorized officer of the City, satisfactory in form and substance to the Underwriter, to the effect that: (i) the City Resolutions were duly adopted at regular meetings of the City Council of the City held on September 17, 2024 and November 19, 2024, at which a quorum was present and acting throughout, are in full

force and effect as of the date hereof and have not been amended, modified or supplemented, except as agreed to by the Underwriter; (ii) the representations, warranties and covenants of the City contained in this Purchase Agreement are true and correct in all material respects on and as of the Closing Date with the same effect as if made on the Closing Date by the City, and the City has complied with, in all material respects, all of the terms and conditions of the Purchase Agreement required to be complied with by the City at or prior to the Closing Date; (iii) no event affecting the City has occurred since the date of the Official Statement which should be disclosed in the Official Statement for the purposes for which it is to be used or which is necessary to disclose therein in order to make the statements and information therein not misleading in any material respect; (iv) the information and statements contained in the Official Statement (other than information in the Official Statement under the captions “THE AUTHORITY” and “UNDERWRITING” and information regarding DTC and its book-entry only system, and information regarding the Insurer and the Policy) did not as of its date and do not as of the Closing contain an untrue statement of a material fact or omit to state any material fact that is necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading in any material respect; and (v) the City is not, in any material respect, in breach of or default under any applicable law or administrative regulation of the State or the United States or any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement (including but not limited to the Lease Agreement) or other instrument to which the City is a party or is otherwise subject, which would have a material adverse impact on the City’s ability to perform its obligations under the City Documents, and no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute such a default or event of default under any such instrument;

(xiii) An opinion dated the Closing Date and addressed to the Underwriter and the Insurer, of Best Best & Krieger LLP, as counsel to the Authority, to the effect that:

(A) the Authority is duly organized and validly existing as a joint exercise of powers authority under the laws of the State of California and is possessed of full power to own and hold real and personal property and to lease, purchase and sell the same;

(B) the Authority Resolutions were duly adopted at regular meetings of the governing board of the Authority which were called and held pursuant to law, with all public notice required by law and at which a quorum was present and acting throughout, are in full force and effect and have not been modified, amended, rescinded or repealed since their respective date of adoption;

(C) the Authority has full right and lawful authority to execute and deliver the Authority Documents and such documents have been duly authorized, executed and delivered by and on behalf of the Authority, and assuming the due authorization, execution and delivery by the other parties thereto, the Authority Documents are valid and binding obligations of the Authority enforceable in accordance with their respective terms, except as enforcement may be limited by bankruptcy, insolvency, moratorium, or similar laws, or by legal or equitable principles relating to or limiting creditors’ rights generally;

(D) except as otherwise disclosed in the Preliminary Official Statement and the Official Statement, to the best knowledge of such counsel, there is no action, suit, proceeding, inquiry, or investigation before or by any court or public board or body pending, with service of process upon the Authority having been accomplished, or, to the best knowledge of such counsel, threatened in writing wherein an unfavorable decision, ruling, or finding would adversely

affect the transactions contemplated by the Bonds, the Authority Documents or any other agreement, document, or certificate related to such transaction;

(E) insofar as it will have a material adverse effect on the ability of the Authority to enter into, carry out or perform its obligations under the foregoing agreements or to consummate the transactions contemplated thereby, to the best of our knowledge, the Authority is not in material breach of or default under any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Authority is a party or to which the Authority or any of its property or assets is otherwise subject, and, to the best of our knowledge no event has occurred and is continuing which with the passage of time or the giving of notice, or both, would constitute a default or an event of default under any such instrument; and

(F) no authorization, approval, consent, or order of any governmental agency or, to the best of our knowledge, any other person or corporation is required for the valid authorization, execution and delivery of the Authority Documents on behalf of the Authority that has not been obtained.

(xiv) An opinion dated the Closing Date and addressed to the Underwriter and the Insurer, of Best Best & Krieger LLP, as City Attorney to the City, to the effect that:

(A) the City is a municipal corporation and general law city duly organized and existing under and by virtue of the Constitution and laws of the State;

(B) the City Resolutions were duly adopted at regular meetings of the City which were called and held pursuant to law, with all public notice required by law and at which a quorum was present and acting throughout, are in full force and effect and have not been modified, amended, rescinded or repealed since their respective date of adoption;

(C) the City Documents have been duly authorized, executed and delivered by the City and, assuming due authorization, execution and delivery by the other parties thereto, as applicable, constitute the valid and binding obligations of the City, except as enforcement may be limited by bankruptcy, insolvency, moratorium, or similar laws, or by legal or equitable principles relating to or limiting creditors' rights generally;

(D) no consent, authorization or approval of, or filing or registration with, any governmental or regulatory officer or body which has not already been obtained is required to be obtained by the City for the execution and performance of the City Documents or the actions on the part of the City contemplated thereby, including causing the issuance of the Bonds;

(E) except as otherwise disclosed in the Preliminary Official Statement and the Official Statement, to the best knowledge of such counsel, there is no litigation, proceeding, action, suit or investigation at law or in equity before or by any court, governmental authority or body, pending, with service of process upon the City having been accomplished, or, to the best knowledge of such counsel, threatened in writing against the City, challenging the creation, organization or existence of the City, or the validity of the City Documents or seeking to restrain or enjoin the payment of the Base Rental Payments or the repayment of the Bonds or in any way contesting or affecting the validity of the City Documents or contesting the authority of the City to enter into or perform its obligations under any of the City Documents, or which, in any manner, questions the right of the City to pay the Base Rental Payments under the Lease Agreement; and



(F) the execution and delivery of the City Documents and compliance with the provisions thereof do not and will not in any material respect conflict with or constitute on the part of the City a breach of or default under any agreement or other instrument to which the City is a party or by which it is bound or any existing law, regulation, court order or consent decree to which the City is subject, which breach or default has or may have a material adverse effect on the ability of the City to perform its obligations under the City Documents;

(xv) A letter of Orrick, Herrington & Sutcliffe LLP, Los Angeles, California, as disclosure counsel to the City and the Authority, dated the Closing Date and addressed to the Underwriter substantially to the effect that they are not passing upon and do not assume any responsibility for the accuracy, completeness or fairness of the statements contained in the Preliminary Official Statement and in the Official Statement and make no representation that they have independently verified the accuracy, completeness or fairness of any such statements; however, in connection with the Preliminary Official Statement and the Official Statement, they have reviewed certain documents and have participated in conferences in which the contents of the Preliminary Official Statement and the Official Statement and related matters were discussed. During the course of their work on this matter, no facts have come to their attention that have caused them to believe that the Preliminary Official Statement as of its date and the Official Statement as of its date or the Closing Date (except for the following items, which are expressly excluded from the scope of this sentence: any financial, accounting, statistical or economic, engineering or demographic data or forecasts, numbers, charts, tables, graphs, estimates, projections, assumptions or expressions of opinion, any CUSIP numbers, any information about verification, feasibility, valuation, appraisals, real estate or environmental matters, any management discussion and analysis, any statements about compliance with prior continuing disclosure undertakings, the Appendices thereto, or any information about book-entry, The Depository Trust Company, Cede & Co., litigation, ratings and rating agencies, tax-exemption, the Municipal Advisor, the Underwriter and underwriting, that is contained or incorporated by reference in the Preliminary Official Statement and the Official Statement, and the appendices to the Preliminary Official Statement and the Official Statement) contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(xvi) An opinion of Anzel Galvan LLP, San Francisco, California, counsel to the Underwriter, in form and substance satisfactory to the Underwriter;

(xvii) An opinion of counsel to the Trustee, addressed to the Underwriter and the Insurer, dated the Closing Date, to the effect that:

(A) The Trustee is a national banking association duly organized, validly existing and in good standing under the laws of the United States having full power and authority and being qualified to enter into, accept and administer the trust created under the Indenture to which it is a party and to enter into the Indenture;

(B) The Indenture and the Assignment Agreement have been duly authorized, executed and delivered by the Trustee and constitute the legal, valid and binding obligations of the Trustee enforceable against the Trustee in accordance with their respective terms, except as enforcement thereof may be limited by bankruptcy, insolvency or other laws affecting enforcement of creditors' rights generally and by the application of equitable principles if equitable remedies are sought;

(C) To such counsel's knowledge, the execution and delivery by the Trustee of the Indenture and the Assignment Agreement and the performance of the obligations of the Trustee under the Indenture and the Assignment Agreement by the Trustee, will not conflict with or contravene the Articles of Association or Bylaws of the Trustee, or any law, regulation or ruling of any court or governmental authority to which the Trustee is subject;

(D) To such counsel's knowledge, no authorization, approval, consent, or order of any governmental agency or regulatory authority having jurisdiction over the Trustee that has not been obtained by the Trustee is required for the authorization, execution, delivery and performance by the Trustee of the Indenture and the Assignment Agreement; and

(E) An authorized representative of the Trustee has duly authenticated the Bonds;

(xviii) A certificate, dated the Closing Date, signed by a duly authorized official of the Trustee, in form and substance satisfactory to the Underwriter, and an incumbency certificate of the Trustee;

(xix) For each of the Bonds and the Lease Agreement, the preliminary and final Statement of Sale required to be delivered to the California Debt and Investment Advisory Commission pursuant to Section 53583 of the Government Code and Section 8855(g) of the Government Code;

(xx) A copy of the executed Blanket Issuer Letter of Representations by and between the Authority and DTC relating to the book-entry system;

(xxi) Certificates regarding tax, arbitrage and use of proceeds of the City and the Authority relating to the Bonds in form and substance to the reasonable satisfaction of Bond Counsel and the Underwriter;

(xxii) Certificates, dated the date of the Preliminary Official Statement, of the City and the Authority, as required under Rule 15c2-12;

(xxiii) Evidence that a debt management policy which complies with Section 8855 of the Government Code has been adopted by the City and the Authority;

(xxiv) Certified copies of the JPA Agreement and all amendments thereto and related certificates issued by the Secretary of State of the State (or, alternatively, a certificate of the Authority confirming that notice of the JPA Agreement and all amendments thereto have been filed with the Secretary of State prior to the Closing Date);

(xxv) A copy of an ALTA or CLTA title insurance policy in an amount equal to the original aggregate principal amount of the Bonds, insuring the City's leasehold interest in the Property, subject only to permitted encumbrances or such other encumbrances approved in writing by the Underwriter;

(xxvi) A certificate of the Municipal Advisor to the effect that the Municipal Advisor has participated in the preparation of the Preliminary Official Statement and the Official Statement and nothing has come to the attention of the Municipal Advisor which would lead it to believe that the Preliminary Official Statement or the Official Statement contain any untrue statement

of a material fact or omits to state a fact necessary to make the statements made therein, in the light of the circumstances under which they were made, not misleading;

(xxvii) Evidence satisfactory to the Underwriter that the Trustee has received the Policy from the Insurer;

(xxviii) An opinion of counsel to the Insurer, in form and substance satisfactory to the Underwriter and Bond Counsel, with respect to, among other matters, the Policy, and disclosures relating thereto in the Official Statement;

(xxix) A certificate of the Insurer, in form and substance satisfactory to the Underwriter and Bond Counsel, with respect to, among other matters, the Policy, and disclosures relating thereto in the Official Statement; and

(xxx) Such additional legal opinions, certificates, proceedings, instruments or other documents as Bond Counsel or the Underwriter may reasonably request.

**Section 9. Changes in Official Statement.** Within 90 days after the Closing or within 25 days following the “end of the underwriting period” (as defined in Rule 15c2-12), whichever occurs first, if any event relating to or affecting the Bonds, the Trustee, the City or the Authority shall occur as a result of which it is necessary, in the reasonable opinion of the Underwriter, to amend or supplement the Official Statement in order to make the Official Statement not misleading in any material respect in the light of the circumstances existing at the time it is delivered to a purchaser, the Authority will forthwith prepare and furnish to the Underwriter an amendment or supplement that will amend or supplement the Official Statement so that it will not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances existing at the time the Official Statement is delivered to purchaser, not misleading. The City and the Authority shall cooperate with the Underwriter in the filing by the Underwriter of such amendment or supplement to the Official Statement with the MSRB. The Underwriter acknowledges that the “end of the underwriting period” will be the Closing Date unless the Underwriter notifies the City and the Authority otherwise.

**Section 10. Expenses.** Whether or not the Bonds are sold to the Underwriter, the Underwriter shall be under no obligation to pay any expenses incident to the performance of the obligations of the City and the Authority hereunder. If the Bonds are delivered by the Authority to the Underwriter, the Authority and the City shall pay, from the proceeds of the Bonds or from other funds of the City, the following expenses: (a) the cost of preparing, duplicating or printing, mailing and delivering the City Documents, the Authority Documents, the Preliminary Official Statement, the Official Statement and all other agreements and documents that are contemplated therein and hereby (and drafts of any thereof); (b) the cost of preparation and printing of the definitive Bonds; (c) the fees and expenses of the Authority, the City, the Trustee, Bond Counsel, Disclosure Counsel, the Municipal Advisor, any entity retained by the Authority or the City to perform continuing disclosure compliance research or provide continuing disclosure compliance reports and any other experts or consultants retained by the Authority or the City; (d) the charges of any rating agency with respect to the Bonds; (e) premiums and other expenses relating to the Policy and the Reserve Policy; (f) reimbursement to the Underwriter for payment of any fees and expenses reasonably incurred in connection with the initial offering, sale and delivery of the Bonds, including but not limited to industry fees (e.g., DTC, DAC, IPREO, CUSIP and Day Loan fees) only if the City, the Authority and Underwriter have previously discussed and approved the allocation of proceeds towards these fees, and meal and travel expenses of

the personnel of the City or the Authority, but not including entertainment expenses or those to be paid by the Underwriter pursuant to the last paragraph of this Section 10; and (g) all other fees and expenses, not including entertainment expenses, reasonably incurred in connection with the preparation of the City Documents, the Authority Documents, the Preliminary Official Statement, the Official Statement and all other agreements and documents that are contemplated hereby (and drafts of any thereof) and/or the initial offering, sale and delivery of the Bonds. The City and the Authority have authorized, and do hereby authorize, the Underwriter to pay such expenses on behalf of the City and the Authority from proceeds of the Bonds at Closing as further described in the closing memorandum relating to the Bonds.

If the Bonds are sold to the Underwriter by the Authority, the Authority and the City shall pay out of the proceeds of the Bonds the discount of the Underwriter or the purchase price paid for the Bonds shall reflect such discount.

Except as otherwise provided in this Section 10, the Underwriter shall pay the cost, if any, of qualifying the Bonds for sale in the various states chosen by the Underwriter, all advertising expenses in connection with the public offering of the Bonds and all other expenses incurred by it in connection with its public offering and distribution of the Bonds, not described above.

**Section 11. Qualification of Bonds.** The Authority and the City will furnish such information, execute such instruments and take such other action in cooperation with the Underwriter as the Underwriter may reasonably request to qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions of the United States as the Underwriter may designate and to provide for the continuance of such qualification; provided, however, that neither the City nor the Authority will be required to qualify as a foreign corporation or to file any general or special consents to service of process under the laws of any state.

**Section 12. Notices.** Any notice or other communication to be given to the Underwriter under this Purchase Agreement may be given by delivering the same in writing to Stifel, Nicolaus & Company, Incorporated, 2121 Avenue of the Stars, Suite 2150, Los Angeles, California 90067, Attention: Sara Brown. All notices or communications hereunder by any party shall be given and served upon each other party. Any notice or communication to be given to the City or the Authority under this Purchase Agreement may be given by delivering the same in writing to the applicable address set forth on the first page of this Purchase Agreement.

**Section 13. Parties in Interest.** This Purchase Agreement is made solely for the benefit of the City, the Authority and the Underwriter (including the successors or assigns thereof) and no other person shall acquire or have any right hereunder or by virtue hereof. Except as otherwise expressly provided herein, all of the agreements and representations of the Authority and the City contained in this Purchase Agreement and in any certificates delivered pursuant hereto shall remain operative and in full force and effect regardless of: (i) any investigation made by or on behalf of the Underwriter; (ii) delivery of and payment for the Bonds hereunder; or (iii) any termination of this Purchase Agreement.

**Section 14. Severability.** In case any one or more of the provisions contained herein shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision hereof.

**Section 15. Entire Agreement.** This Purchase Agreement contains the entire agreement between the parties relating to the subject matter hereof and supersedes all oral statements, prior writings and representations with respect thereto.

**Section 16. Counterparts.** This Purchase Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument.

**Section 17. Survival of Representations and Warranties.** The representations and warranties of the City and the Authority in or made pursuant to this Purchase Agreement shall not be deemed to have been discharged, satisfied or otherwise rendered void by reason of the Closing or termination of this Purchase Agreement and regardless of any investigations made by or on behalf of the Underwriter (or statements as to the results of such investigations) concerning such representations and statements of the City and the Authority and regardless of delivery of and payment for the Bonds.

**Section 18. Waiver of Jury Trial.** THE AUTHORITY AND THE CITY HEREBY IRREVOCABLY WAIVE TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS PURCHASE AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

**Section 19. Effectiveness.** This Purchase Agreement shall become effective and binding upon the respective parties hereto upon the execution of the acceptance hereof by the City and the Authority and shall be valid and enforceable as of the time of such acceptance.

[Signature Page Follows]

**Section 20. Governing Law.** This Purchase Agreement shall be governed by and construed in accordance with the laws of the State.

STIFEL, NICOLAUS & COMPANY,  
INCORPORATED

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

Accepted as of the date first stated above:

CITY OF GOLETA

By: \_\_\_\_\_  
Its: \_\_\_\_\_  
Printed Name: \_\_\_\_\_

Time of Execution: \_\_\_\_\_ a.m./p.m. Pacific Time

GOLETA FACILITIES FINANCING AUTHORITY

By: \_\_\_\_\_  
Its: \_\_\_\_\_  
Printed Name: \_\_\_\_\_

Time of Execution: \_\_\_\_\_ a.m./p.m. Pacific Time

**EXHIBIT A**

**GOLETA FACILITIES FINANCING AUTHORITY  
Lease Revenue Bonds, Series 2025A**

**MATURITY SCHEDULE**

<i>Maturity Date (November 1)</i>	<i>Principal Amount</i>	<i>Interest Rate</i>	<i>Yield</i>	<i>Initial Offering Price</i>	<i>10% Test Used</i>	<i>10% Test Satisfied</i>	<i>Hold-the- Offering- Price Rule Used</i>
	\$	%	%				

<sup>C</sup> Priced to first optional redemption date of \_\_\_\_\_ 1, 20\_\_ at par.

<sup>T</sup> Term Bond.

## REDEMPTION PROVISIONS

***Extraordinary Redemption from Net Proceeds.*** The Bonds shall be subject to redemption, in whole or in part, on any date, in Authorized Denominations, from and to the extent of any Net Insurance Proceeds received with respect to all or a portion of the Property (as defined in the Indenture), deposited by the Trustee in the Redemption Fund pursuant to the Indenture, at a Redemption Price equal to the principal amount of the Bonds to be redeemed, plus accrued interest thereon to the date of redemption, without premium.

***Optional Redemption.*** The Bonds maturing on or after November 1, 20\_\_, shall be subject to optional redemption, in whole or in part, on any date on or after November 1, 20\_\_, in Authorized Denominations, from and to the extent of prepaid Base Rental Payments paid pursuant to the Lease Agreement, at a Redemption Price equal to the principal amount of the Bonds to be redeemed, plus accrued interest thereon to the date of redemption.

***Mandatory Sinking Fund Redemption.*** The Bonds maturing on November 1, 20\_\_ are subject to mandatory sinking fund redemption in part (by lot) on each November 1 on and after November 1, 20\_\_, in integral multiples of \$5,000 at a Redemption Price of the principal amount thereof plus accrued interest to the date fixed for redemption, without premium, in accordance with the following schedule:

<b><i>Sinking Fund Redemption Date</i></b> <b><i>(November 1)</i></b>	<b><i>Principal Amount</i></b> <b><i>To Be Redeemed</i></b>
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(maturity)



## EXHIBIT B

### GOLETA FACILITIES FINANCING AUTHORITY Lease Revenue Bonds, Series 2025A

#### FORM OF ISSUE PRICE CERTIFICATE

The undersigned, on behalf of Stifel, Nicolaus & Company, Incorporated (“Stifel”) hereby certifies as set forth below with respect to the sale and delivery of the above-captioned obligations (the “Bonds”).

1. ***Sale of the General Rule Maturities.*** As of the date of this certificate, for each Maturity of the General Rule Maturities, the first price at which at least 10% of such Maturity was sold to the Public is the respective price listed in Schedule A.

2. ***Initial Offering Price of the Hold-the-Offering-Price Maturities.***

(a) Stifel offered the Hold-the-Offering-Price Maturities to the Public for purchase at the respective initial offering prices listed in Schedule A (the “Initial Offering Prices”) on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Bonds is attached to this certificate as Schedule B.

(b) As set forth in the Bond Purchase Agreement, dated [Pricing Date], by and among Stifel, as the Underwriter (as defined below), the City of Goleta, California and the Issuer (as defined below), Stifel has agreed in writing that: (i) for each Maturity of the Hold-the-Offering-Price Maturities, it would neither offer nor sell any of the Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the “hold-the-offering-price rule”); and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any third-party distribution agreement shall contain the agreement of each broker-dealer who is a party to the third-party distribution agreement, to comply with the hold-the-offering-price rule. Pursuant to such agreement, no Underwriter has offered or sold any Maturity of the Hold-the-Offering-Price Maturities at a price that is higher than the respective Initial Offering Price for that Maturity of the Bonds during the Holding Period.

3. ***Defined Terms.***

(a) ***General Rule Maturities*** means those Maturities of the Bonds listed in Schedule A hereto as the “General Rule Maturities.”

(b) ***Hold-the-Offering-Price Maturities*** means those Maturities of the Bonds listed in Schedule A hereto as the “Hold-the-Offering-Price Maturities.”

(c) ***Holding Period*** means, with respect to a Hold-the-Offering-Price Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date (which Sale Date is [Pricing Date]), or (ii) the date on which Stifel has sold at least 10% of such Hold-the-Offering-Price Maturity to the Public at prices that are no higher than the Initial Offering Price for such Hold-the-Offering-Price Maturity.

(d) *Issuer* means the Goleta Facilities Financing Authority.

(e) *Maturity* means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate maturities.

(f) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term “related party” for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(g) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is [Pricing Date].

(h) *Underwriter* means: (i) any person that agrees pursuant to a written contract with the Issuer and the City of Goleta, California (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public; and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents Stifel’s interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer and the City of Goleta, California with respect to certain of the representations set forth in the Tax Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by Stradling Yocca Carlson & Rauth LLP, Newport Beach, California, in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer or the City of Goleta, California from time to time relating to the Bonds. The certifications contained herein are not necessarily based on personal knowledge, but may instead be based on either inquiry deemed adequate by the undersigned or institutional knowledge (or both) regarding the matters set forth herein.

STIFEL, NICOLAUS & COMPANY,  
INCORPORATED

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

Name: \_\_\_\_\_

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

Name: \_\_\_\_\_

Dated: [Closing Date]

**SCHEDULE A**

**SALE PRICES OF THE GENERAL RULE MATURITIES AND INITIAL OFFERING  
PRICES OF THE HOLD-THE-OFFERING-PRICE MATURITIES**

*(Attached)*

**SCHEDULE B**

**PRICING WIRE OR EQUIVALENT COMMUNICATION**

*(Attached)*

## EXHIBIT C

### FORM OF SUPPLEMENTAL OPINION

[\_\_\_\_], 2025

[Stifel, Nicolaus & Company, Incorporated  
Los Angeles, California]

Re: \$\_\_\_\_\_ *Goleta Facilities Financing Authority Lease Revenue Bonds,  
Series 2025A*

Ladies and Gentlemen:

We have examined certified copies of proceedings taken for the sale and issuance of the above-referenced bonds (the “Bonds”), and we have rendered our opinion to the Goleta Facilities Financing Authority (the “Authority”) this day regarding the validity and enforceability of the Bonds (the “Approving Opinion”). The Bonds are being issued pursuant to an Indenture dated as of [February] 1, 2025 (the “Indenture”), by and among the Authority, the City of Goleta (the “City”) and The Bank of New York Mellon Trust Company, N.A., as Trustee. You may rely upon our Approving Opinion as if it were addressed to you. Capitalized terms used herein and not otherwise defined shall have the meaning given to such terms in the Bond Purchase Agreement dated February \_\_, 2025 (the “Purchase Agreement”), among the Authority, the City and Stifel, Nicolaus & Company, Incorporated (the “Underwriter”).

We have assumed, but not independently verified, that the signatures on all documents, letters, certificates and instructions which we have examined are genuine, that all documents submitted to us are authentic and were duly and properly executed by the parties thereto and that all representations made in the documents that we have reviewed are true and accurate.

We express no opinion herein with respect to any indemnification, contribution, choice of law, choice of forum, penalty or waiver provisions contained in the Bonds, the Indenture, the Ground Lease, the Lease Agreement, the Continuing Disclosure Certificate or the Purchase Agreement (collectively, the “Legal Documents”), nor do we express any opinion with respect to the state or quality of title to any of the real or personal property described in the Ground Lease, the Lease Agreement or the Indenture, or the accuracy or sufficiency of the description of any such property contained therein.

Based upon the foregoing and such other information and documents as we consider necessary to render this opinion, we are of the opinion that:

1. The Purchase Agreement has been duly authorized, executed and delivered by the Authority and the City and is a valid and binding agreement of the Authority and the City.
2. The Continuing Disclosure Certificate has been duly authorized, executed and delivered by the City and is a valid and binding agreement of the City.
3. The statements on the cover of the Official Statement and in the Official Statement under the captions [“INTRODUCTION,” “THE SERIES 2025A BONDS,” “SECURITY AND

SOURCES OF PAYMENT FOR THE SERIES 2025A BONDS,” and “TAX MATTERS,” and in “APPENDIX B – SUMMARY OF THE PRINCIPAL LEGAL DOCUMENTS” and “APPENDIX D – PROPOSED FORM OF BOND COUNSEL OPINION,]” excluding any material that may be treated as included under such captions and appendices by any cross-reference, insofar as such statements expressly summarize provisions of the Bonds, the Ground Lease, the Lease Agreement, the Assignment Agreement, the Indenture and Bond Counsel’s final opinion concerning certain federal and state tax matters relating to the Bonds, are accurate in all material respects as of the date of Closing.

4. The Bonds are exempt from registration pursuant to the Securities Act of 1933, as amended, and the Indenture is exempt from qualification as an indenture pursuant to the Trust Indenture Act of 1939, as amended.

The opinions expressed herein are based upon our analysis and interpretation of existing laws, regulations, rulings and judicial decisions and cover certain matters not directly addressed by such authorities. This opinion is limited to matters governed by the laws of the State of California and federal securities laws, and we assume no responsibility with respect to the applicability or the effect of the laws of any other jurisdiction.

We call attention to the fact that the rights and obligations under the Legal Documents are subject to bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance or transfer and other similar laws affecting creditors’ rights, to the application of equitable principles if equitable remedies are sought, to the exercise of judicial discretion in appropriate cases and to limitations on legal remedies against public agencies in the State of California.

We express no opinion herein regarding any tax consequences with respect to the Bonds. No opinion is expressed herein with respect to the compliance with, or applicability of, any “blue sky” laws of any state as they relate to the offer or sale of the Bonds.

We call attention to the fact that the foregoing opinions may be affected by actions taken (or not taken) or events occurring (or not occurring) after the date hereof. We have not undertaken to determine, or to inform any person, whether such actions or events are taken (or not taken) or occur (or do not occur).

This opinion is furnished by us to you and is solely for your benefit, and may not be used, circulated, quoted or otherwise referred to or relied upon by others without our prior written consent. This letter is not intended to be, and may not be, relied upon by the owners of the Bonds or any beneficial ownership interest therein. You have acknowledged that no attorney-client relationship exists between us and you with respect to any matters related to the Bonds.

Our engagement with respect to the Bonds has concluded with their delivery, and we disclaim any obligation to update this opinion or other matters discussed in the Official Statement.

Respectfully submitted,