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**REDEVELOPMENT AGENCY OF THE COUNTY OF SAN DIEGO**

**and**

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

**as Trustee**

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**INDENTURE**

**Dated as of December 1, 2005**

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**Relating to**

**\$9,225,000**

**Gillespie Field Project**

**Revenue Refunding Bonds, Series 2005A-1**

**and**

**\$6,775,000**

**Gillespie Field Project**

**Revenue Refunding Bonds, Series 2005AMT**

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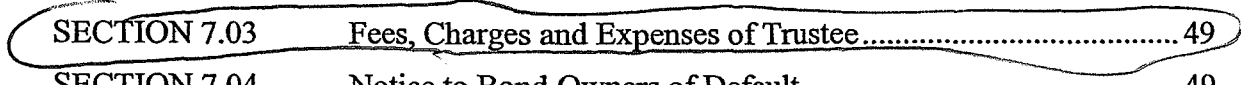
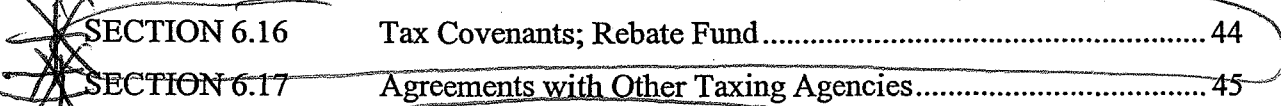
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## INDENTURE

THIS INDENTURE (the "Indenture") is made and entered into as of December 1, 2005, by and between the Redevelopment Agency of the County of San Diego, a public body, corporate and politic, organized and existing under, and by virtue of the laws of the State of California (the "Agency"), and The Bank of New York Trust Company, N.A., a national banking association organized and existing under the laws of the United States and authorized to accept and execute trusts of the character herein set out with a corporate trust office located in Los Angeles, California, as trustee (the "Trustee");

## WITNESSETH:

WHEREAS, the Agency is a redevelopment agency, a public body, corporate and politic duly created, established and authorized to transact business and exercise its powers, all under and pursuant to the Community Redevelopment Law (Part 1 of Division 24 of the Health and Safety Code of the State of California and referred to herein as the "Law") and the powers of such Agency include the power to issue bonds for any of its corporate purposes; and

WHEREAS, a redevelopment plan for a redevelopment project known and designated as the "Gillespie Field Project" has been adopted and approved and all requirements of law for, and precedent to, the adoption and approval of said plan have been duly complied with; and

WHEREAS, the plan contemplates that the Agency will issue its bonds to finance a portion of the cost of such redevelopment; and

WHEREAS, the Agency, by Resolution No. 05-225, adopted December 6, 2005 (the "Resolution"), authorized the issuance of not to exceed \$6,775,000 aggregate principal amount of its Gillespie Field Project Revenue Refunding Bonds, Series 2005A (the "Series 2005A Bonds") for the purpose of financing and refinancing portions of the redevelopment project; and

WHEREAS, the Agency has determined to issue the Series 2005A Bonds (in two component series, the Series 2005A-1 Bonds and the Series 2005AMT Bonds) pursuant to this Indenture and to secure the Series 2005A Bonds in the manner provided herein; and

WHEREAS, all things necessary to cause the Series 2005A Bonds, when authenticated by the Trustee and issued as in this Indenture provided, to be legal, special obligations of the Agency, enforceable in accordance with their terms, and to constitute this Indenture a valid agreement for the uses and purposes herein set forth in accordance with its terms, have been done and taken, and the creation, execution and delivery of this Indenture and the creation, execution and issuance of the Series 2005A Bonds, subject to the terms hereof, have in all respects been duly authorized;

NOW THEREFORE, THIS INDENTURE WITNESSETH, that in order to secure the payment of the principal of, and the interest and premium, if any, on, all Bonds at any time issued and outstanding under this Indenture, according to their tenor, and to secure the performance and observance of all the covenants and conditions therein and herein set forth, and

## ATTACHMENT A

to declare the terms and conditions upon and subject to which the Bonds are to be issued and received, and in consideration of the premises and of the mutual covenants herein contained and of the purchase and acceptance of the Bonds by owners thereof, and for other valuable considerations, the receipt whereof is hereby acknowledged, the Agency does hereby covenant and agree with the Trustee, for the benefit of the respective holders from time to time of the Bonds, 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 of this Indenture and of the Bonds and of any certificate, opinion, report, request or other document herein or therein mentioned have the meanings herein specified.

Additional Revenues

The term "Additional Revenues" means any revenues, other than Tax Revenues, pledged to the payment of the Bonds, including but not limited to, Airport Fund Revenues.

Agency

The term "Agency" means the Redevelopment Agency of the County of San Diego, a public body, corporate and politic, duly organized and existing under and pursuant to the Law.

Agency Indebtedness

The term "Agency Indebtedness" means any obligation the payment of which is to be made in whole or in part (but if in part, only to the extent of that part) out of taxes allocated to the Agency pursuant to Section 33670 of the Law. For purposes of determining compliance with the covenant contained in Section 4.03 hereof the following assumptions shall apply:

(i) the principal and interest remaining to be paid on Agency Indebtedness shall include only such amounts as are scheduled to be paid by the Agency pursuant to the terms of the loan or other form of agreement under which such Agency Indebtedness was incurred. Agency Indebtedness without a stated maturity shall be deemed to mature on the final maturity date of the Bonds.

(ii) Amounts scheduled to be paid by the Agency shall include regularly scheduled principal and interest payments, including, amounts payable pursuant to any mandatory redemption provision.

(iii) Agency Indebtedness bearing interest at a variable rate of interest shall be deemed to accrue interest at the lesser of the maximum rate specified or 12% per annum.

Airport Revenue Fund

The term "Airport Revenue Fund" means the Fund established pursuant to Section 5.07 hereof.

Airport Fund Revenues

The term "Airport Fund Revenues" means all amounts pledged by the County to the payment of the Bonds pursuant to the Second Supplement.

Airport System

The term "Airport System" means the whole and each and every part of the existing airport system of the County including Gillespie Field, Ramona Airport, Agua Caliente Airport, Jacumba Airport, McClellan-Palomar Airport, Fallbrook Community Airpark, Borrego Valley Airport and Ocotillo Airport and any other airport or aviation facility owned and operated by the County and designated by the County to be a part of the Airport System, including certain approved non-aviation facilities, comprising all runways, taxiways, landing pads, navigational and landing aids, control towers, facilities for storage of aircraft and for parking of automobiles, roadways, passenger and freight terminals, lands, easements and rights for clear zone and approach purposes, maintenance hangars and related facilities and all equipment, buildings, grounds, facilities, utilities, and all structures owned, leased or operated by the County in connection with or for the promotion of or the accommodation of air commerce and air navigation and services in connection therewith, together with all additions, betterments, extensions and improvements thereto or any part thereof hereafter acquired and constructed.

Annual Administrative Expense Requirement

The term "Annual Administrative Expense Requirement" means an amount equal to \$175,000 for the Bond Year ending December 1, 2006, and increasing by 2% for each Bond Year thereafter.

Annual Debt Service; Maximum Annual Debt Service; Average Annual Debt Service

The term "Annual Debt Service" means, for each Bond Year, the sum of (1) the interest falling due on the Outstanding Bonds in such year, assuming that the Outstanding Serial Bonds are retired as scheduled and that the Outstanding Term Bonds, if any, are redeemed from the sinking account as may be scheduled, (2) the principal amount of the Outstanding Serial Bonds, if any, falling due by their terms in such year, and (3) the minimum amount of such Outstanding Term Bonds required to be paid or called and redeemed in such year.

The term "Maximum Annual Debt Service" means the largest Annual Debt Service during the period from the date of such determination through the final maturity date of any Outstanding Bonds.

The term "Average Annual Debt Service" means the aggregate Annual Debt Service divided by the number of twelve month periods ending on each Bond Year (including any fractional periods) remaining until the last maturity date of any Outstanding Bond.

Auditor

The term "Auditor" means the Auditor and Controller of the County.

Authorized Denomination

The term "Authorized Denomination" means \$5,000 or any integral multiple thereof.

Authorized Investments

The term "Authorized Investments" means any of the following which at the time of investment are legal investments under the laws of the State of California for the moneys proposed to be invested therein:

A. Direct obligations of the United States of America (including obligations issued or held in book entry, the principal of and interest on which are unconditionally guaranteed by the United States of America.

B. Bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following federal agencies and provided such obligations are backed by the full faith and credit of the United States of America (stripped securities are only permitted if they have been stripped by the Agency itself);

1. Export-Import Bank (Eximbank)  
Direct obligations of fully guaranteed certificates of beneficial ownership
2. Farmers Home Administration (FHA)  
Certificates of beneficial ownership
3. Federal Financing Bank
4. Federal Housing Administration Debentures (FHA)
5. General Services Administration  
Participation certificates
6. Government National Mortgage Association  
(GNMA or "Ginnie Mae") GNMA - guaranteed mortgage-backed bonds  
GNMA - guaranteed pass-through obligations
7. U.S. Maritime Administration  
Guaranteed Title XI financing
8. U.S. Department of Housing and Urban Development (HUD)  
Project Notes  
Local Authority Bonds  
New Communities Debentures - U.S. Government guaranteed debentures  
U.S. Public Housing Notes and Bonds - U.S. government guaranteed public housing notes and bonds

C. Bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following non full faith and credit U.S. government agencies (stripped securities are only permitted if they have been stripped by the Agency itself):

1. Federal Home Loan Bank System  
Senior debt obligations
2. Federal Home Loan Mortgage Corporation  
(FHLMC or "Freddie Mac")  
Participation Certificates  
Senior debt obligations
3. Federal National Mortgage Association (FNMA or "Fannie Mae")  
Mortgage-backed securities and senior debt obligations
4. Student Loan Marketing Association (SLMA or "Sallie Mae")  
Senior Debt obligations
5. Resolution Funding Corp. (REFCORP) obligations

D. Money market funds, including those for which the Trustee or any affiliate, provides management, advisory, administrative or other services registered under the Federal Investment Company Act of 1940, whose shares are registered under the Securities Act of 1933, and having a rating by S&P of AAAM G, AAAM, or AAM and by Moody's of Aaa.

E. Certificates of deposit secured at all times by collateral described in (A) and/or (B) above. Such certificates must be issued by commercial banks, savings and loan associations or mutual savings banks which may include the Trustee and its affiliates. The collateral must be held by a third party and the Trustee on behalf of the Owners must have a perfected first security interest in the collateral.

F. Certificates of deposit, savings accounts, deposit accounts or money market deposits which are fully insured by FDIC, including those with the Trustee or its affiliates.

G. Investment Agreements, including guaranteed investment contracts, acceptable to the Bond Insurer, if any.

H. Commercial paper rated, at the time of purchase, "Prime - 1" by Moody's and "A-1" or better by S&P.

I. Bonds or notes issued by any state or municipality which are rated by Moody's and S&P in one of the two highest rating categories assigned by such agencies.

J. Federal funds or banks acceptances with a maximum term of one year of any bank which has an unsecured, uninsured and unguaranteed obligation rating of "Prime - 1" or "A3" or better by Moody's and "A 1" or "A" or better by S&P.

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

Repurchase agreements must satisfy the following criteria or be approved by the Bond Insurer, if any.

1. Repurchase Agreements must be between the Agency or Trustee, as applicable, and a dealer bank or securities firm
  - a. Primary dealers on the Federal Reserve reporting dealer list which are rated A or better by S&P and Moody's, or
  - b. Banks rated "A" or above by S&P and Moody's.
2. Each repurchase agreement contract must be in writing and must include the following:
  - a. Securities which are acceptable for transfer are:
    - (1) Direct U.S. governments, or
    - (2) Federal agencies backed by the full faith and credit of the U.S. government (and FNMA & FMAC)
  - b. The term of each repurchase agreement may be up to 30 days
  - c. The collateral must be delivered to the Agency or Trustee, as applicable (if Trustee is not supplying the collateral) or third party acting as agent for the Trustee (if the Trustee is supplying the collateral) before/simultaneous with payment (perfection by possession of certificated securities).
  - d. Valuation of Collateral
    - (1) The securities must be valued weekly, marked to market at current market price plus accrued interest.
      - (a) The value of collateral must be equal to 104% of the amount of cash transferred by the Agency or Trustee, as applicable, to the dealer bank or security firm under the repurchase agreement, plus accrued interest. If, however, the securities used as collateral

are FNMA or FMAC, then the value of collateral must equal 105%.

3. Legal opinion which must be delivered to the Agency and Trustee to the effect that the repurchase agreement meets guidelines under state law for legal investment or public funds.

L. Any state-administered pool investment fund in which the issuer is statutorily permitted or required to invest; provided, that such investment is held in the name and to the credit of the Trustee.

M. Shares in a California common law trust established pursuant to Title 1, Division 7, Chapter 5 of the Government Code of the State of California which invests exclusively in investments permitted by Section 53635 of Title 5, Division 2, Chapter 4 of the Government Code of the State of California, as it may be amended; provided that such shares are held in the name and to the credit of the Trustee.

N. The San Diego County Investment Pool.

Beneficiary or Beneficiaries

The term "Beneficiary" or "Beneficiaries" means the Owners of the Series 2005A Bonds who are third party beneficiaries of the Second Supplement and therefore deemed "Beneficiaries" of an Airport Fund Obligation in accordance with the Master Pledge Agreement and Section 1.02 hereof.

Book Entry Bonds

The term "Book Entry Bonds" means Bonds of any Series registered in the name of the Nominee of a Depository as the Owner thereof pursuant to the terms and provisions of Section 2.12 hereof.

Bonds, Series 2005A Bonds, Series 2005A-1 Bonds, Series 2005AMT Bonds, Additional Bonds, Serial Bonds, Term Bonds

The term "Bonds" means the Series 2005A Bonds and all Additional Bonds.

The term "Series 2005A Bonds" means the Series 2005A-1 Bonds and the Series 2005AMT Bonds.

The term "Series 2005A-1 Bonds" means the Redevelopment Agency of the County of San Diego, Gillespie Field Project Revenue Refunding Bonds, Series 2005A-1.

The term "Series 2005AMT Bonds" means the Redevelopment Agency of the County of San Diego, Gillespie Field Project Revenue Refunding Bonds, Series 2005AMT.

The term "Additional Bonds" means all tax allocation bonds of the Agency authorized and executed pursuant to the Indenture and issued and delivered in accordance with Article IV.

The term "Serial Bonds" means Bonds for which no mandatory sinking account payments are provided.

The term "Term Bonds" means Bonds which are payable on or before their specified maturity dates from mandatory sinking account payments established for that purpose and calculated to retire such Bonds on or before their specified maturity dates.

Bond Insurance Policy

The term "Bond Insurance Policy" means the municipal bond insurance policy, if any, issued by the applicable Bond Insurer and guaranteeing, in whole or in part, the payment of principal of and interest on a Series of Bonds.

Bond Insurer

The term "Bond Insurer" means the issuer or issuers of a policy or policies of municipal bond insurance obtained by the Agency to insure the payment of principal of and interest on a Series of Bonds issued under the Indenture, when due otherwise than by acceleration, and which, in fact, are at any time insuring such Series of Bonds. For the purposes of this definition, all consents, approvals or actions required by the Bond Insurer shall be unanimous action of all Bond Insurers if there is more than a single Bond Insurer.

Bond Year

The term "Bond Year" means (i) with respect to the initial Bond Year, the period extending from the date the Series 2005A Bonds are originally delivered to December 1, 2006, and (ii) thereafter, each twelve month period extending from the day immediately following December 1 in any calendar year to the December 1 in the next following calendar year, all dates inclusive. Notwithstanding the foregoing, the term Bond Year as used in Section 6.16 hereof is defined in the manner set forth in the Rebate Certificate.

Certificate of the Agency

The term "Certificate of the Agency" means an instrument in writing signed by the Chairperson of the Agency, the Capital Finance Manager, or by any other officer of the Agency duly authorized by the Agency for that purpose.

County

The term "County" means the County of San Diego, California.

Code

The term "Code" means the Internal Revenue Code of 1986, as amended, and any regulations promulgated thereunder.

Combined Revenues

The term "Combined Revenues" means all Tax Revenues and Airport Fund Revenues.

Consultant's Report

The term "Consultant's Report" means a report signed by an Independent Financial Consultant or an Independent Redevelopment Consultant, as may be appropriate to the subject of the report, and including:

- (1) a statement that the person or firm making or giving such report has read the pertinent provisions of this Indenture to which such report relates;
- (2) a brief statement as to the nature and scope of the examination or investigation upon which the report is based;
- (3) a statement that, in the opinion of such person or firm, sufficient examination or investigation was made as is necessary to enable said Independent Financial Consultant or Independent Redevelopment Consultant to express an informed opinion with respect to the subject matter referred to in the report.

Depository

The term "Depository" means the securities depository acting as Depository pursuant to Section 2.12 hereof.

DTC

The term "DTC" means The Depository Trust Company, New York, New York, and its successors and assigns.

Federal Securities

The term "Federal Securities" means United States Treasury notes, bonds, bills or certificates of indebtedness, or other evidences of indebtedness secured by the full faith and credit of the United States of America; and also any securities now or hereafter authorized both the interest on and principal of which are guaranteed directly by the full faith and credit of the United States of America, as and to the extent that such securities are eligible for the legal investment of Agency funds. The Trustee may rely upon any investment direction of the Agency as a certification that such investments are legal investments for Agency funds.

Second Supplement

The term "Second Supplement" means the Second Supplemental Pledge Agreement, dated as of December 1, 2005, by and among the Agency, the County and the Trustee, as originally executed and as it may from time to time be supplemented, modified or amended in accordance with the terms thereof and hereof.

Fiscal Year

The term "Fiscal Year" means the period commencing on July 1 of each year and terminating on the next succeeding June 30, or any other annual accounting period hereafter selected and designated by the Agency as its Fiscal Year in accordance with the Law and identified in writing to the Trustee.

Housing Fund

The term "Housing Fund" means the Low and Moderate Income Housing Fund, established pursuant to Section 33334.3 of the Law with respect to the Project Area and held by the Agency.

Indenture

The term "Indenture" means this Indenture and all Supplemental Indentures.

Independent Certified Public Accountant

The term "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 of California, appointed and paid by the Agency, and who, or each of whom:

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

Independent Financial Consultant

The term "Independent Financial Consultant" means a financial consultant or firm of such consultants generally recognized to be well qualified in the financial consulting field, appointed and paid by the Agency and who, or each of whom:

- (1) is in fact independent and not under the domination of the Agency;

(2) does not have any substantial interest, direct or indirect, with the Agency;  
and

(3) is not connected with the Agency as a member, officer or employee of the Agency, but who may be regularly retained to make annual or other reports to the Agency.

Independent Redevelopment Consultant

The term "Independent Redevelopment Consultant" means a consultant or firm of such consultants generally recognized to be well qualified in the field of consulting relating to tax allocation bond financing by California redevelopment agencies, appointed and paid by the Agency, and who, or each of whom:

(1) is in fact independent and not under the domination of the Agency;

(2) does not have any substantial interest, direct or indirect, with the Agency;  
and

(3) is not connected with the Agency as a member, officer or employee of the Agency, but who may be regularly retained to make annual or other reports to the Agency.

Information Services

The term "Information Services" means Financial Information, Inc.'s "Daily Called Bond Service," 30 Montgomery Street, 10th Floor, Jersey City, New Jersey 07302, Attention: Editor; Kenny Information Services' "Called Bond Service," 55 Broad Street, 28th Floor, New York, New York 10004; Moody's Investors Service, 5250-77 Center Drive, Suite 150, Charlotte, North Carolina 28217, Attention: Called Bond Department; and Standard and Poor's "Called Bond Record," 25 Broadway, 3rd Floor, New York, New York 10004; or to such other addresses and/or such other services providing information with respect to called bonds as the Agency may designate to the Trustee in writing.

Interest Payment Date

The term "Interest Payment Date" means each June 1 or December 1 on which interest on any Series of Bonds is scheduled to be paid, commencing June 1, 2006.

Investment Agreement

The term "Investment Agreement" means an investment agreement or guaranteed investment contract by and between the Trustee and a national or state chartered bank or savings and loan institution (including the Trustee) or other financial institution the long term debt obligations of which (or the guarantor of which) are rated "A" or higher by Standard & Poor's Corporation or "A" or higher by Moody's Investors Service, in each case without regard to negative modifiers, respecting the investment of moneys in certain funds or accounts established pursuant to this Indenture.

Law

The term "Law" means the Community Redevelopment Law of the State of California (being Part 1 of Division 24 of the Health and Safety Code of the State of California, as amended), and all laws amendatory thereof or supplemental thereto.

Letter of Representations

The term "Letter of Representations" means the letter of the Agency and the Trustee delivered to and accepted by the Depository on or prior to the issuance of a Series of Book Entry Bonds setting forth the basis on which the Depository serves as depository for such Book Entry Bonds, as originally executed or as it may be supplemented or revised or replaced by a letter to a substitute depository.

Master Pledge Agreement

The term "Master Pledge Agreement" means the Amended and Restated Master Pledge Agreement dated as of December 1, 2005, made by the County.

Moody's

The term "Moody's" means Moody's Investors Service, or any rating agency which is a successor thereto.

Nominee

The term "Nominee" shall mean the nominee of the Depository, which may be the Depository, as determined from time to time pursuant to Section 2.12 hereof.

Outstanding

The term "Outstanding" when used as of any particular time with reference to Bonds, means (subject to the provisions of Section 8.02) 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 10.01; and
- (3) Bonds in lieu of or in substitution for which other Bonds shall have been authorized, executed, issued and delivered by the Agency pursuant to the Indenture.

Owner

The term "Owner" means the registered owner of any Outstanding Bond.

Participants

The term "Participants" shall mean those broker dealers, banks and other financial institutions from time to time for which the Depository holds Book Entry Bonds as securities depository.

Pledged Installments

The term "Pledged Installments" means the payments so designated and required to be made by the County pursuant to Section 3.2 of the Second Supplement.

Principal Corporate Trust Office

The term "Principal Corporate Trust Office" means the corporate trust office of the Trustee at 700 South Flower, Suite 500, Los Angeles, CA 90017, provided, however, for transfer, registration, exchange, payment and surrender of Bonds means the office or agency of the Trustee at which, at any particular time, its corporate trust agency business shall be conducted.

Principal Payment Date

The term "Principal Payment Date" means any date on which principal on any Series of Bonds is scheduled to be paid, which dates shall be as set forth in Section 2.02 hereof for the Series 2005A Bonds.

Project

The term "Project" means the undertaking of the Agency pursuant to the Redevelopment Plan and the Law for the redevelopment of the Project Area.

Project Area

The term "Project Area" means the project area described in the Redevelopment Plan.

Qualified Reserve Instrument

The term "Qualified Reserve Instrument" means a letter of credit meeting the requirements of Section 5.06(4)(b) or an insurance policy meeting the requirements of Section 5.06(4)(c).

Record Date

The term "Record Date" means the 15th day of the month next preceding each Interest Payment Date, whether or not such day is a business day.

Redevelopment Plan

The term "Redevelopment Plan" means the redevelopment plan for the Gillespie Field Project, adopted and approved as the Redevelopment Plan for the Project by Ordinance No. 7339, adopted by the Board of Supervisors of the County on July 7, 1987, together with all amendments thereto thereafter made in accordance with the Law.

Reserve Account Requirement

The term "Reserve Account Requirement" means an amount equal to the lesser of (i) ten percent (10%) of the proceeds (within the meaning of Section 148 of the Code) of each Series of Bonds Outstanding, (ii) 125% of Average Annual Debt Service of the Bonds or (iii) Maximum Annual Debt Service on all Outstanding Bonds; provided that for the purpose of such calculations, there shall be excluded an amount of Bonds or debt service thereon equal to the amount deposited in any escrow fund established pursuant to Section 4.01(c).

San Diego County Investment Pool

The term "San Diego County Investment Pool" means the San Diego County Investment Pool administered by the San Diego County Treasurer-Tax Collector.

Securities Depositories

The term "Securities Depositories" shall mean: The Depository Trust Company, 55 Water Street, 50th Floor, New York, N.Y. 10041-0099 Attn. Call Notification Department, Fax (212) 855-7232; or to such other addresses and/or such other securities depositories as the Agency may designate to the Trustee in writing.

Series

The term "Series", when used with reference to the Bonds, means all of the Bonds authenticated and delivered on original issuance and identified pursuant to the Indenture or a Supplemental Indenture authorizing such Bonds as a separate Series of Bonds, and any Bonds thereafter authenticated and delivered in lieu of or in substitution for such Bonds pursuant to the Indenture.

Settlement Agreement

The term "Settlement Agreement" means that certain Settlement Agreement among the County, the Agency, the Cajon Valley Union School District, the Santee School District, the Grossmont Union High School District and the County Superintendent of Schools, dated as of June 20, 1989.

Sinking Account Installment

The term "Sinking Account Installment" means the amount of money required by or pursuant to this Indenture to be paid by the Agency on any single date toward the retirement

of any particular Term Bonds of any particular Series on or prior to their respective stated maturities.

#### Sinking Account Payment Date

The term "Sinking Account Payment Date" means any date on which Sinking Account Installments on any Series of Bonds are scheduled to be paid.

#### S&P

The term "S&P" means Standard & Poor's Rating Group, or any rating agency which is a successor thereto.

#### Supplemental Indenture

The term "Supplemental Indenture" means any indenture then in full force and effect which has been entered into by the Agency and the Trustee, amendatory of or supplemental to this Indenture; but only if and to the extent that such Supplemental Indenture is specifically authorized hereunder.

#### Tax Allocation Account

The term "Tax Allocation Account" means the account in the Debt Service Fund established pursuant to Section 5.01 hereof.

#### Tax Certificate

The term "Tax Certificate" means the Tax Certificate dated the date of the original delivery of each Series of Bonds (except any Series of Bonds which is not intended to meet the requirements for tax exemption under the Code) relating to the requirements of the Code, as each such certificate may from time to time be modified or supplemented in accordance with the terms thereof.

#### Tax Exempt Bonds

The term "Tax Exempt Bonds" means any Series of Bonds which the Agency intends to have comply with the requirements of the Code necessary to make interest on such Series of Bonds excludable from gross income for federal income tax purposes.

#### Tax Revenues

The term "Tax Revenues" means, for each Fiscal Year, the taxes (including all payments, reimbursements and subventions, if any, specifically attributable to ad valorem taxes lost by reason of tax exemptions and tax rate limitations) eligible for allocation to the Agency pursuant to the Law in connection with the Project Area, excluding (a) amounts, if any, required to be deposited by the Agency in the Housing Fund and used for certain housing purposes, provided, however, that such amounts shall not be excluded if and to the extent that the Agency makes such amounts available as Tax Revenues, (b) amounts required to be paid to certain

school districts pursuant to the Settlement Agreement, (c) amounts paid to the Metropolitan Water District of Southern California and Grossmont Community College District and (d) amounts, if any, payable pursuant to Section 33607.5 of the Law but only to the extent such amounts are not subordinated to the payment of debt service on the Bonds.

Treasurer

The term "Treasurer" means the Treasurer-Tax Collector of the County.

Trustee

The term "Trustee" means such trustee at its principal corporate trust office in Los Angeles, California, as may be appointed by the Agency and acting as an independent trustee with the duties and powers herein provided, and its successors and assigns, or any other corporation or association which may at any time be substituted in its place, as provided in Section 7.01.

Turbo Redemption Amount

The term "Turbo Redemption Amount" means, as calculated by the Agency, for each Bond Year, commencing with the Bond Year ending on December 1, 2016, an amount equal to 30% of the following: Tax Revenues less Annual Debt Service for such Bond Year less the Annual Administrative Expense Requirement. The Trustee may conclusively rely upon the Agency's calculations.

Turbo Redemption Account

The term "Turbo Redemption Account" means the Account by that name established in Section 5.06 hereof.

Written Request of the Agency

The term "Written Request of the Agency" means an instrument in writing signed by the Chairperson of the Agency, or by any other officer of the Agency duly authorized by the Agency for that purpose.

**SECTION 1.02 Equal Security; Airport Fund Obligations; Beneficiaries.** In consideration of the acceptance of the Bonds by the Owners thereof, the Indenture shall be deemed to be and shall constitute a contract between the Agency and the Trustee for the benefit of Owners from time to time of all Bonds issued hereunder and then Outstanding to secure the full and final payment of the interest on and principal of and redemption premiums, if any, on all Bonds authorized, executed, issued and delivered hereunder, subject to the agreements, conditions, covenants and provisions herein contained; and the agreements and covenants herein set forth to be performed on behalf of the Agency shall be for the equal and proportionate benefit, security and protection of all Owners of the Bonds without preference, priority or distinction as to security or otherwise of any Bonds over any other Bonds.

Notwithstanding the foregoing, the Series 2005A Bonds constitute Airport Fund Obligations and this Indenture shall constitute a Supplemental Pledge Agreement within the meaning of the Master Pledge Agreement. The Owners of the Series 2005A Bonds are third party beneficiaries of the Second Supplement and shall therefore be deemed "Beneficiaries" of an Airport Fund Obligation in accordance with the Master Pledge Agreement.

## ARTICLE II

## THE BONDS; SERIES 2005A BOND PROVISIONS

**SECTION 2.01** Authorization. Bonds in unlimited amount may be issued at any time under and subject to the terms of this Indenture. The Agency has reviewed all proceedings heretofore taken relative to the authorization of the Series 2005A Bonds and has found, as a result of such review, and hereby finds and determines that all acts, conditions and things required by law to exist, happen or be performed precedent to and in connection with the issuance of the Series 2005A Bonds do exist, have happened and have been performed in due time, form and manner as required by law, and the Agency is now duly authorized, pursuant to each and every requirement of law, to issue the Series 2005A Bonds in the manner and form provided in this Indenture. Accordingly, the Agency hereby authorizes the issuance of the Series 2005A Bonds for the purpose of providing funds to aid in refinancing the Project.

**SECTION 2.02** Terms of Series 2005A Bonds. The Series 2005A Bonds consist of the Series 2005A-1 Bonds and the Series 2005AMT Bonds.

(i) A series of Bonds to be issued under the Indenture is hereby created and such Bonds are designated as the "Redevelopment Agency of the County of San Diego, Gillespie Field Project, Revenue Refunding Bonds, Series 2005A-1" (herein called the "Series 2005A-1 Bonds"). The aggregate principal amount of Series 2005A-1 Bonds which may be issued and outstanding under this Indenture shall not exceed \$9,225,000. The Series 2005A-1 Bonds shall be dated the Dated Date, shall bear interest, at such rate or rates (payable on June 1 and December 1 in each year, commencing June 1, 2006), and shall mature and become payable as to principal on December 1 in each of the years in the amounts set forth below:

Maturity Date (December 1)	Principal Amount	Interest Rate
2006	\$ 360,000	3.650%
2007	320,000	3.750
2008	335,000	3.950
2009	345,000	4.150
2010	360,000	4.350
2011	375,000	4.550
2012	395,000	4.700
2013	415,000	4.850
2014	430,000	4.875
2015	455,000	5.000
2016	475,000	5.000
2017	500,000	5.125
2018	525,000	5.150
2019	555,000	5.250
2020	580,000	5.250
2021	610,000	5.300
2025	2,190,000	5.400

(ii) A series of Bonds to be issued under the Indenture is hereby created and such Bonds are designated as the "Redevelopment Agency of the County of San Diego, Gillespie Field Project, Revenue Refunding Bonds, Series 2005AMT" (herein called the "Series 2005AMT Bonds"). The aggregate principal amount of Series 2005AMT Bonds which may be issued and outstanding under this Indenture shall not exceed \$6,775,000. The Series 2005AMT Bonds in the principal amount of \$6,775,000 shall be dated the Dated Date, shall bear interest at the rate of 5.750% (payable on June 1 and December 1 in each year, commencing June 1, 2006) and shall mature and become payable as to principal on December 1, 2032.

(iii) Interest on the Series 2005A Bonds shall be computed on the basis of a 360-day year of twelve 30-day months. The Series 2005A Bonds shall be issued as fully registered bonds in Authorized Denomination. The Series 2005A Bonds shall be numbered as determined by the Trustee. The Series 2005A Bonds shall bear interest from the Interest Payment Date next preceding the date of registration thereof, unless such date of registration is during the period from the 16th day of the month next preceding an Interest Payment Date to and including such Interest Payment Date, in which event they shall bear interest from such Interest Payment Date, or unless such date of registration is on or before May 15, 2006, in which event they shall bear interest from their Dated Date; provided, however, that if, at the time of registration of any Series 2005A Bond, interest is then in default on the Outstanding Series 2005A Bonds, such Series 2005A Bond shall bear interest from the Interest Payment Date to which interest previously has been paid or made available for payment on the Outstanding Series 2005A Bonds. Payment of interest on the Series 2005A Bonds due on or before the maturity or prior redemption of such Series 2005A Bonds shall be made to the person whose name appears on the bond registration books of the Trustee as the registered owner thereof, as of the close of business on the 15th day of the month next preceding the Interest Payment Date, such interest to be paid by check mailed on the Interest Payment Date by first class mail to such registered owner at his address as it appears on such books or, upon written request received prior to the 15th day of the month preceding an Interest Payment Date of an Owner of at least \$1,000,000 in aggregate principal amount of Series 2005A Bonds, by wire transfer in immediately available funds to an account within the continental United States designated by such Owner. Principal and redemption premiums, if any, on the Series 2005A Bonds shall be payable upon the surrender thereof at maturity or the earlier redemption thereof at the principal corporate trust office of the Trustee or such other place as designated by the Trustee and shall be paid in lawful money of the United States of America.

**SECTION 2.03 Form of Series 2005A Bonds.** The Series 2005A Bonds, the authentication and registration endorsement and the assignment to appear thereon shall be substantially in the forms attached hereto as Appendix "A", with necessary or appropriate variations, omissions and insertions as permitted or required by this Indenture.

**SECTION 2.04 Redemption of Series 2005A Bonds; Selection of Bonds; Purchase in Lieu of Redemption; Notice.**

(a) Optional Redemption.

Series 2005A Bonds due on or before December 1, 2015 are not subject to redemption prior to their respective stated maturities. Series 2005A Bonds maturing on or after

December 1, 2016 are subject to redemption, as a whole or in part, as designated by the Agency, or, absent such designation, pro rata among maturities, and by lot within any one maturity if less than all of the Series 2005A Bonds of such maturity are to be redeemed, prior to their respective maturity dates, at the option of the Agency, on any date on or after December 1, 2015, from funds derived by the Agency from any source, at the redemption prices of the principal amount of the Series 2005A Bonds to be redeemed, together with interest accrued thereon to the date fixed for redemption.

The Agency shall provide written notice to the Trustee at least sixty (60) days prior to the redemption date specifying the principal amount of the Bonds to be redeemed.

(b) Sinking Account Redemption.

Series 2005A-1 Bonds shall also be subject to mandatory redemption in part by lot prior to their stated maturity dates on any December 1, on or after December 1, 2022, solely from funds derived by the Agency from the required deposit into the Sinking Account provided for in Section 5.06 hereof, at the principal amount thereof plus accrued interest thereon to the redemption date, without premium, in the aggregate principal amounts and on the dates set forth below:

<b>Series 2005A-1 Bonds</b>	
<b>Sinking Payment Date (December 1)</b>	<b>Principal Amount to be Redeemed</b>
2022	\$645,000
2023	680,000
2024	715,000
2025*	150,000

\* Maturity

Series 2005AMT Bonds shall also be subject to mandatory redemption in part by lot prior to their stated maturity dates on any December 1, on or after December 1, 2025, solely from funds derived by the Agency from the required deposit into the Sinking Account provided for in Section 5.06 hereof, at the principal amount thereof plus accrued interest thereon to the redemption date, without premium, in the aggregate principal amounts and on the dates set forth below:

## Series 2005AMT Bonds

Sinking Payment Date (December 1)	Principal Amount to be Redeemed
2025	\$ 605,000
2026	795,000
2027	845,000
2028	890,000
2029	945,000
2030	1,000,000
2031	825,000
2032*	870,000

\* Maturity

(c) Selection of Bonds.

For purposes of selecting Bonds for redemption, the Bonds shall be deemed to be composed of \$5,000 portions and any such portions may be separately redeemed. The Agency shall provide a revised sinking fund schedule to the Trustee after any optional redemption pursuant to Section 2.04(a).

(d) Purchase in Lieu of Redemption.

In lieu of redemption of any Term Bond, amounts on deposit in the Revenue Fund or in the Sinking Account therein may also be used and withdrawn by the Trustee at any time, upon the Request of the Agency, for the purchase of such Term Bonds at public or private sale as and when and at such prices (including brokerage and other charges, but excluding accrued interest, which is payable from the Interest Fund) as the Agency 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 Term Bonds so purchased by the Trustee in any twelve month period ending 60 days prior to any Sinking Account Payment Date in any year shall be credited towards and shall reduce the principal amount of such Term Bonds required to be redeemed on such Sinking Account Payment Date in such year.

(e) Notice.

Notice of redemption shall be mailed by first class mail by the Trustee, not less than 30 nor more than 60 days prior to the redemption date to (i) the respective Owners of Bonds designated for redemption at their addresses appearing on the bond registration books of the Trustee, (ii) to one or more Information Services designated in writing to the Trustee by the Agency and (iii) the Securities Depositories provided, that with regard to the notice delivered pursuant to clauses (ii) and (iii), such notice may be given by means acceptable to such institutions. Each notice of redemption shall state the date of such notice, the Bonds to be redeemed, the date of issue of such Bonds, the redemption date, the redemption price, the place or places of redemption (including the name and appropriate address or addresses), the CUSIP number (if any) of the maturity or maturities, and, if less than all of any such maturity are to be

redeemed, the distinctive certificate numbers of the Bonds of such maturity to be redeemed and, in the case of Bonds to be redeemed in part only, the respective portions of the principal amount thereof to be redeemed. Each such notice shall also state that on said date there will become due and payable on each of such Bonds the redemption price thereof or of said specified portion of the principal amount thereof in the case of a Bond to be redeemed in part only, together with interest accrued thereon to the redemption date, and that from and after such redemption date interest thereon shall cease to accrue, and shall require that such Bonds be then surrendered at the address or addresses of the Trustee specified in the redemption notice.

Failure by the Trustee to give notice pursuant to this Section to any one or more of the Information Services or Securities Depositories, or the insufficiency of any such notice shall not affect the sufficiency of the proceedings for redemption. The failure of any Owner to receive any redemption notice mailed to such Owner and any defect in the notice so mailed shall not affect the sufficiency of the proceedings for redemption.

The Agency shall have the right to rescind any optional redemption by written notice to the Trustee on or prior to the date fixed for redemption. Any notice of redemption shall be canceled and annulled if for any reason funds are not available on the date fixed for redemption for the payment in full of the Bonds then called for redemption, and such cancellation shall not constitute an Event of Default hereunder. The Agency and the Trustee shall have no liability to the Owners or any other party related to or arising from such rescission of redemption. The Trustee shall mail notice of such rescission of redemption in the same manner as the original notice of redemption was sent.

(f) Partial Redemption.

Upon surrender of any Bond redeemed in part only, the Agency shall execute and the Trustee shall authenticate and deliver to the Owner thereof, at the expense of the Agency, a new Bond or Bonds of authorized denominations equal in aggregate principal amount to the unredeemed portion of the Bond surrendered and of the same interest rate and the same maturity.

(g) Effect of Redemption.

From and after the date fixed for redemption, if notice of such redemption shall have been duly given and funds available for the payment of such redemption price of the Bonds so called for redemption shall have been duly provided, no interest shall accrue on such Bonds from and after the redemption date specified in such notice.

All Bonds redeemed pursuant to the provisions of this section shall be canceled.

**SECTION 2.05** Execution of Bonds. The Chairperson of the Agency is hereby authorized and directed to execute each of the Bonds on behalf of the Agency and the Secretary of the Agency is hereby authorized and directed to attest each of the Bonds on behalf of the Agency. Any of the signatures of said Chairperson or said Secretary may be by printed, lithographed or engraved facsimile reproduction. In case any officer whose signature appears on the Bonds shall cease to be such officer before the delivery of the Bonds to the purchaser thereof, such signature shall nevertheless be valid and sufficient for all purposes the same as though he had remained in office until such delivery of the Bonds.

Only such of the Bonds as shall bear thereon a certificate of authentication and registration in the form hereinbefore recited, executed and dated by the Trustee, shall be entitled to any benefits under the Indenture or be valid or obligatory for any purpose, and such certificate of the Trustee shall be conclusive evidence that the Bonds so registered have been duly issued and delivered hereunder and are entitled to the benefits of the Indenture.

**SECTION 2.06**      **Transfer and Registration of Bonds.** Any Bond may, in accordance with its terms, be transferred, upon the books required to be kept pursuant to the provisions of Section 2.08, by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such Bond for cancellation, accompanied by delivery of a written instrument of transfer in a form acceptable to the Trustee, duly executed.

Whenever any Bond or Bonds shall be surrendered for transfer, the Agency shall execute and the Trustee shall authenticate and deliver a new Bond or Bonds for a like aggregate principal amount of other authorized denominations. The Trustee shall require the payment by the Owner requesting such transfer of any tax or other governmental charge required to be paid with respect to such transfer. The cost of printing Bonds and any services rendered or expenses incurred by the Trustee in connection with any transfer shall be paid by the Agency.

The Trustee shall not be required to issue, register the transfer of or exchange any Bond during the fifteen (15) days preceding any date established by the Trustee for selection of Bonds for redemption or any Bonds which have been selected for redemption.

**SECTION 2.07**      **Exchange of Bonds.** The Bonds may be exchanged at the Principal Corporate Trust Office 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 cost of printing Bonds and any services rendered or expenses incurred by the Trustee in connection with any exchange shall be paid by the Agency. No such exchange shall be required to be made during the fifteen (15) days preceding any date established by the Trustee for selection of Bonds for redemption or any Bonds which have been selected for redemption.

**SECTION 2.08**      **Bond Registration Books.** The Trustee will keep at the Principal Corporate Trust Office sufficient books for the registration and transfer of the Bonds, which shall at all times be open to inspection by the Agency during regular business hours with reasonable prior notice; and, upon presentation for such purpose, the Trustee shall, under such reasonable regulations as it may prescribe, register or transfer the Bonds on said books as hereinbefore provided.

**SECTION 2.09**      **Mutilated, Destroyed, Stolen or Lost Bonds.** In case any Bond shall become mutilated in respect of the body of such Bond, or shall be believed by the Agency to have been destroyed, stolen or lost, upon proof of ownership satisfactory to the Agency and the Trustee, and upon the surrender of such mutilated Bond at the Principal Corporate Trust Office, or upon the receipt of evidence satisfactory to the Agency and the Trustee of such destruction, theft or loss, and upon receipt also of indemnity satisfactory to the Agency and the Trustee, and upon payment of all expenses incurred by the Agency and the

Trustee in the premises, the Agency shall execute and the Trustee shall authenticate and deliver at said Principal Corporate Trust Office a new Bond or Bonds of the same maturity and for the same aggregate principal amount, of like tenor and date, with such notations as the Agency shall determine, in exchange and substitution for and upon cancellation of the mutilated Bond, or in lieu of and in substitution for the Bond so destroyed, stolen or lost.

If any such destroyed, stolen or lost Bond shall have matured or shall have been called for redemption, payment of the amount due thereon may be made by the Agency upon receipt by the Trustee and the Agency of like proof, indemnity and payment of expenses.

Any such replacement Bonds issued pursuant to this section shall be entitled to equal and proportionate benefits with all other Bonds issued hereunder. The Agency and the Trustee shall not be required to treat both the original Bond and any replacement Bond as being Outstanding for the purpose of determining the principal amount of Bonds which may be issued hereunder or for the purpose of determining any percentage of Bonds Outstanding hereunder, but both the original and replacement Bond shall be treated as one and the same.

**SECTION 2.10** Temporary Bonds. Until definitive Bonds shall be prepared, the Agency may cause to be executed and delivered in lieu of such definitive Bonds and subject to the same provisions, limitations and conditions as are applicable in the case of definitive Bonds, except that they may be in any denominations authorized by the Agency, one or more temporary typed, printed, lithographed or engraved Bonds in fully registered form, as may be authorized by the Agency, substantially of the same tenor and, until exchange for definitive Bonds, entitled and subject to the same benefits and provisions of the Indenture as definitive Bonds. If the Agency issues temporary Bonds it will execute and furnish definitive Bonds without unnecessary delay and thereupon the temporary Bonds may be surrendered to the Trustee at the Principal Corporate Trust Office, without expense to the Owner in exchange for such definitive Bonds. All temporary Bonds so surrendered shall be canceled by the Trustee and shall not be reissued.

**SECTION 2.11** Validity of Bonds. The validity of the authorization and issuance of the Bonds shall not be affected in any way by any proceedings taken by the Agency for the financing or refinancing of the Project, or by any contracts made by the Agency in connection therewith, and shall not be dependent upon the completion of the financing or refinancing of the Project or upon the performance by any person of his obligation with respect to the Project, and the recital contained in the Bonds that the same are issued pursuant to the Law shall be conclusive evidence of their validity and of the regularity of their issuance.

**SECTION 2.12** Book Entry System. Prior to the issuance of any Series of Bonds issued hereunder, the Agency may provide that such Series of Bonds (a) shall be initially issued as Book Entry Bonds, and in such event, each maturity of such Series 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 bond register in the name of the Nominee, as nominee of the Depository.

With respect to Book Entry Bonds, the Agency and the Trustee shall have no responsibility or obligation to any Participant or to any person on behalf of which a

Participant holds an interest in such Book Entry Bonds. Without limiting the immediately preceding sentence, the Agency 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 bond register, 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 to be redeemed in the event the Agency redeems such in part, or (iv) the payment of any Participant or any other person, other than an Owner as shown in the bond register, of any amount with respect to principal of, premium, if any, or interest on Book Entry Bonds. The Agency and the Trustee may treat and consider the person in whose name each Book Entry Bond is registered in the bond register as the absolute Owner of such Book Entry Bond for the purpose of payment of principal, premium and interest with respect to such Bond, for the purpose of giving notices of redemption and other matters with respect to such Bond, for the purpose of registering transfers with respect to such Bond, and for all other purposes whatsoever. The Trustee shall pay all principal of, premium, if any, and interest on the Bonds only to or upon the order of the respective Owner, as shown in the bond register, or his respective attorney duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the Agency's obligations with respect to payment of principal of, premium, if any, and interest on the Bonds to the extent of the sum or sums so paid. No person other than an Owner, as shown in the bond register, shall receive a Bond evidencing the obligation of the Agency to make payments of principal, premium, if any, and interest pursuant to this Indenture. Upon delivery by the Depository to the Owner, Trustee and Agency 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 Indenture shall refer to such nominee of the Depository.

(b) In order to qualify the Book Entry Bonds for the Depository's book entry system, the Agency and the Trustee (if required by the Depository) 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 Agency 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 bond register. By executing a Letter of Representations, the Trustee shall agree to take all action necessary for all representations of the Trustee in such Letter of Representations to at all times be complied with. In addition to the execution and delivery of a Letter of Representations, the Agency and the Trustee, at the Agency's request, shall take such other actions, not inconsistent with this Indenture, as are reasonably necessary to qualify Book Entry Bonds for the Depository's book entry program.

(c) In the event (i) the Depository determines not to continue to act as securities depository for any Series of Book Entry Bonds, or (ii) the Depository shall no longer so act and gives notice to the Trustee of such determination, then the Agency will discontinue the book entry system with the Depository. If the Agency determines to replace the Depository with another qualified securities depository, the Agency shall prepare or direct the preparation of a new single, separate, fully registered Bond for each of the maturities of such Book Entry Bonds, registered in the name of such successor or substitute qualified securities depository or its nominee. If the Agency fails to identify another qualified securities depository to replace the Depository, then the Bonds shall no longer be restricted to being registered in such bond register

in the name of the Nominee, but shall be registered in whatever name or names Owners transferring or exchanging such Bonds shall designate, in accordance with provisions of Sections 2.04 and 2.05 hereof.

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

ARTICLE III ISSUANCE OF SERIES 2005A BONDS;  
APPLICATION OF PROCEEDS OF SALE

SECTION 3.01 Issuance of Series 2005A Bonds. The Agency may at any time execute and deliver the Series 2005A Bonds authorized to be issued hereunder.

SECTION 3.02 Application of Proceeds of Sale of Series 2005A Bonds and Certain Other Funds Allocation Among Funds and Accounts. Upon receipt of payment for the Series 2005A Bonds, the Trustee shall set aside and deposit the proceeds received from such sale and delivery in the following respective funds and accounts:

(i) The Trustee shall deposit in the Series 2005A Expense Account in the Expense Fund an amount equal to \$150,381.25 to pay costs incurred in connection with the issuance of the Series 2005A Bonds.

(ii) The Trustee shall deposit the amount of \$686,900.18 in the Reserve Account.

(iii) The Trustee shall transfer \$4,482,658.82 of the proceeds of the Series 2005A Bonds to the Agency for deposit into the Series 2005A-1 Account of the Redevelopment Fund and \$6,150,932.86 of the proceeds of the Series 2005A Bonds to the Agency for deposit into the Series 2005AMT Account of the Redevelopment Fund.

(iv) The Trustee shall deposit the amount of \$4,247,177.19 in the Escrow Fund.

In addition, the Trustee shall deposit into the Series 2005A Expense Account in the Expense Fund, the amount of \$50,000.00 received from the County on behalf of the Agency; and shall transfer from the Series 1995 Reserve Account to the Reserve Account for the Bonds, the amount of \$468,092.34 held on deposit with the Trustee, which together with the deposit of proceeds of the Bonds therein, shall constitute the Reserve Account Requirement.

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① 4,482,658.82  
- 6,150,932.86  
= ① 10,633,591.68

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## ARTICLE IV

## ISSUANCE OF ADDITIONAL BONDS

**SECTION 4.01**     Conditions for the Issuance of Additional Bonds. The Agency may at any time after the issuance and delivery of the initial Series of Bonds hereunder issue Additional Bonds payable from Tax Revenues and secured by a lien and charge upon Tax Revenues equal to and on a parity with the lien and charge securing the Outstanding Bonds theretofore issued under the Indenture, but only subject to the following specific conditions, which are hereby made conditions precedent to the issuance of any such Additional Bonds:

(a) The Agency shall be in compliance with all covenants set forth in this Indenture and any Supplemental Indentures, and a Certificate of the Agency to that effect shall have been filed with the Trustee.

(b) The issuance of such Additional Bonds shall have been duly authorized pursuant to the Law and all applicable laws, and the issuance of such Additional Bonds shall have been provided for by a Supplemental Indenture duly adopted by the Agency which shall specify the following:

(1) The purpose for which such Additional Bonds are to be issued and the fund or funds into which the proceeds thereof are to be deposited, including a provision requiring the proceeds of such Additional Bonds to be applied solely for (i) the purpose of aiding in financing the Project, including payment of all costs incidental to or connected with such financing, and/or (ii) the purpose of refunding any Bonds or other indebtedness related to the Project, including payment of all costs incidental to or connected with such refunding;

(2) The authorized principal amount of such Additional Bonds;

(3) The date and the maturity date or dates of such Additional Bonds; provided that (i) Principal and Sinking Account Payment Dates may occur only on Interest Payment Dates, (ii) all such Additional Bonds of like maturity shall be identical in all respects, except as to number, and (iii) fixed serial maturities or mandatory Sinking Account Installments, or any combination thereof, shall be established to provide for the retirement of all such Additional Bonds on or before their respective maturity dates;

(4) The Interest Payment Dates for such Additional Bonds; provided that Interest Payment Dates shall be on the same semiannual dates as the Interest Payment Dates for Series 2005A Bonds;

(5) The denomination of such Additional Bonds;

(6) The redemption premiums, if any, and the redemption terms, if any, for such Additional Bonds;

(7) The amount and due date of each mandatory Sinking Account Installment, if any, for such Additional Bonds;

(8) The amount, if any, to be deposited from the proceeds of such Additional Bonds in the Interest Account;

(9) The amount, if any, to be deposited from the proceeds of such Additional Bonds into the Reserve Account; provided that the amount on deposit in the Reserve Account shall be increased at or prior to the time such Additional Bonds become Outstanding to an amount at least equal to the Reserve Account Requirement on all then Outstanding Bonds and such Additional Bonds, which amount shall be maintained in the Reserve Account;

(10) The form of such Additional Bonds; and

(11) Such other provisions as are necessary or appropriate and not inconsistent with the Indenture.

(c) The Tax Revenues based upon the assessed valuation of taxable property in the Project Area as shown on the most recently equalized assessment roll and the most recently established tax rates preceding the date of the Agency's adoption of the Supplemental Indenture providing for the issuance of such Additional Bonds shall be in an amount equal to at least 125% of the Maximum Annual Debt Service on all then Outstanding Bonds and such Additional Bonds and any unsubordinated loans, advances or indebtedness payable from Tax Revenues pursuant to the Law.

For the purposes of the issuance of Additional Bonds, Outstanding Bonds shall not include any Bonds the proceeds of which are deposited in an escrow fund held by an escrow agent, provided that the Supplemental Indenture authorizing issuance of such Additional Bonds shall provide that: (A) such proceeds shall be deposited or invested with or secured by an institution rated "AA" by S&P or "Aa" by Moody's (without regard to negative modifiers) at a rate of interest which, together with amounts made available by the Agency from bond proceeds or otherwise, is at least sufficient to pay Annual Debt Service on the foregoing Bonds; (B) moneys may be transferred from said escrow fund only if Tax Revenues for the next preceding fiscal year will be at least equal to 125% of Maximum Annual Debt Service on all Outstanding Bonds less a principal amount of Bonds which is equal to moneys on deposit in said escrow fund after each such transfer; and (C) Additional Bonds shall be redeemed from moneys remaining on deposit in said escrow fund at the expiration of a specified escrow period in such manner as may be determined by the Agency.

In the event such Additional Bonds are to be issued solely for the purpose of refunding and retiring any Outstanding Bonds, interest and principal payments on the Outstanding Bonds to be so refunded and retired from the proceeds of such Additional Bonds being issued shall be excluded from the foregoing computation of Maximum Annual Debt Service. Nothing contained in the Indenture shall limit the issuance of any tax allocation bonds of the Agency payable from Tax Revenues and secured by a lien and charge on Tax Revenues if, after the issuance and delivery of such tax allocation bonds, none of the Bonds theretofore issued

hereunder will be Outstanding nor shall anything contained in this Indenture prohibit the issuance of any tax allocation bonds or other indebtedness by the Agency secured by a pledge of tax increment revenues (including Tax Revenues) subordinate to the pledge of Tax Revenues securing the Bonds.

**SECTION 4.02**      **Procedure for the Issuance of Additional Bonds.** All of the Additional Bonds shall be executed by the Agency for issuance under the Indenture and delivered to the Trustee and thereupon shall be delivered by the Trustee upon the Written Request of the Agency, but only upon receipt by the Trustee of the following documents or money or securities:

- (1) A certified copy of the Supplemental Indenture authorizing the issuance of such Additional Bonds;
- (2) A Written Request of the Agency as to the delivery of such Additional Bonds;
- (3) An opinion of counsel of recognized standing in the field of law relating to municipal bonds to the effect that (a) the Agency has the right and power under the Law to execute and deliver the Indenture and all Supplemental Indentures thereto, and the Indenture and all such Supplemental Indentures have been duly and lawfully executed and delivered by the Agency, are in full force and effect and are valid and binding upon the Agency and enforceable in accordance with their terms (except as enforcement may be limited by bankruptcy, insolvency, reorganization and other similar laws relating to the enforcement of creditors' rights), and no other authorization for the Indenture or such Supplemental Indentures is required; (b) the Indenture creates the valid pledge which it purports to create of the Tax Revenues as provided in the Indenture, subject to the application thereof to the purposes and on the conditions permitted by the Indenture; and (c) such Additional Bonds are valid and binding special obligations of the Agency, enforceable in accordance with their terms (except as enforcement may be limited by bankruptcy, insolvency, reorganization and other similar laws relating to the enforcement of creditors' rights) and the terms of the Indenture and all Supplemental Indentures thereto and entitled to the benefits of the Indenture and all such Supplemental Indentures and the Law, and such Additional Bonds have been duly and validly authorized and issued in accordance with the Law and the Indenture and all such Supplemental Indentures;
- (4) A Certificate of the Agency that the conditions set forth in Section 4.01(c) have been complied with;
- (5) A Certificate of the Agency containing such statements as may be reasonably necessary to show compliance with the requirements of the Indenture; and
- (6) Such further documents, money and securities as are required by the provisions of the Indenture and the Supplemental Indenture providing for the issuance of such Additional Bonds.

**SECTION 4.03     Limit on Indebtedness.**

The Agency covenants with the Owners of all of the Bonds at any time Outstanding that it will not enter into any Agency Indebtedness or make any expenditure payable from taxes allocated to the Agency under the Law the payments of which, together with payments theretofore made or to be made with respect to other Agency Indebtedness (including, but not limited to the Bonds) previously entered into by the Agency, would exceed the then effective limit on the amount of taxes which can be allocated to the Agency pursuant to the Law and the Redevelopment Plan.

In furtherance of the covenant set forth in this Section 4.03, the Agency will cause to be prepared and filed with the Trustee annually, within 180 days after the close of each Fiscal Year, so long as any of the Bonds are Outstanding, complete audited financial statements with respect to such Fiscal Year showing the Gross Tax Increment (defined herein as, all monies allocated to the Agency pursuant to Section 33670 of the Law and the Redevelopment Plan, including amounts required to be deposited into the Low and Moderate Income Housing Fund, payments due under any tax sharing agreements (unless excluded from the Tax Increment Limitation, herein defined) and payments received as subventions or payments in lieu of taxes) as of the end of such Fiscal Year. Based upon such audited financial statements, the Agency will prepare or cause to be prepared and filed with the Trustee and [the Bond Insurer] a pro forma statement demonstrating the future availability of sufficient tax increment revenues (within the existing limitation on the amount of Gross Tax Increment allocable and payable to the Agency under the Redevelopment Plan (the "Tax Increment Limitation")) to pay when due (i) Agency Indebtedness, (ii) the amount payable in the then current Fiscal Year included within the Tax Increment Limitation which are required by Section 33334.2 of the Redevelopment Law to be deposited in the Agency's Low and Moderate Income Housing Fund (the "Set-Aside Requirement"), and (iii) all amounts included within the Tax Increment Limitation which are payable pursuant to the pass-through agreements until the final maturity of the Bonds (the "Pass-Through Payments"). The audited financial statements and the pro forma statement shall be accompanied by a written certificate of the Agency stating that the Agency is in compliance with its obligations hereunder. The Trustee shall not be responsible for the review of such financial statements.

The pro forma statement shall be prepared on or before March 1 of each year or as soon thereafter as practicable, commencing March 1, 2007, and shall set forth:

- (1) The difference between the Tax Increment Limitation less the total amount of Gross Tax Increment theretofore allocated to the Agency (the "Remaining Limitation Amount"); and
- (2) The principal and interest remaining to be paid on Agency Indebtedness, plus the Set-Aside Requirement and the Pass-Through Payments (collectively, the "Total Debt Service").

To the extent the Remaining Limitation Amount is less than 105% of the Total Debt Service, the pro forma statement shall set forth the principal amount of the Bonds (to the nearest integral multiple of \$5,000) that must be retired in order for the Remaining Limitation Amount to be at least equal to 105% of the Total Debt Service (the "Prepayment Amount"). At

the time the Remaining Limitation Amount is determined to be less than 105% of the Total Debt Service, the Agency shall notify the Trustee of the Prepayment Amount and transfer such Prepayment Amount to the Trustee for deposit in the Turbo Redemption Account. Such monies shall be used to redeem, prepay or defease the Bonds. Notwithstanding the above, if prior to any such redemption, prepayment or defeasance, a subsequent annual pro forma statement indicates that future Gross Tax Increment will be 105% or more of the Total Debt Service in each year such debt service is payable, the Agency may authorize the Trustee to transfer such Tax Revenues from the Redemption Account to the Special Fund.

## ARTICLE V

## TAX REVENUES; CREATION OF FUNDS

**SECTION 5.01 Pledge of Combined Revenues.** All of the Combined Revenues and all money in the Revenue Fund, hereinafter established, and in the funds or accounts so specified and provided for in this Indenture (except the Rebate Fund), are hereby irrevocably pledged to the punctual payment of the interest on and principal of and redemption premiums, if any, on the Bonds, and the Combined Revenues and such other money shall not be used for any other purpose while any of the Bonds remain Outstanding; subject to the provisions of this Indenture permitting application thereof for the purposes and on the terms and conditions set forth herein. This pledge shall constitute a first and exclusive lien on the Combined Revenues and such other money for the payment of the Bonds in accordance with the terms thereof.

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23185

**SECTION 5.02 Revenue Fund; Debt Service Fund; Receipt and Deposit of Tax Revenues.** There is hereby established a special fund to be known as the "Redevelopment Agency of the County of San Diego, Gillespie Field Project Tax Revenue Account of the Special Fund" (herein the "Revenue Fund") which shall be held by the Agency. The Agency shall promptly deposit all of the Tax Revenues received in any Bond Year in the Revenue Fund, until such time during such Bond Year as the amounts on deposit in the Revenue Fund equal the aggregate amounts required to be transferred to the Trustee for deposit into the Debt Service Fund in such Bond Year pursuant to this Section 5.02. All Tax Revenues received by the Agency during any Bond Year in excess of the amount required to be deposited in the Revenue Fund during such Bond Year pursuant to the preceding sentence may be released from the pledge and lien hereunder. So long as any Bonds remain Outstanding hereunder, the Agency shall not have any beneficial interest in or right to the moneys on deposit in the Revenue Fund, except as may be provided in this Indenture.

There is hereby established a special fund to be known as the "Redevelopment Agency of the County of San Diego, Gillespie Field Project, Revenue Refunding Bonds Debt Service Fund" (herein the "Debt Service Fund") which shall be held by the Trustee. On or before five (5) days preceding each Interest Payment Date, the Agency shall transfer from the Revenue Fund to the Trustee for deposit in the Debt Service Fund an amount equal to the amount required to be transferred by the Trustee from the Debt Service Fund to the Interest Account, Principal Account, Sinking Account, Reserve Account and the Turbo Redemption Account pursuant to Section 5.06; provided, that the Agency shall not be obligated to transfer to the Trustee in any Bond Year an amount of Tax Revenues which, together with other available amounts then in the Debt Service Fund, exceeds the amounts required to be transferred to the Trustee for deposit in the Interest Account, the Principal Account, the Sinking Account, the Reserve Account and the Turbo Redemption Account in such Bond Year, pursuant to Section 5.06 hereof. There shall not be deposited with the Trustee any taxes eligible for allocation to the Agency for deposit in the Debt Service Fund in an amount in excess of that amount which, together with all money then on deposit with the Trustee in the Debt Service Fund and the accounts therein, shall be sufficient to discharge all Outstanding Bonds as provided in Section 10.01.

All such Tax Revenues deposited in the Revenue Fund shall be disbursed, allocated and applied solely to the uses and purposes herein set forth, and shall be accounted for separately and apart from all other money, funds, accounts or other resources of the Agency.

**SECTION 5.03**      **Establishment of Funds.** In addition to the Revenue Fund and the Debt Service Fund, there are further created a special trust fund to be held by the Agency called the "Redevelopment Agency of the County of San Diego, Gillespie Field Project Redevelopment Fund" (the "Redevelopment Fund"); and a special trust fund to be held by the Trustee called the "Redevelopment Agency of the County of San Diego, Gillespie Field Project Expense Fund" (the "Expense Fund"). The Redevelopment Fund shall contain two Accounts, the Series 2005A-1 Account and the Series 2005AMT Account. The Redevelopment Fund may be consolidated with any other similar fund or account established for the purposes described in Section 5.04 hereof; provided, that proceeds of Bonds deposited in such fund shall be separately accounted for to the extent appropriate or as required by any Tax Certificate.

So long as any of the Bonds herein authorized, or any interest thereon, remain unpaid, the moneys in the foregoing funds shall be used for no purpose other than those required or permitted by this Indenture and the Law.

Pursuant to the Tax Certificate, the funds and accounts established herein may be divided into sub accounts for each Series of Bonds issued hereunder, in order to perform the necessary rebate calculations.

**SECTION 5.04**      **Redevelopment Fund.**

Moneys in the Redevelopment Fund shall be used and disbursed in the manner provided by law for the purpose of aiding in financing or refinancing the Project (or for making reimbursements to the Agency for such costs theretofore paid by it), including payment of all costs incidental to or connected with such financing or refinancing. Any balance of money remaining in the Redevelopment Fund after the date of completion of the financing or refinancing of the Project shall be deposited in the Revenue Fund.

The Agency shall pay moneys from the Redevelopment Fund upon receipt of requisitions drawn thereon and signed by at least one duly authorized officer or member of the Agency. The Agency warrants that each withdrawal from the Redevelopment Fund shall be made in the manner provided by law for the purpose of aiding in financing or refinancing the Project or for making reimbursements to the Agency for such costs theretofore paid by the Agency.

**SECTION 5.05**      **Expense Fund.** All moneys in the Expense Fund shall be applied to the payment of costs and expenses incurred by the Agency in connection with the authorization, issuance and sale of the Bonds. Upon the payment in full of such costs and expenses or the making of adequate provision for the payment thereof, evidenced by a Certificate of the Agency to the Trustee, any balance remaining in such Fund shall be transferred to the Agency and deposited by the Agency in the Redevelopment Fund established pursuant to Section 5.03 of the Indenture, and pending such transfer and application, the moneys in such Fund may

be invested as permitted by Section 5.08 hereof; provided, however, that investment income resulting from any such investment shall be retained in the Expense Fund.

**SECTION 5.06 Establishment and Maintenance of Accounts for Use of Moneys in the Debt Service Fund.** All moneys in the Debt Service Fund shall be set aside by the Trustee in each Bond Year when and as received in the following respective special accounts within the Debt Service Fund (each of which is hereby created and each of which the Agency hereby covenants and agrees to cause to be maintained with the Trustee), in the following order of priority (except as otherwise provided in subsection (2) below):

- (1) Interest Account; ✓
- (2) Principal Account; ✓
- (3) Sinking Account;
- (4) Reserve Account; and ✓
- (5) Turbo Redemption Account.

All moneys in each of such accounts shall be held in trust by the Trustee and shall be applied, used and withdrawn only for the purposes hereinafter authorized in this Section 5.06.

(1) Interest Account. The Trustee shall set aside from the Debt Service Fund and deposit in the Interest Account an amount of money which, together with any money contained therein, is equal to the aggregate amount of the interest becoming due and payable on all Outstanding Bonds on the Interest Payment Dates in such Bond Year. No deposit need be made into the Interest Account if the amount contained therein is at least equal to the aggregate amount of the interest becoming due and payable on all Outstanding Bonds on the Interest Payment Dates in such Bond Year. ~~All moneys 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 maturity).~~

(2) Principal Account. The Trustee shall set aside from the Debt Service Fund and deposit in the Principal Account an amount of money which, together with any money contained therein, is equal to the aggregate amount of the principal becoming due and payable on all Outstanding Serial Bonds on the Principal Payment Date in such Bond Year. In the event that there shall be insufficient money in the Debt Service Fund to make in full all such principal payments and Sinking Account Installments required to be made pursuant to Section 5.06(3) hereof in such Bond Year, then, subject to subparagraph (4) hereof, the money available in the Debt Service Fund shall be applied pro rata to the making of such principal payments and such Sinking Account Installments in the proportion which all such principal payments and Sinking Account Installments bear to each other.

No deposit need be made into the Principal Account if the amount contained therein is at least equal to the aggregate amount of the principal of all Outstanding Serial Bonds becoming due and payable on the Principal Payment Date in such Bond Year.

\* All money in the Principal Account shall be used and withdrawn by the Trustee solely for the purpose of paying the principal of the Serial Bonds as they shall become due and payable.

(3) Sinking Account. The Trustee shall deposit in the Sinking Account an amount of money equal to the Sinking Account Installment payable on the Sinking Account Payment Date in such Bond Year. All moneys in the Term Bonds Sinking Account shall be used by the Trustee to redeem (or purchase) the Term Bonds in accordance with Article II hereof.

(4) Reserve Account. (a) The Trustee shall set aside from the Debt Service Fund and deposit in the Reserve Account an amount of money (or other authorized deposit of security, as contemplated by the following paragraphs) equal to the Reserve Account Requirement. No deposit need be made in the Reserve Account so long as there shall be on deposit therein an amount equal to the Reserve Account Requirement. All money in (or available to) the Reserve Account shall be used and withdrawn by the Trustee solely for the purpose of replenishing the Interest Account, the Principal Account or the Sinking Account in such order, in the event of any deficiency at any time in any of such accounts, or for the purpose of paying the interest on or principal of or redemption premiums, if any, on the Bonds in the event that no other money of the Agency is lawfully available therefor, or for the retirement of all Bonds then Outstanding, except that for so long as the Agency is not in default hereunder, any amount in the Reserve Account in excess of the Reserve Account Requirement shall be transferred from the Reserve Account by the Trustee to the Debt Service Fund.

(b) In lieu of making the Reserve Account Requirement deposit in the Reserve Account or in replacement of moneys then on deposit in the Reserve Account (which shall be transferred by the Trustee to the Agency upon delivery of a letter of credit satisfying the requirements stated below), the Agency, with the consent of the Bond Insurer, if any, and with prior written notification to S&P and/or Moody's, if the Bonds are then rated by S&P and/or Moody's, may deliver to the Trustee an irrevocable letter of credit issued by a financial institution having, at the time of such delivery, unsecured debt obligations rated in at least the second highest rating category (without respect to any negative modifier) of S&P and/or Moody's, in an amount, together with moneys, Authorized Investments or insurance policies (as described in Section 5.06(4)(c)) on deposit in the Reserve Account, equal to the Reserve Account Requirement. Draws on such letter of credit must be payable no later than two (2) Business Days after presentation of a sight draft thereunder. Such letter of credit shall have a term of no less than three (3) years. The issuer of such letter of credit shall be required to notify the Trustee and the Agency whether or not the letter of credit will be extended no later than 13 months prior to the stated expiration date thereof. At least one year prior to the stated expiration of such letter of credit, the Agency shall either (i) deliver a replacement letter of credit, (ii) deliver an extension of the letter of credit for at least an additional year, or (iii) deliver to the Trustee an insurance policy satisfying the requirements of Section 5.06(4)(c). Upon delivery of such replacement letter of credit, extended letter of credit, or insurance policy, the Trustee shall cancel and deliver the then effective letter of credit to the issuer thereof. If the Agency shall fail to deposit a replacement letter of credit, extended letter of credit or insurance policy with the Trustee, the Agency shall immediately commence to make monthly deposits with the Trustee so that an amount equal to the Reserve Account Requirement is on deposit in the Reserve Account

no later than the stated expiration date of the letter of credit. If the Agency shall fail to make such deposits, the Trustee shall draw on such letter of credit on or before 10 days prior to its stated expiration date in an amount necessary to replenish the Reserve Account to the Reserve Account Requirement. If a drawing is made on the letter of credit, the Agency shall make such payments as may be required by the terms of the letter of credit or any obligations related thereto (but no less than quarterly pro rata payments) so that the letter of credit shall, absent the delivery to the Trustee of an insurance policy satisfying the requirements of Section 5.06(4)(c) or the deposit in the Reserve Account of an amount sufficient to increase the balance in the Reserve Account to the Reserve Account Requirement, be reinstated in the amount of such drawing within one year of the date of such drawing.

(c) In lieu of making the Reserve Account Requirement in the Reserve Account or in replacement of moneys then on deposit in the Reserve Account (which shall be transferred by the Trustee to the Agency upon delivery of an insurance policy satisfying the requirements stated below), the Agency, with the consent of the Bond Insurer, if any, and with prior written notification to S&P and/or Moody's, if the Bonds are then rated by S&P and/or Moody's, may also deliver to the Trustee an insurance policy securing an amount, together with moneys, Authorized Investments or letters of credit (as described in Section 5.06(4)(b)) 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 debt service on the Bonds and whose unsecured debt obligations (or for which obligations secured by such insurance company's insurance policies), at the time of such delivery, are rated in the two highest rating categories (without respect to any negative modifier) of S&P and Moody's.

(d) If and to the extent that the Reserve Account has been funded with a combination of cash (or Authorized Investments) and a Qualified Reserve Instrument, then all such cash (or Authorized 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 Authorized 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.

(5) Turbo Redemption Account. The Trustee shall deposit in the Turbo Redemption Account an amount of money equal to the Turbo Redemption Amount. All moneys in the Turbo Redemption Account shall be used by the Trustee to optionally redeem (or purchase) Series 2005A Bonds in the following order: (1) Series 2005AMT Term Bonds and (2) all other Series 2005A Bonds. All such redemptions of Series 2005AMT Term Bonds will be credited against Sinking Account Installments in inverse order of the Sinking Installment Dates. All such Redemptions from amounts deposited in the Turbo Redemption Account shall be in Authorized Denominations on any date specified by the Agency during the Bond Year in which such deposit is made and for which a redemption may occur pursuant to Section 2.04(a) hereof, or if no date is specified by the Agency, on December 1 of such Bond Year.

(6) Surplus. If during any Bond Year (i) Tax Revenues remain in the Debt Service Fund after providing (or otherwise reserving) for all deposits required by paragraphs (1) through (3) above during such Bond Year, (ii) the amounts on deposit in the Reserve Account equal the Reserve Account Requirement, (iii) Qualified Reserve Instruments, if any, used to fund

the Reserve Account are fully replenished and all interest on amounts advanced under such Qualified Reserve Instruments has been paid to the provider thereof and (iv) the Agency is not in default hereunder, then the Trustee shall transfer any amount remaining on deposit in the Debt Service Fund to the Agency to be used for any lawful purpose of the Agency.

**SECTION 5.07** <sup>2320</sup> **Airport Revenue Fund; Receipt and Deposit of Airport Fund Revenues.** There is hereby established a special fund to be known as the "Redevelopment Agency of the County of San Diego, Gillespie Field Project Airport Revenue Fund" (herein the "Airport Revenue Fund") which shall be held by the Trustee. The Trustee shall promptly deposit in the Airport Revenue Fund all of the Airport Fund Revenues transferred to it by the County. So long as any Bonds remain Outstanding hereunder, neither the Agency nor the County shall have any beneficial interest in or right to the moneys on deposit in the Airport Revenue Fund, except as may be provided in this Indenture.

To the extent amounts transferred from the Revenue Fund to the Debt Service Fund pursuant to Section 5.02 hereof are insufficient to make the deposits required by Section 5.06 hereof, the Trustee shall transfer from the Airport Revenue Fund for deposit in the Debt Service Fund an amount equal to the amount of any such deficiency in the Interest Account, the Principal Account, the Sinking Account or the Reserve Account. Any amounts remaining in the Airport Revenue Fund following such transfer shall be credited to the next Pledged Installment due from the County.

<sup>From</sup> All such Airport Fund Revenues deposited in the Airport Revenue Fund shall be disbursed, allocated and applied solely to the uses and purposes herein set forth, and shall be accounted for separately and apart from all other money, funds or accounts held hereunder.

**SECTION 5.08** **Investment of Moneys in Funds and Accounts.** Upon the written direction of the Agency, received by the Trustee at least two (2) Business Days prior to such investment, moneys in the Debt Service Fund, the Interest Account, the Principal Account, any Sinking Account, the Expense Fund, the Rebate Fund, the Reserve Account and the Airport Revenue Fund shall be invested by the Trustee in Authorized Investments. In the absence of such instructions the Trustee shall invest in the investments described in paragraph (D) of the definition of Authorized Investments, except as otherwise provided in this Section. The obligations in which moneys in the Debt Service Fund, the Interest Account, the Principal Account, any Sinking Account and the Airport Revenue Fund are so invested shall mature prior to the date on which such moneys are estimated to be required to be paid out hereunder. The obligations in which moneys in the Reserve Account are so invested shall be invested in obligations maturing no more than five years from the date of purchase by the Trustee 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. In addition, amounts held in the Reserve Account shall be invested only in Authorized Investments described in paragraphs (A), (B), (D) and (G) of the definition of Authorized Investments. Any interest, income or profits from the deposits or investments of all funds (except the Revenue Fund, Airport Revenue Fund, Redevelopment Fund, Expense Fund and Rebate Fund) and accounts shall be deposited in the Debt Service Fund. All earnings on amounts in the Revenue Fund, Airport Revenue Fund, Expense Fund, Redevelopment Fund and Rebate Fund shall remain in

such funds. For purposes of determining the amount on deposit in any fund or account held hereunder, all Authorized Investments credited to such fund or account shall be valued at the cost thereof (excluding accrued interest and brokerage Commissions, if any). Except as otherwise provided in this Section, Authorized Investments representing an investment of moneys attributable to any fund or account and all investment profits or losses thereon shall be deemed at all times to be a part of said fund or account. Amounts deposited in the Revenue Fund and the Redevelopment Fund may be invested in any investment permitted by law for Agency funds.

The Trustee or any of its affiliates may act as principal or agent in the acquisition or disposition of investments hereunder. The Trustee may commingle moneys in any of the funds or accounts created hereunder for purposes of investment. The Trustee may conclusively rely on the instructions of the Agency that the Authorized Investment is a legal investment under the laws of the State of California for such purposes. Absent negligence, bad faith or willful misconduct by the Trustee, the Trustee shall not be responsible or liable for any loss suffered in connection with any investment of funds made by it in accordance with this Section.

The Agency acknowledges that to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grant the Agency the right to receive brokerage confirmations of security transactions as they occur, the Agency will not receive such confirmations from the Trustee to the extent permitted by law. The Trustee will furnish the Agency periodic cash transaction statements which include detail for all investment transactions made by the Trustee hereunder.

The Trustee or any of its affiliates may act as sponsor, advisor or manager in connection with any investments made by the Trustee hereunder.

## ARTICLE VI

## COVENANTS OF THE AGENCY

**SECTION 6.01**      **Punctual Payment.** The Agency will punctually pay the interest on and principal of and redemption premiums, if any, to become due with respect to the Bonds, in strict conformity with the terms of the Bonds and of the Indenture and will faithfully satisfy, observe and perform all conditions, covenants and requirements of the Bonds and of the Indenture.

**SECTION 6.02**      **Against Encumbrances.** The Agency will not mortgage or otherwise encumber, pledge or place any charge upon any of the Tax Revenues, except as provided in this Indenture, and will not issue any obligation or security superior to or on a parity with the Bonds payable in whole or in part from the Tax Revenues (other than Additional Bonds).

**SECTION 6.03**      **Extension or Funding of Claims for Interest.** In order to prevent any claims for interest after maturity, the Agency will not, directly or indirectly, extend or consent to the extension of the time for the payment of any claim for interest on any Bonds and will not, directly or indirectly, be a party to or approve any such arrangements by purchasing or funding said claims for interest or in any other manner. In case any such claim for interest shall be extended or funded, whether or not with the consent of the Agency, such claim for interest so extended or funded shall not be entitled, in case of default hereunder, to the benefits of the Indenture, except subject to the prior payment in full of the principal of all of the Bonds then Outstanding and of all claims for interest which shall not have been so extended or funded.

**SECTION 6.04**      **Management and Operation of Properties.** The Agency will manage and operate all properties owned by the Agency and comprising any part of the Project in a sound and business like manner and in conformity with all valid requirements of any governmental authority relative to the Project or any part thereof, and will keep such properties insured at all times in conformity with sound business practice.

**SECTION 6.05**      **Payment of Claims.** The Agency will pay and discharge any and all lawful claims for labor, materials or supplies which, if unpaid, might become a lien or charge upon the properties owned by the Agency or upon the Tax Revenues or any part thereof, or upon any funds in the hands of the Trustee, or which might impair the security of the Bonds; provided that nothing herein contained shall require the Agency to make any such payments so long as the Agency in good faith shall contest the validity of any such claims.

**SECTION 6.06**      **Books and Accounts; Financial and Project Statements.** The Agency will keep proper books of record and accounts, separate from all other records and accounts of the Agency, in which complete and correct entries shall be made of all transactions relating to the Project and the Revenue Fund. Such books of record and accounts shall at all times during business hours be subject to the inspection of the Trustee or of the Owners of not less than ten per cent (10%) of the aggregate principal amount of the Bonds then Outstanding or their representatives authorized in writing.

The Agency will prepare and file with the Trustee annually as soon as practicable, but in any event not later than one hundred eighty (180) days after the close of each Fiscal Year, so long as any Bonds are Outstanding, an audited financial statement of the Agency prepared by an Independent Certified Public Accountant. The Agency will furnish a copy of such audited financial statement to any Owner upon request. The Trustee is hereby authorized to furnish and the Agency will furnish to the Trustee such reasonable number of copies of such audited financial statement as may be required by the Trustee for distribution (at the expense of the Agency) to investment bankers, security dealers and others interested in the Bonds. The Trustee shall have no duty or responsibility to review such financial statements.

**SECTION 6.07**      Protection of Security and Rights of Owners. The Agency will preserve and protect the security of the Bonds and the rights of the Owners, and will warrant and defend their rights against all claims and demands of all persons. From and after the sale and delivery of any Bonds by the Agency, such Bonds shall be incontestable by the Agency.

**SECTION 6.08**      Payment of Taxes and Other Charges. Subject to the provisions of Section 6.10 hereof, the Agency will pay and discharge all taxes, service charges, assessments and other governmental charges which may hereafter be lawfully imposed upon the Agency or any properties owned by the Agency in the Project Area, or upon the revenues therefrom, when the same shall become due; provided that nothing herein contained shall require the Agency to make any such payments so long as the Agency in good faith shall contest the validity of any such taxes, service charges, assessments or other governmental charges.

**SECTION 6.09**      Financing the Project. The Agency will commence the financing of the Project to be aided with the proceeds of the Bonds with all practicable dispatch, and such financing will be accomplished and completed in a sound, economical and expeditious manner and in conformity with the Redevelopment Plan and the Law so as to complete the Project as soon as possible.

**SECTION 6.10**      Taxation of Leased Property. Whenever any property in the Project is redeveloped by the Agency and thereafter is leased by the Agency to any person or persons, or whenever the Agency leases any real property in the Project to any person or persons for redevelopment, the property shall be assessed and taxed in the same manner as privately owned property (in accordance with the Law), and the lease or contract shall provide (1) that the lessee shall pay taxes upon the assessed value of the entire property and not merely upon the assessed value of the leasehold interest, and (2) that if for any reason the taxes paid by the lessee on such property in any year during the term of the lease shall be less than the taxes that would have been payable upon the entire property if the property were assessed and taxed in the same manner as privately owned property, the lessee shall pay such difference to the Agency within thirty (30) days after the taxes for such year become payable, and in any event prior to the delinquency date of such taxes established by law, which such payments shall be treated as Tax Revenues.

**SECTION 6.11**      Disposition of Property in Project Area. Except as provided below, the Agency will not authorize the disposition of any real property in the Project Area to anyone which will result in such property becoming exempt from taxation because of public ownership or use or otherwise (except for public ownership or use contemplated by the

Redevelopment Plan in effect on the date of execution and delivery of the Indenture, or property to be used for public streets or public off street parking facilities or easements or rights of way for public utilities, or other similar uses) if such dispositions, together with all similar prior dispositions on or subsequent to the effective date of the Indenture, shall comprise more than ten per cent (10%) of the land area in the Project Area. If the Agency proposes to make any such disposition which, together with all similar dispositions on or subsequent to the effective date of the Indenture, shall comprise more than ten per cent (10%) of the land area in the Project Area, it shall cause to be filed with the Trustee a Consultant's Report on the effect of such proposed disposition. If the Consultant's Report concludes that the Tax Revenues will not be materially reduced by such proposed disposition, the Agency may proceed with such proposed disposition. If the Consultant's Report concludes that Tax Revenues will be materially reduced by such proposed disposition, the Agency shall not proceed with such proposed disposition unless, as a condition precedent to such proposed disposition, the Agency shall require that such new owner or owners either:

(1) Pay to the Agency, so long as any of the Bonds are Outstanding, an amount equal to the amount that would have been received by the Agency and deposited with the Trustee as Tax Revenues if such property were assessed and taxed in the same manner as privately owned non exempt property, which payment shall be made within thirty (30) days after taxes for each year would become payable to the taxing agencies for non exempt property and in any event prior to the delinquency date of such taxes established by law; or

(2) Pay to the Agency a single sum equal to the amount estimated and certified to the Agency and Trustee by an Independent Redevelopment Consultant to be receivable from taxes on such property from the date of such payment to the last maturity date of all Outstanding Bonds, less a reasonable discount value.

All such payments to the Agency in lieu of taxes shall be treated for all purposes as Tax Revenues.

**SECTION 6.12 Amendment of Redevelopment Plan.** If the Agency proposes to amend the Redevelopment Plan, it shall cause to be filed with the Trustee a Consultant's Report on the effect of such proposed amendment. If the Consultant's Report concludes that Tax Revenues will not be materially reduced by such proposed amendment, the Agency may adopt such amendment. If the Consultant's Report concludes that Tax Revenues will be materially reduced by such proposed amendment, the Agency shall not adopt such proposed amendment.

**SECTION 6.13 Tax Revenues.** The Agency shall comply with all requirements of the Law to insure the allocation and payment to it of the Tax Revenues, including without limitation the timely filing of any necessary statements of indebtedness with appropriate officials of Los Angeles County. The Agency shall, in addition, comply with all requirements of the Law relating to the deposit of tax revenues allocated to the Agency from the Project Area in the Low and Moderate Income Housing Fund, established by the Agency pursuant to Section 33334.3 of the Law.

**SECTION 6.14 Investment Agreement.** The Agency covenants that it will not modify or amend any Investment Agreement without first obtaining the written consent of the Bond Insurer, if any, and an opinion of nationally recognized bond counsel to the effect that the proposed modification or amendment will not constitute a violation of Section 5.08 or cause interest on the Bonds of any Series which are intended to be Tax Exempt Bonds to be included in gross income for federal income tax purposes.

**SECTION 6.15 Further Assurances.** The Agency will adopt, make, execute and deliver any and all such further indentures, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of the Indenture, and for the better assuring and confirming unto the Owners of the Bonds of the rights and benefits provided in the Indenture.

**SECTION 6.16 Tax Covenants; Rebate Fund.**

*In spite of* (a) In addition to the accounts created pursuant to Article V, the Trustee shall establish and maintain with respect to each Series of Bonds issued hereunder (other than any Series of Bonds which the Agency shall certify to the Trustee is exempt from the requirements of Section 148 of the Code related to rebate of arbitrage earnings) a fund separate from any other fund or account established and maintained hereunder designated as the "Series \_\_\_\_\_ Rebate Fund" hereinafter in this Section referred to as the "Rebate Fund." The provisions of this Section shall apply separately to each Rebate Fund established for each Series of Bonds. Upon the written direction of the Agency, there shall be deposited in the Rebate Fund such amounts 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 5.01, 5.02, 5.07 and 10.01 relating to the pledge of Tax Revenues, the allocation of money in the Revenue Fund, the investments of money in any fund or account 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 6.16 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 Request of the Agency, and shall have no liability or responsibility to enforce compliance by the Agency with the terms of the Tax Certificate or any of the covenants of the Agency in this Section 6.16.

(b) The Agency shall not use or permit the use of any proceeds of Bonds or any funds of the Agency, directly or indirectly, to acquire any securities or obligations, and shall not take or permit to be taken any other action or actions, which would cause any Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code of "federally guaranteed" within the meaning of Section 149(b) of the Code and any such applicable requirements promulgated from time to time thereunder and under Section 103(c) of the Internal Revenue Code of 1954, as amended. The Agency shall observe and not violate the requirements of Section 148 of the Code and any such applicable regulations. The Agency shall comply with all requirements of Sections 148 and 149(d) of the Code to the extent applicable to the Bonds. In the event that at any time the Agency is of the opinion that for purposes of this Section 6.16(b) it is necessary to restrict or to limit the yield on the investment of any moneys held by the Trustee

under this Indenture, the Agency shall so instruct the Trustee under this Indenture in writing, and the Trustee shall take such action as may be necessary in accordance with such instructions.

The Agency shall not use or permit the use of any proceeds of the Bonds or any funds of the Agency, directly or indirectly, in any manner, and shall not take or omit to take any action that would cause any of the Bonds to be treated as an obligation not described in Section 103(a) of the Code.

(c) Notwithstanding any provisions of this Section 6.16, if the Agency shall provide to the Trustee an opinion of nationally recognized bond counsel that any specified action required under this Section 6.16 is no longer required or that some further or different action is required to maintain the exclusion from federal income tax of interest with respect to the Bonds, the Trustee and the Agency may conclusively rely on such opinion in complying with the requirements of this Section, and, notwithstanding Article VIII hereof, the covenants hereunder shall be deemed to be modified to that extent.

(d) The provisions of this Section 6.16 shall not apply to any Series of Bonds which the Agency shall certify to the Trustee is not intended to comply with the requirements of the Code necessary to make interest on such Series of Bonds excludable from gross income for federal tax purposes.

**SECTION 6.17**      **Agreements with Other Taxing Agencies.** So long as any Bonds are Outstanding, the Agency shall not enter into any agreement which operates as a waiver of the Agency's right to receive Tax Revenues under the Redevelopment Plan, unless the Agency's obligations under such agreement are made expressly subordinate and junior to the Agency's obligations under this Indenture and the Bonds.

**SECTION 6.18**      **Amendment of Second Supplement** . The Agency shall not supplement, amend, modify or terminate any of the terms of the Second Supplement, or consent to any such supplement, amendment, modification or termination, without the written consent of the Trustee. The Trustee shall give such written consent only if such amendment or supplement complies with the provisions of Article 5 of the Master Pledge Agreement.

## ARTICLE VII

## THE TRUSTEE

**SECTION 7.01** Appointment of Trustee. The Bank of New York Trust Company, N.A., a national banking association organized and existing under and by virtue of the laws of the United States, is hereby appointed Trustee by the Agency for the purpose of receiving all moneys required to be deposited with the Trustee hereunder and to allocate, use and apply the same as provided in this Indenture. The Agency agrees that it will maintain a Trustee having a corporate trust office in the State, with a combined capital and surplus, or a member of a bank holding company system the lead bank of which shall have a combined capital and surplus, of at least \$50,000,000, and subject to supervision or examination by Federal or State authority, so long as any Bonds are Outstanding. If such bank, national banking association 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 7.01 the combined capital and surplus of such bank, national banking association 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 is hereby authorized to pay the principal of and interest and redemption premium (if any) on the Bonds when duly presented for payment at maturity, or on redemption prior to maturity, and to cancel all Bonds upon payment thereof. The Trustee shall keep accurate records of all funds and accounts administered by it and of all Bonds paid and discharged.

**SECTION 7.02** Acceptance of Trusts. The Trustee hereby accepts the trusts imposed upon it by this Indenture, and agrees to perform said trusts, but only upon and subject to the following express terms and conditions:

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

(b) Whenever in the administration of this Indenture the Trustee shall deem it desirable that a matter be proved or established prior to taking, suffering or omitting any action hereunder, the Trustee (unless other evidence is herein specifically prescribed) may, in the absence of bad faith on its part, rely upon a Certificate of the Agency.

(c) 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 pursuant to this Indenture, unless such Owners shall have offered to the Trustee reasonable security or indemnity against the costs, expenses and liabilities which might be incurred by it in compliance with such request or direction.

(d) The Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order bond or other paper or document, but the Trustee, in its

discretion, may make such further inquiry or investigation into such facts or matters as it may see fit.

(e) The Trustee, prior to the occurrence of an Event of Default hereunder and after the curing or waiving of all such Events of Default that may have occurred, undertakes to perform such duties and only such duties as are specifically set forth in this Indenture and no covenants of or against the Trustee shall be implied in this Indenture. In case an Event of Default hereunder has occurred (which has not been cured or waived), the Trustee may exercise such of the rights and powers vested in it by this Indenture, and shall use the same degree of care and skill in the exercise of such rights and powers as a prudent person would exercise or use under the circumstances in the conduct of his own affairs.

(f) The Trustee may execute any of the trusts or powers hereunder and perform the duties required of it hereunder either directly or by or through attorneys or agents, shall not be liable for the acts or omissions of such attorneys or agents appointed with due care, and shall be entitled to advice of counsel concerning all matters of trust and its duty hereunder. The Trustee may conclusively rely on an opinion of counsel as full and complete authorization and protection for any action taken, suffered or omitted by it hereunder.

(g) The Trustee shall not be responsible for any recital herein or in the Bonds, or for any of the supplements thereto or instruments of further assurance, or for the sufficiency of the security for the Bonds issued hereunder or intended to be secured hereby and makes no representation as to the validity or sufficiency of the Bonds or this Indenture. The Trustee shall not be bound to ascertain or inquire as to the observance or performance of any covenants, conditions or agreements on the part of the Agency hereunder. The Trustee shall not be responsible for the application by the Agency of the proceeds of the Bonds.

(h) The Trustee may become the Owner or pledgee of Bonds secured hereby with the same rights it would have if not the Trustee; may acquire and dispose of other bonds or evidences of indebtedness of the Agency with the same rights it would have if it were not the Trustee; and may act as a depository for and permit any of its officers or directors to act as a member of, or in the capacity with respect to, any committee formed to protect the rights of Owners of Bonds, whether or not such committee shall represent the Owners of the majority in aggregate principal amount of the Bonds then Outstanding.

(i) The Trustee may rely and shall be protected in acting or refraining from acting, in good faith and without negligence, upon any notice, resolution, opinion, report, direction, request, consent, certificate, order, affidavit, letter, telegram, facsimile or other paper or document believed by it to be genuine and to have been signed or presented by the proper person or persons. Any action taken or omitted to be taken by the Trustee in good faith and without negligence pursuant to this Indenture upon the request or authority or consent of any person who at the time of making such request or giving such authority or consent is the Owner of any Bond, shall be conclusive and binding upon all future Owners of the same Bond and upon Bonds issued in exchange therefor or in place thereof. The Trustee shall not be bound to recognize any person as an Owner of any Bond or to take any action at his request unless the ownership of Bond by such person shall be reflected on the Registration Books.

(j) The permissive right of the Trustee to do things enumerated in this Indenture 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.

(k) The Trustee shall not be required to take notice or to be deemed to have notice of any Event of Default hereunder except failure by the Agency to make any of the payments to the Trustee required to be made by the Agency pursuant hereto, unless the Trustee shall be specifically notified in writing of such default by the Agency or by the Owners of at least 25% in aggregate principal amount of the Bonds then Outstanding and all notice or other instruments required by this Indenture to be delivered to the Trustee must, in order to be effective, be delivered at the Principal Corporate Trust Office of the Trustee, and in the absence of such notice so delivered the Trustee may conclusively assume there is no Event of Default hereunder except as aforesaid.

(l) At any and all reasonable times the Trustee and its duly authorized agents, attorneys, experts, accountants and representatives, shall have the right fully to inspect all books, papers and records of the Agency pertaining to the Bonds, and to make copies of any of such books, papers and records which are not privileged by statute or by law.

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

(n) Notwithstanding anything elsewhere in this Indenture with respect to the execution of any Bonds, the withdrawal of any cash, the release of any property, or any action whatsoever within the purview of this Indenture, the Trustee shall have the right, but shall not be required, to demand any showings, certificates, opinions, appraisals or other information, or corporate action or evidence thereof, as may be deemed desirable for the purpose of establishing the right of the Agency to the execution of any Bonds, the withdrawal of any cash or the taking of any other action by the Trustee.

(o) All moneys received by the Trustee shall, until used or applied or invested as herein provided, be held in trust for the purposes for which they were received but need not be segregated from other funds except to the extent required by law.

(p) Whether or not expressly provided therein, every provision of this Indenture relating to the conduct or affecting the liability of the Trustee shall be subject to the provisions of this Section 7.02.

(q) No implied covenants or obligations shall be read into this Indenture against the Trustee.

(r) Notwithstanding any other provision hereof, in determining whether the rights of the Owners will be adversely affected by and action taken or omitted hereunder, the Trustee shall consider the effect on the Owners as if there were no Bond Insurance Policy.

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

(t) The immunities extended to the Trustee also extend to its directors, officers, employees and agents.

(u) The Trustee agrees to accept and act upon facsimile transmission of written instructions and/or directions pursuant to this Indenture provided, however, that: (a) subsequent to such facsimile transmission of written instructions and/or directions the Trustee shall forthwith receive the originally executed instructions and/or directions, (b) such originally executed instructions and/or directions shall be signed by a person as may be designated and authorized to sign for the party signing such instructions and/or directions, and (c) the Trustee shall have received a current incumbency certificate containing the specimen signature of such designated person.

(v) The Trustee shall not be liable in connection with the performance of its duties hereunder, except for its own negligence or willful misconduct.

**\*SECTION 7.03 Fees, Charges and Expenses of Trustee.** The Trustee shall be entitled to payment and reimbursement for reasonable fees for its services rendered hereunder and all advances, counsel fees (including expenses) and other expenses reasonably and necessarily made or incurred by the Trustee in connection with such services. Upon the occurrence of an Event of Default hereunder, but only upon any Event of Default, the Trustee shall have a first lien with right of payment prior to payment of any Bond upon the amounts held hereunder for the foregoing fees, charges and expenses incurred by it. Any amounts advanced by the Trustee hereunder shall be reimbursed, together with interest thereon at the maximum rate allowed by law.

**SECTION 7.04 Notice to Bond Owners of Default.** If an Event of Default hereunder occurs with respect to any Bonds of which the Trustee has been given or is deemed to have notice, as provided in Section 7.02(k) hereof, then the Trustee shall, in addition to any notice required under Section 11.08 hereof, within 30 days of the receipt of such notice, give written notice thereof by first class mail to the Owner of each such Bond and to the Bond Insurer, unless such Event of Default shall have been cured before the giving of such notice; provided, however, that unless such Event of Default consists of the failure by the Agency to make any payment when due, the Trustee may elect not to give such notice to the Owners (but shall give such notice to the Bond Insurer) if and so long as the Trustee in good faith determines that it is in the best interests of the Bond Owners not to give such notice.

**SECTION 7.05 Intervention by Trustee.** In any judicial proceeding to which the Agency is a party that, in the opinion of the Trustee and its counsel, has a substantial bearing on the interests of Owners of any of the Bonds hereunder, the Trustee may intervene on behalf of such Bond Owners, and subject to Section 7.02(c), shall do so if requested in writing by the Owners of at least 25% in aggregate principal amount of such Bonds then Outstanding.

**SECTION 7.06**     **Removal of Trustee.** The Trustee may be removed at any time by an instrument or concurrent instruments in writing, filed with the Trustee and signed by the Owners of a majority in aggregate principal amount of the Outstanding Bonds and the Bond Insurer or, in the case of breach by the Trustee of its obligations hereunder, by the Bond Insurer alone. The Agency may also remove the Trustee at any time, except during the existence of an Event of Default. The Trustee may be removed at any time for any breach of the Trustee's duties set forth herein.

**SECTION 7.07**     **Resignation by Trustee.** The Trustee and any successor Trustee may at any time give prior written notice of its intention to resign as Trustee hereunder, such notice to be given to the Agency and the Bond Insurer by registered or certified mail. Upon receiving such notice of resignation, the Agency shall promptly appoint a successor Trustee. Any resignation or removal of the Trustee and appointment of a successor Trustee shall become effective upon acceptance of appointment by the successor Trustee. Upon such acceptance, the Agency shall cause notice thereof to be given by first class mail, postage prepaid, to the Bond Owners at their respective addresses set forth on the Registration Books.

**SECTION 7.08**     **Appointment of Successor Trustee.** In the event of the removal or resignation of the Trustee pursuant to Sections 7.06 or 7.07, respectively, with the prior written consent of the Bond Insurer, the Agency shall promptly appoint a successor Trustee. In the event the Agency shall for any reason whatsoever fail to appoint a successor Trustee within 30 days following the delivery to the Trustee of the instrument described in Section 7.06 or within 30 days following the receipt of notice by the Agency pursuant to Section 7.07, the Trustee may, at the expense of the Agency, apply to a court of competent jurisdiction for the appointment of a successor Trustee meeting the requirements of Section 7.01. Any such successor Trustee appointed by such court shall become the successor Trustee hereunder notwithstanding any action by the Agency purporting to appoint a successor Trustee following the expiration of such 30 day period.

**SECTION 7.09**     **Merger or Consolidation.** Any company into which the Trustee may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be party or any company to which the Trustee may sell or transfer all or substantially all of its corporate trust business, provided that such company shall meet the requirements set forth in Section 7.01, shall be the successor to the Trustee and vested with all of the title to the trust estate and all of the trusts, powers, discretion, immunities, privileges and all other matters as was its predecessor, without the execution or filing of any paper or further act, anything herein to the contrary notwithstanding.

**SECTION 7.10**     **Concerning any Successor Trustee.** Every successor Trustee appointed hereunder shall execute, acknowledge and deliver to its predecessor and also to the Agency an instrument in writing accepting such appointment hereunder and thereupon such successor, without any further act, deed or conveyance, shall become fully vested with all the estates, properties, rights, powers, trusts, duties and obligations of its predecessors; but such predecessor shall, nevertheless, on the Written Request of the Agency, or of the Trustee's successor, execute and deliver an instrument transferring to such successor all the estates, properties, rights, powers and trusts of such predecessor hereunder; and every predecessor

Trustee shall deliver all securities and moneys held by it as the Trustee hereunder to its successor. Should any instrument in writing from the Agency be required by any successor Trustee for more fully and certainly vesting in such successor the estate, rights, powers and duties hereby vested or intended to be vested in the predecessor Trustee, any and all such instruments in writing shall, on request, be executed, acknowledged and delivered by the Agency.

**SECTION 7.11 Appointment of Co Trustee.** It is the purpose of this Indenture that there shall be no violation of any law of any jurisdiction (including particularly the law of the State) denying or restricting the right of banking corporations or associations to transact business as Trustee in such jurisdiction. It is recognized that in the case of litigation under this Indenture, and in particular in case of the enforcement of the rights of the Trustee on default, or in the case the Trustee deems that by reason of any present or future law of any jurisdiction it may not exercise any of the powers, rights or remedies herein granted to the Trustee or hold title to the properties, in trust, as herein granted, or take any other action that may be desirable or necessary in connection therewith, it may be necessary that the Trustee or the Agency appoint an additional individual or institution as a separate trustee or co trustee. The following provisions of this Section 7.11 are adopted to these ends.

In the event that the Trustee or the Agency appoints an additional individual or institution as a separate trustee or co trustee, each and every remedy, power, right, claim, demand, cause of action, immunity, estate, title, interest and lien expressed or intended by this Indenture to be exercised by or vested in or conveyed to the Trustee with respect thereto shall be exercisable by and vest in such separate trustee or co trustee but only to the extent necessary to enable such separate trustee or co trustee to exercise such powers, rights and remedies, and every covenant and obligation necessary to the exercise thereof by such separate trustee or co trustee shall run to and be enforceable by either of them.

Should any instrument in writing from the Agency be required by the separate trustee or co trustee so appointed by the Trustee for more fully and certainly vesting in and confirming to it such properties, rights, powers, trusts, duties and obligations, any and all such instruments in writing shall, on request, be executed, acknowledged and delivered by the Agency. In case any separate trustee or co trustee, or a successor to either, shall become incapable of acting, shall resign or shall be removed, all the estates, properties, rights, powers, trusts, duties and obligations of such separate trustee or co trustee, so far as permitted by law, shall vest in and be exercised by the Trustee until the appointment of a new trustee or successor to such separate trustee or co trustee.

**SECTION 7.12 Limited Liability of Trustee.** No provision in this Indenture shall require the Trustee to risk or expend its own funds or otherwise incur any financial liability hereunder. The Trustee shall not be liable for any action taken or omitted to be taken by it in accordance with the direction of the Bond Insurer or of the Owners of at least 25% in aggregate principal amount of Bonds Outstanding relating to the time, method and place of conducting any proceeding or remedy available to the Trustee under this Indenture or exercising any power conferred upon the Trustee under this Indenture. The Agency hereby agrees to indemnify and hold harmless the Trustee for any cost, expense, claim, loss or liability incurred by the Trustee, including, without limitation, fees and expenses of its attorneys, not relating to its

own negligence or willful misconduct. The obligations of the Agency under this Section shall survive the resignation or removal of the Trustee under this Indenture and the defeasance of the Bonds.

**SECTION 7.13**      **Rights under Master Pledge Agreement and Second Supplement.** The Trustee shall promptly collect all amounts due from the County pursuant to the Second Supplement and shall diligently enforce and take all steps, actions and proceedings reasonably necessary for the enforcement of all of the rights of the Agency and all of the obligations of the County in and under the Second Supplement. To the extent the Trustee is required to seek the approval of Beneficiaries under the Master Pledge Agreement, the Trustee shall cast all votes assigned to the Bonds in accordance with the decision of a majority in aggregate principal amount of the Bonds then Outstanding.

## ARTICLE VIII

## AMENDMENT OF THE INDENTURE

**SECTION 8.01**      Amendment by Consent of Owners. The Indenture and the rights and obligations of the Agency and of the Owners may be amended at any time by a Supplemental Indenture which shall become binding when the written consents of the Owners of at least sixty per cent (60%) in aggregate principal amount of the Bonds then Outstanding, exclusive of Bonds disqualified as provided in Section 8.02, and the written consent of the Bond Insurer, if any, are filed with the Trustee. No such amendment shall (1) extend the maturity of or reduce the interest rate on, or otherwise alter or impair the obligation of the Agency to pay the interest or principal or redemption premium, if any, at the time and place and at the rate and in the currency provided herein of any Bond, without the express written consent of the Owner of such Bond, or (2) permit the creation by the Agency of any mortgage, pledge or lien upon the Tax Revenues superior to or on a parity with the pledge and lien created in the Indenture for the benefit of the Bonds, except as expressly permitted by this Indenture, or (3) reduce the percentage of Bonds required for the written consent to any such amendment, or (4) modify the rights or obligations of the Trustee without its prior written assent thereto.

The Indenture and the rights and obligations of the Agency and of the Owners may also be amended at any time by a Supplemental Indenture which shall become binding upon execution, without the consent of any Owners, but only to the extent permitted by law and only for any one or more of the following purposes:

- (a) To add to the covenants and agreements of the Agency in the Indenture contained, other covenants and agreements thereafter to be observed, or to surrender any right or power herein reserved to or conferred upon the Agency;
- (b) To make such provisions for the purpose of curing any ambiguity, or of curing, correcting or supplementing any defective provision contained in the Indenture, or in regard to questions arising under the Indenture, as the Agency may deem necessary or desirable and not inconsistent with the Indenture, and which shall not adversely affect the interest of the Owners;
- (c) To provide for the issuance of any Additional Bonds, and to provide the terms and conditions under which such Additional Bonds may be issued, subject to and in accordance with the provisions of Article IV;
- (d) 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, and which shall not materially adversely affect the interests of the Owners of the Bonds;
- (e) If necessary to maintain the exclusion of interest on Tax Exempt Bonds of any Series from gross income for federal income tax purposes;

(f) To the extent necessary to obtain a Bond Insurance Policy, to obtain a rating on the Bonds or in connection with satisfying all or a portion of the Reserve Account Requirement by crediting a letter of credit or Bond Insurance Policy to the Reserve Account; or

(g) For any other purpose that does not materially adversely affect the interests of the Owners.

**SECTION 8.02**      **Disqualified Bonds.** Bonds owned or held by or for the account of the Agency or the County shall not be deemed Outstanding for the purpose of any consent or other action or any calculation of Outstanding Bonds in this Indenture provided for, and shall not be entitled to consent to, or take any other action in this Indenture provided for. Upon request of the Trustee, the Agency and the County shall specify in a certificate to the Trustee those Bonds disqualified pursuant to this Section and the Trustee may conclusively rely on such certificate.

**SECTION 8.03**      **Endorsement or Replacement of Bonds After Amendment.** After the effective date of any action taken as hereinabove provided, the Agency may determine that the Bonds may bear a notation, by endorsement in form approved by the Agency, as to such action, and in that case upon demand of the Owner of any Bond Outstanding at such effective date and presentation of his Bond for the purpose at the office of the Trustee or at such additional offices as the Trustee may select and designate for that purpose, a suitable notation as to such action shall be made on such Bond. If the Agency shall so determine, new Bonds so modified as, in the opinion of the Agency, shall be necessary to conform to such action shall be prepared and executed, and in that case upon demand of the Owner of any Bond Outstanding at such effective date such new Bonds shall be exchanged at the office of the Trustee or at such additional offices as the Trustee may select and designate for that purpose, without cost to each Owner, for Bonds then Outstanding, upon surrender of such Outstanding Bonds.

**SECTION 8.04**      **Amendment by Mutual Consent.** The provisions of this article shall not prevent any Owner from accepting any amendment as to the particular Bonds held by him, provided that due notation thereof is made on such Bonds.

**SECTION 8.05**      **Opinion of Counsel.** The Trustee may conclusively accept an opinion of counsel to the Agency that an amendment of the Indenture is in conformity with the provisions of this article.

## ARTICLE IX

## EVENTS OF DEFAULT AND REMEDIES OF OWNERS

**SECTION 9.01** Events of Default and Acceleration of Maturities. If one or more of the following events (herein called "Events of Default") shall happen, that is to say:

(a) If default shall be made in the due and punctual payment of the principal of or redemption premium, if any, on any Bond when and as the same shall become due and payable, whether at maturity as therein expressed, by declaration or otherwise;

(b) If default shall be made in the due and punctual payment of the interest on any Bond when and as the same shall become due and payable;

(c) If default shall be made by the Agency in the observance of any of the agreements, conditions or covenants on its part in the Indenture or in the Bonds contained, and such default shall have continued for a period of 60 days after the Agency shall have been given notice in writing of such default by the Trustee; provided, however, that such default shall not constitute an Event of Default hereunder if the Agency shall commence to cure such default within said 60 day period and thereafter diligently and in good faith proceed to cure such default within a reasonable period of time; or

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

then, and in each and every such case during the continuance of such event of default, the Trustee may, and upon the written request of the Owners of not less than twenty five per cent (25%) in aggregate principal amount of the Bonds at the time Outstanding, shall, by notice in writing to the Agency, declare the principal of all of the Bonds then Outstanding, and the interest accrued thereon, to be due and payable immediately, and upon any such declaration the same shall become and shall be immediately due and payable, anything in the Indenture or in the Bonds contained to the contrary notwithstanding; provided, however, that any such declaration shall be subject to the prior written consent of the Bond Insurer, if any.

This provision, however, is subject to the condition that if, at any time after the principal of the Bonds 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 Agency shall deposit with the Trustee a sum sufficient to pay all principal on the Bonds matured prior to such declaration and all matured installments of interest (if any) upon all the Bonds, with interest at the rate of ten per cent (10%) per annum on such overdue installments of principal and interest, and the fees and expenses of the Trustee, including attorneys fees, and any and all other defaults known to the Trustee (other than in the payment of principal of and interest on the Bonds due

and payable solely by reason of such declaration) shall have been made good or cured to the satisfaction of the Trustee or provision deemed by the Trustee to be adequate shall have been made therefor, then, and in every such case, the Owners of at least twenty five per cent (25%) in aggregate principal amount of the Bonds then Outstanding, by written notice to the Agency and to the Trustee, may, on behalf of the Owners of all of the Bonds, rescind and annul such declaration and its consequences; provided, however, that no such rescission or annulment shall occur without the prior written consent of the Bond Insurer, if any. 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 9.02**      **Application of Funds Upon Acceleration.** All money in the funds and accounts provided for in the Indenture upon the date of the declaration of acceleration by the Trustee as provided in Section 9.01, and all Tax Revenues thereafter received by the Agency hereunder, shall be transmitted to the Trustee and shall be applied by the Trustee in the following order:

First, to the payment of the fees, costs and expenses of the Trustee, if any, incurred in and about the performance of its powers and duties under this Indenture, including reasonable compensation to its agents, attorneys and counsel;

Second, upon presentation of the several Bonds, and the stamping thereon of the amount of the payment if only partially paid, or upon the surrender thereof if fully paid, to the payment of the whole amount then owing and unpaid upon the Bonds for interest and principal, with interest on the overdue interest and principal at the rate of ten per cent (10%) per annum, and in case such money shall be insufficient to pay in full the whole amount so owing and unpaid upon the Bonds, then to the payment of such interest, principal and interest on overdue interest and principal without preference or priority among such interest, principal and interest on overdue interest and principal, ratably to the aggregate of such interest, principal and interest on overdue interest and principal.

**SECTION 9.03**      **Other Remedies of Owners.** Any Owner shall have the right for the equal benefit and protection of all Owners similarly situated:

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

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

(c) Upon the happening of an event of default (as defined in Section 9.01), by a suit in equity to require the Agency and its members, officers and employees to account as the trustee of an express trust.

**SECTION 9.04**      **Non Waiver.** Nothing in this article or in any other provision of the Indenture, or in the Bonds, shall affect or impair the obligation of the Agency, which is absolute and unconditional, to pay the interest on and principal of the Bonds to the

respective Owners of the Bonds at the respective dates of maturity, as herein provided, out of the Tax Revenues pledged for such payment, or affect or impair the right of action, which is also absolute and unconditional, of such Owners to institute suit to enforce such payment by virtue of the contract embodied in the Bonds and in the Indenture.

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

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

**SECTION 9.05**      Actions by Trustee as Attorney-in Fact. Any suit, action or proceeding 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, and the Trustee is hereby appointed (and the successive respective Owners of the Bonds issued hereunder, by taking and holding the same, shall be conclusively deemed so to have appointed it) the true and lawful attorney in fact of the Owners for the purpose of bringing any such suit, action or proceeding and to do and perform any and all acts and things for and on behalf of the Owners as a class or classes, as may be necessary or advisable in the opinion of the Trustee as such attorney in fact; provided, however, the Trustee shall have no duty or obligation to enforce any right or remedy unless it has been indemnified by the Owners from any liability or expense including without limitation fees and expenses of its attorneys.

**SECTION 9.06**      Remedies Not Exclusive. No remedy herein conferred upon or reserved to the Owners is intended to be exclusive of any other remedy. Every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing, at law or in equity or by statute or otherwise, and may be exercised without exhausting and without regard to any other remedy conferred by the Law or any other law.

**SECTION 9.07**      Owners' Direction of Proceedings. Except as provided in Section 9.09, anything in this Indenture to the contrary notwithstanding, the Owners of a majority in aggregate principal amount of the Bonds then Outstanding shall have the right, with the written consent of the Bond Insurer, if any, by an instrument or concurrent instruments in writing executed and delivered to the Trustee and upon furnishing the Trustee with indemnification satisfactory to it, to direct the method of conducting all remedial proceedings taken by the Trustee hereunder, provided that such direction shall not be otherwise than in accordance with law and the provisions of this Indenture, that the Trustee may take any other action deemed proper by the Trustee which is not inconsistent with such direction, and that the

Trustee shall have the right to decline to follow any such direction which in the opinion of the Trustee would be unjustly prejudicial to Owners not parties to such direction.

**SECTION 9.08**      **Limitation on Owners' Right to Sue.** No Owner of any Bond shall have the right to institute any suit, action or proceeding at law or in equity, for the protection or enforcement of any right or remedy under this Indenture, the Law or any other applicable law with respect to such Bond, unless (1) such Owner shall have given to the Trustee written notice of the occurrence of an Event of Default; (2) the Owners of not less than twenty five percent (25%) in aggregate principal amount of 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; (3) such Owner or said Owners shall have tendered to the Trustee reasonable indemnity against the costs, expenses and liabilities to be incurred in compliance with such request; (4) the Trustee shall have refused or omitted to comply with such request for a period of sixty (60) days after such written request shall have been received by, and said tender of indemnity shall have been made to, the Trustee; and (5) the Trustee shall not have received contrary directions from the Owners of a majority in aggregate principal amount of the Bonds then Outstanding.

Such notification, request, tender of indemnity and refusal or omission are hereby declared, in every case, to be conditions precedent to the exercise by any Owner of Bonds of any remedy hereunder or under law; it being understood and intended that no one or more Owners of Bonds shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the security of this Indenture or the rights of any other Owners of Bonds, or to enforce any right under this Indenture, the Law or other applicable law with respect to the Bonds, except in the manner herein provided, and that all proceedings at law or in equity to enforce any such right shall be instituted, had and maintained in the manner herein provided and for the benefit and protection of all Owners of the Outstanding Bonds, subject to the provisions of this Indenture.

**SECTION 9.09**      **Bond Insurer's Direction of Proceedings.** Notwithstanding any other provision hereof, so long as a Bond Insurance Policy is in effect with respect to any Series of Bonds, upon the occurrence and continuance of an Event of Default hereunder, the Bond Insurer shall be entitled to control and direct the enforcement of all rights and remedies granted to the Owners or the Trustee for the benefit of the Owners hereunder, including, without limitation: (i) the right to accelerate the principal of the Bonds and (ii) the right to annul any declaration of acceleration, and the Bond Insurer shall also be entitled to approve all waivers of Events of Default.

Notwithstanding anything in this Indenture to the contrary: (i) if the Bond Insurer has failed to make any payments under the Bond Insurance Policy, and such failure remains unremedied, all rights accruing to the Bond Insurer hereunder with respect to the giving of instructions, approvals or consents shall cease to be in force and effect until such time as such failure to make such payments has been remedied, and (ii) the Trustee undertakes no responsibility for delivering any notices to the Bond Insurer except as expressly provided herein and no act or omission of the Trustee shall affect or impair in any manner the enforceability of the Bond Insurance Policy.

## ARTICLE X

## DEFEASANCE

**SECTION 10.01 Discharge of Indebtedness.** If the Agency shall pay or cause to be paid, or there shall otherwise be paid, to the Owners of all Outstanding Bonds the interest due thereon and the principal thereof, at the times and in the manner stipulated therein and in the Indenture, then the Owners of such Bonds shall cease to be entitled to the pledge of Tax Revenues, and all covenants, agreements and other obligations of the Agency to the Owners of such Bonds under the Indenture shall thereupon cease, terminate and become void and be discharged and satisfied. In such event, the Trustee shall execute and deliver to the Agency all such instruments as may be desirable to evidence such discharge and satisfaction, and the Trustee shall pay over or deliver to the Agency all money or securities held by them pursuant to the Indenture which are not required for the payment of the interest due on and the principal of such Bonds other than the moneys, if any, in the Rebate Fund.

Bonds for the payment of which money shall have been set aside (through deposit by the Agency or otherwise) to be held in trust by the Trustee for such payment at the maturity or redemption date thereof shall be deemed, as of the date of such setting aside, to have been paid within the meaning and with the effect expressed in the first paragraph of this section.

Any Outstanding Bonds shall prior to the maturity date thereof be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this section if (1) there shall have been deposited with the Trustee either money in an amount which shall be sufficient, or Federal Securities (including any Federal Securities issued or held in book-entry form on the books of the Department of the Treasury of the United States of America) the principal of and the interest on which when paid will provide money which, together with the money, if any, deposited with the Trustee at the same time, shall be sufficient to pay when due the interest due and to become due on such Bonds on and prior to the maturity date thereof, and the principal of such Bonds (the sufficiency of such amounts to be appropriately verified by an Independent Certified Public Accountant or other qualified firm), (2) the Agency 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 (1) 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 upon which money is to be available for the payment of the principal of such Bonds and (3) there shall have been delivered to the Trustee an opinion of nationally recognized bond counsel to the effect that, assuming compliance by the Agency, the Trustee or their agent with the requirements set forth in this Section, and assuming the sufficiency of the deposits (including anticipated investment earnings thereon, if any) to pay principal, interest and redemption premiums, if any, on the Bonds, no further action by or on the part of the Agency will be required under this Indenture for the defeasance of the Bonds.

Neither Federal Securities nor money deposited with the Trustee pursuant to this section nor interest or principal payments on any such Federal Securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the interest on and principal of such Bonds; provided that any cash received from such interest or principal payments on such Federal Securities deposited with the Trustee, if not then needed for such

purpose, shall, to the extent practicable, be reinvested at the written direction of the Agency in Federal Securities maturing at times and in amounts sufficient to pay when due the interest on and principal of such Bonds on and prior to such maturity date thereof, and interest earned from such reinvestments shall be deposited in the Special Fund. For the purposes of this section, Federal Securities shall mean and include only such securities as are not subject to redemption prior to their maturity.

**SECTION 10.02 Unclaimed Moneys.** Anything in the Indenture to the contrary notwithstanding to the extent permitted by law and subject to the escheat laws of the State, any money held by the Trustee in trust for the payment and discharge of any of the Bonds which remain unclaimed for two (2) years after the date when such Bonds have become due and payable, if such money was held by the Trustee at such date, or for two (2) years after the date of deposit of such money if deposited with the Trustee after the said date when such Bonds or interest thereon become due and payable, shall be repaid by the Trustee to the Agency, as its absolute property and free from trust, and the Trustee shall thereupon be released and discharged with respect thereto and the Owners shall look only to the Agency for the payment of such Bonds; provided, however, that before being required to make any such payment to the Agency, the Trustee shall, at the expense of the Agency, cause to be mailed to the registered Owners of such Bonds at their addresses as they appear on the registration books of the Trustee a notice that said money remains unclaimed and that, after a date named in said notice, which date shall not be less than thirty (30) days after the date of the mailing of such notice, the balance of such money then unclaimed will be returned to the Agency.

## ARTICLE XI

## MISCELLANEOUS

**SECTION 11.01 Liability of Agency Limited to Tax Revenues.**

Notwithstanding anything in the Indenture contained, the Agency shall not be required to advance any money derived from any source of income other than the Tax Revenues for the payment of the interest on or the principal of the Bonds or for the performance of any covenants herein contained, other than the covenants contained in Section 6.16 hereof. The Agency may, however, advance funds for any such purpose, provided that such funds are derived from a source legally available for such purpose. The Agency's obligation to pay the Rebate Requirement to the United States of America pursuant to Section 6.16 hereof, shall be considered the general obligation of the Agency and shall be payable from any available funds of the Agency.

The Bonds are limited obligations of the Agency and are payable, as to interest thereon and principal thereof, exclusively from the Tax Revenues, and the Agency is not obligated to pay them except from the Tax Revenues. All of the Bonds are equally secured by a pledge of, and charge and lien upon, all of the Tax Revenues, and the Tax Revenues constitute a trust fund for the security and payment of the interest on and the principal of the Bonds. The Bonds are not a debt of the County of San Diego, the State of California or any of its political subdivisions, and neither said County, said State nor any of its political subdivisions is liable therefor, nor in any event shall the Bonds be payable out of any funds or properties other than those of the Agency. The Bonds do not constitute an indebtedness within the meaning of any constitutional or statutory limitation or restriction, and neither the members of the Agency nor any persons executing the Bonds are liable personally on the Bonds by reason of their issuance.

**SECTION 11.02 Benefits of Indenture Limited to Parties.** Nothing in the Indenture, expressed or implied, is intended to give to any person other than the Agency, the Trustee and the Owners any right, remedy or claim under or by reason of the Indenture. Any covenants, stipulations, promises or agreements in the Indenture contained by and on behalf of the Agency or any member, officer or employee thereof shall be for the sole and exclusive benefit of the Trustee and the Owners.

**SECTION 11.03 Successor Is Deemed Included in All References to Predecessor.** Whenever in the Indenture either the Agency or any member, officer or employee thereof is named or referred to, such reference shall be deemed to include the successor to the powers, duties and functions, with respect to the management, administration and control of the affairs of the Agency, that are presently vested in the Agency or such member, officer or employee, and all the agreements, covenants and provisions contained in the Indenture by or on behalf of the Agency or any member, officer or employee thereof shall bind and inure to the benefit of the respective successors thereof whether so expressed or not.

**SECTION 11.04 Execution of Documents by Owners.** Any request, consent, declaration or other instrument which the Indenture may require or permit to be executed by Owners may be in one or more instruments of similar tenor, and shall be executed by Owners in person or by their attorneys appointed in writing.

Except as otherwise herein expressly provided, the fact and date of the execution by any Owner or his attorney of such request, consent, declaration or other instrument, or of such 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 request, declaration 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.

Except as otherwise herein expressly provided, the amount of Bonds transferable by delivery held by any person executing such request, declaration or other instrument or writing as a Owner, and the numbers thereof, and the date of his holding such Bonds, may be proved by a certificate, which need not be acknowledged or verified, satisfactory to the Trustee, executed by a trust company, bank or other depository wherever situated, showing that at the date therein mentioned such person had on deposit with such depository the Bonds described in such certificate. Continued ownership after the date of deposit stated in such certificate may be proved by the presentation of such certificate if the certificate contains a statement by the depository that the Bonds therein referred to will not be surrendered without the surrender of the certificate to the depository, except with the consent of the Trustee. The Trustee may nevertheless in its discretion require further or other proof in cases where it deems the same desirable. The ownership of registered Bonds and the amount, maturity, number and date of holding the same shall be proved by the registry books provided for in Section 2.08.

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

**SECTION 11.05 Waiver of Personal Liability.** No member, officer or employee of the Agency shall be individually or personally liable for the payment of the interest on or principal of the Bonds; but nothing herein contained shall relieve any member, officer or employee of the Agency from the performance of any official duty provided by law.

**SECTION 11.06 Acquisition of Bonds by Agency.** All Bonds acquired by the Agency, whether by purchase or gift or otherwise, shall be surrendered to the Trustee for cancellation.

**SECTION 11.07 Destruction of Canceled Bonds.** Whenever in the Indenture provision is made for return to the Agency of any Bonds which have been canceled pursuant to the provisions of the Indenture, the Trustee shall destroy such Bonds and furnish to the Agency a certificate of such destruction.

**SECTION 11.08 Content of Certificates and Reports.** Every certificate or report with respect to compliance with a condition or covenant provided for in the Indenture except the certificate contemplated by Section 11.07, shall include (a) a statement that the person or persons making or giving such certificate or report have read such covenant or condition 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 or opinions contained in such certificate or report 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 such covenant or condition has been complied with; and (d) a statement as to whether, in the opinion of the signers, such condition or covenant has been complied with.

Any such certificate made or given by an officer of the Agency may be based, insofar as it relates to legal matters, upon a certificate or opinion of or representations by counsel, unless such officer knows that the certificate or opinion or representations with respect to the matters upon which his certificate may be based, as aforesaid, are erroneous, or in the exercise of reasonable care should have known that the same were erroneous. Any such certificate or opinion or representation made or given by counsel may be based, insofar as it relates to factual matters information with respect to which is in the possession of the Agency, upon the certificate or opinion of or representations by an officer or officers of the Agency, unless such counsel knows that the certificate or opinion or representations with respect to the matters upon which his certificate, opinion or representation may be based, as aforesaid, are erroneous, or in exercise of reasonable care should have known that the same were erroneous.

**SECTION 11.09 Notice to Bond Insurer.** Whenever any notice, authorization, request or demand is required or permitted to be given to any party pursuant to this Indenture, such notice, authorization, request or demand shall also be given in writing to the Bond Insurer, if any, by registered or certified mail at the address specified by such Bond Insurer. The Trustee shall notify the Bond Insurer of any known failure of the Agency to provide to the Trustee relevant notices, certificates, reports or other documents hereunder. Notwithstanding any other provision hereof, the Trustee shall notify the Bond Insurer immediately if at any time there are insufficient moneys to make any payments of principal or interest as required hereunder and immediately upon the Trustee having actual knowledge of the occurrence of any Event of Default or any event, which with the passage of time could become an Event of Default. The Agency and the Trustee agree to provide the Bond Insurer with any additional information concerning the Bonds as the Bond Insurer may reasonably request.

**SECTION 11.10 Continuing Disclosure.** The Agency hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Agreement executed by the Agency in connection with the issuance of the Series 2005A Bonds (the "Continuing Disclosure Agreement"). Notwithstanding any other provision of this Indenture, failure of the Agency to comply with the Continuing Disclosure Agreement shall not be considered an Event of Default hereunder; *provided, however*, that the Trustee at the written direction of any underwriter or the Owners of at least 25% aggregate principal amount of Series 2005A Bonds, shall (but only to the extent funds in an amount satisfactory to the Trustee have been provided to it or it has been otherwise indemnified to its satisfaction from any cost, liability, expense or additional charges and fees of the Trustee whatsoever, including, without limitation, fees and expenses of its attorneys), or any Owner or beneficial owner of the Series 2005A Bonds may, take such actions as may be necessary and appropriate to compel performance, including seeking mandate or specific performance by court order.

**SECTION 11.11 Funds and Accounts.** Any fund or account required by the Indenture to be established and maintained by the Agency or the Trustee may be established and maintained in the accounting records of the Agency or the Trustee either as a fund or an

account, and may, for the purposes of such records, any audits thereof and any reports or statements with respect thereto, be treated either as a fund or as an account; but all such records with respect to all such funds and accounts shall at all times be maintained in accordance with sound accounting practices and with due regard for the protection of the security of the Bonds and the rights of the Owners.

**SECTION 11.12 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 of the Indenture.

All references herein to "Articles," "Sections" and other subdivisions are to the corresponding articles, sections or subdivisions of the Indenture; and the words "herein," "hereof," "hereunder" and other words of similar import refer to the Indenture as a whole and not to any particular article, section or subdivision hereof.

**SECTION 11.13 Partial Invalidity.** If any one or more of the agreements or covenants or portions thereof provided in the Indenture to be performed on the part of the Agency (or of the Trustee) should 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 of the Indenture or of the Bonds; but the Owners shall retain all the rights and benefits accorded to them under the Law or any other applicable provisions of law. The Agency hereby declares that it would have adopted the Indenture and each and every other section, paragraph, subdivision, sentence, clause and phrase hereof and would have authorized the issuance of the Bonds pursuant hereto irrespective of the fact that any one or more sections, paragraphs, subdivisions, sentences, clauses or phrases of the Indenture or the application thereof to any person or circumstance may be held to be unconstitutional, unenforceable or invalid.

**SECTION 11.14 Execution in Several Counterparts.** This Indenture may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original; and all such counterparts, or as many of them as the Agency and the Trustee shall preserve undestroyed, shall together constitute but one and the same instrument.

**SECTION 11.15 Business Days.** When any action is provided for herein to be done on a day named or within a specified time period, and the day or the last day of the period falls on a day other than a day which is not a Saturday, a Sunday, or a day on which banks located in the city where the principal corporate trust office of the Trustee is located are required or authorized to remain closed (a "business day"), such action may be performed on the next ensuing business day with the same effect as though performed on the appointed day or within the specified period.

**SECTION 11.16 Governing Law.** This Indenture shall be governed and construed in accordance with the laws of the State of California.

**SECTION 11.17** Notices. Whenever any notice is required to be given hereunder, such notice shall be mailed, first class mail, postage prepaid, to the following parties at the following addresses:

If to the Agency: Redevelopment Agency of the  
County of San Diego  
1600 Pacific Highway, Room 166  
San Diego, California 92101

If to the Trustee: The Bank of New York Trust Company, N.A.  
700 South Flower Street, Suite 500  
Los Angeles, California 90017  
Attn: Corporate Trust Department

The Trustee agrees to accept and act upon facsimile transmission of written instructions and/or directions pursuant to this Indenture provided, however, that: (a) subsequent to such facsimile transmission of written instructions and/or directions the Trustee shall forthwith receive the originally executed instructions and/or directions, (b) such originally executed instructions and/or directions shall be signed by a person as may be designated and authorized to sign for the party signing such instructions and/or directions; and (c) the Trustee shall have received a current incumbency certificate containing the specimen signature of such designated person.

IN WITNESS WHEREOF, the REDEVELOPMENT AGENCY OF THE COUNTY OF SAN DIEGO has caused this Indenture to be signed in its name by its Chairperson or Vice Chairperson, Executive Director, Chief Financial Officer, Treasurer, or Capital Finance Manager, and THE BANK OF NEW YORK TRUST COMPANY, N.A., 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 date and year first above written.

**REDEVELOPMENT AGENCY OF THE  
COUNTY OF SAN DIEGO**

By *Lisa Kelly Adams*  
Authorized Officer

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


By \_\_\_\_\_  
Authorized Officer

**IN WITNESS WHEREOF**, the REDEVELOPMENT AGENCY OF THE COUNTY OF SAN DIEGO has caused this Indenture to be signed in its name by its Chairperson or Vice Chairperson, Executive Director, Chief Financial Officer, Treasurer, or Capital Finance Manager, and THE BANK OF NEW YORK TRUST COMPANY, N.A., 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 date and year first above written.

**REDEVELOPMENT AGENCY OF THE  
COUNTY OF SAN DIEGO**

By \_\_\_\_\_  
Authorized Officer

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

By  \_\_\_\_\_  
Authorized Officer

APPENDIX A

[FORM OF BOND]

No. [AI-\_\_\_][AMT-\_\_\_]

\$ \_\_\_\_\_

REDEVELOPMENT AGENCY OF THE COUNTY OF SAN DIEGO  
 GILLESPIE FIELD PROJECT  
 REVENUE REFUNDING BOND, [SERIES 2005A-1 OR SERIES 2005AMT, AS  
 APPROPRIATE]

RATE OF INTEREST:	MATURITY DATE:	DATED DATE:	CUSIP:
	December 1, 20__	_____, 2005	

Registered Owner:

Principal Amount: \$ \_\_\_\_\_

THE REDEVELOPMENT AGENCY OF THE COUNTY OF SAN DIEGO, a public body, corporate and politic, duly organized and existing under and pursuant to the laws of the State of California (the "Agency"), for value received hereby promises to pay to the registered owner specified above, or registered assigns, on the Maturity Date specified above the Principal Amount specified above, together with interest thereon from the interest payment date next preceding the date of authentication on this Bond (unless this Bond is authenticated during the period from the 16th day of the month next preceding an interest payment date to and including such interest payment date, in which event it shall bear interest from such interest payment date, or unless this Bond is authenticated on or before the fifteenth day of the month next preceding the first interest payment date, in which event it shall bear interest from the dated date) until the principal hereof shall have been paid, at the Rate of Interest specified above, payable on June 1, 2006 and semiannually thereafter on June 1 and December 1 in each year. Both the interest hereon and principal hereof are payable in lawful money of the United States of America. The principal (or redemption price) hereof is payable upon surrender hereof at maturity or the earlier redemption hereof at the Principal Corporate Trust Office (as defined in the Indenture) of The Bank of New York Trust Company, N.A., as Trustee. Interest hereon is payable by check mailed on the applicable Interest Payment Date by first class mail to the person in whose name this Bond is registered at the close of business on the 15th day of the month next preceding the applicable interest payment date at such person's address as it appears on the registration books of the Trustee, or upon written request of an owner, received prior to the 15th day of the month preceding an interest payment date, of at least \$1,000,000 in aggregate principal amount of Bonds, by wire transfer in immediately available funds to an account designated by such owner within the continental United States.

This Bond is one of a duly authorized issue of Redevelopment Agency of the County of San Diego, Gillespie Field Project Revenue Refunding Bonds, Series 2005[A-1][AMT] (the "Bonds"), limited in aggregate principal amount to \$ \_\_\_\_\_, all of like tenor and date (except for such variations, if any, as may be required to designate varying numbers, maturities, interest rates or redemption provisions), all issued under the provisions of the Community Redevelopment Law of the State of California, as supplemented and amended (the "Law"), and pursuant to the provisions of an Indenture, dated as of December 1, 2005 (the "Indenture"), between the Agency and the Trustee. All Bonds are equally and ratably secured in accordance with the terms and conditions of the Indenture, and reference is hereby made to the Indenture, to any indentures supplemental thereto and to the Law for a description of the terms on which the Bonds are issued, for the provisions with regard to the nature and extent of the security provided for the Bonds and of the nature, extent and manner of enforcement of such security, and for a statement of the rights of the registered owners of the Bonds; and all the terms of the Indenture and the Law are hereby incorporated herein and constitute a contract between the Agency and the registered owner from time to time of this Bond, and to all the provisions thereof the registered owner of this Bond, by his acceptance hereof, consents and agrees. Each registered owner hereof shall have recourse to all the provisions of the Law and the Indenture and shall be bound by all the terms and conditions thereof.

The Bonds are issued to provide funds to aid in the refinancing of the Gillespie Field Project of the Agency, a duly adopted redevelopment project in the County of San Diego, California, as more particularly described in the Indenture. The Bonds are special obligations of the Agency and are payable, as to interest thereon, principal thereof and any premiums upon the redemption thereof, exclusively from certain tax revenues (the "Tax Revenues"), and the Agency is not obligated to pay them except from the Tax Revenues. The Bonds are equally secured by a pledge of, and charge and lien upon, the Tax Revenues, and the Tax Revenues constitute a trust fund for the security and payment of the interest on and principal of and redemption premiums, if any, on the Bonds. Additional tax allocation bonds payable from the Tax Revenues may be issued which will rank equally as to security with the Bonds, but only subject to terms and conditions set forth in the Indenture.

The Agency hereby covenants and warrants that, for the payment of the interest on and principal of and redemption premium, if any, on this Bond and all other Bonds issued under the Indenture when due, there has been created and will be maintained by the Trustee a special fund into which all Tax Revenues shall be deposited, and as an irrevocable charge the Agency has allocated the Tax Revenues solely to the payment of the interest on and principal of and redemption premiums, if any, on the Bonds, and the Agency will pay promptly when due the interest on and principal of and redemption premium, if any, on this Bond and all other Bonds of this issue and all additional tax allocation bonds authorized by the Indenture out of said special fund, all in accordance with the terms and provisions set forth in the Indenture.

The Bonds are subject to optional and mandatory redemption, as provided in the Indenture.

As provided in the Indenture, notice of redemption of this Bond shall be mailed not less than thirty (30) days nor more than sixty (60) days before the redemption date to the

registered owner hereof, but failure to receive such notice shall not affect the sufficiency of such proceedings for redemption. If notice of redemption has been duly given as aforesaid and money for payment of the above described redemption price is held by the Trustee, then such Bonds shall, on the redemption date designated in such notice, become due and payable at the above described redemption price; and from and after the date so designated interest on the Bonds so called for redemption shall cease to accrue and registered owners of such Bonds shall have no rights in respect thereof except to receive payment of such redemption price thereof.

In lieu of redemption of any term Bond, amounts on deposit in the Special Fund or in the Sinking Account therein may also be used and withdrawn by the Trustee at any time, for the purchase of such term Bonds upon the terms and conditions set forth in the Indenture.

If an event of default, as defined in the Indenture, shall occur, the principal of all Bonds may be declared due and payable upon the conditions, in the manner and with the effect provided in the Indenture; except that the Indenture provides that in certain events such declaration and its consequences may be rescinded by the registered owners of at least twenty five per cent (25%) in aggregate principal amount of the Bonds then outstanding.

The Bonds are issuable only in the form of fully registered Bonds in the denomination of \$5,000 and any integral multiple of \$5,000 (not exceeding the principal amount of Bonds maturing at any one time). The owner of any Bond or Bonds may surrender the same at the above mentioned office of the Trustee in exchange for an equal aggregate principal amount of fully registered Bonds of any other authorized denominations, in the manner, subject to the conditions and upon the payment of the charges provided in the Indenture.

This Bond is transferable, as provided in the Indenture, only upon a register to be kept for that purpose at the above mentioned office of the Trustee by the registered owner hereof in person, or by his duly authorized attorney, upon surrender of this Bond together with a written instrument of transfer satisfactory to the Trustee duly executed by the registered owner or his duly authorized attorney, and thereupon a new fully registered Bond or Bonds, in the same aggregate principal amount, shall be issued to the transferee in exchange therefor as provided in the Indenture, and upon payment of the charges therein prescribed. The Agency and the Trustee may deem and treat the person in whose name this Bond is registered as the absolute owner hereof for the purpose of receiving payment of, or on account of, the interest hereon and principal hereof and redemption premium, if any, hereon and for all other purposes.

The Trustee shall not be required to issue, register the transfer of or exchange any Bond during the fifteen (15) days preceding any date established by the Trustee for selection of Bonds for redemption or any Bonds which have been selected for redemption.

The rights and obligations of the Agency and of the registered owners of the Bonds may be amended at any time in the manner, to the extent and upon the terms provided in the Indenture, but no such amendment shall (1) extend the maturity of this Bond, or reduce the interest rate hereon, or otherwise alter or impair the obligation of the Agency to pay the interest hereon or principal hereof or any premium payable on the redemption hereof at the time and place and at the rate and in the currency provided herein, without the express written consent of the registered owner of this Bond, or (2) permit the creation by the Agency of any mortgage,

pledge or lien upon the Tax Revenues superior to or on a parity with the pledge and lien created in the Indenture for the benefit of the Bonds and all additional tax allocation bonds authorized by the Indenture or (3) reduce the percentage of Bonds required for the written consent to an amendment of the Indenture, or (4) modify any rights or obligations of the Trustee without its prior written assent thereto; all as more fully set forth in the Indenture.

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

This Bond is not a debt of the County of San Diego, the State of California or any of its political subdivisions, and neither said County, and State nor any of its political subdivisions is liable hereon, nor in any event shall this Bond or any interest hereon or any redemption premium hereon be payable out of any funds or properties other than those of the Agency. The Bonds do not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction, and neither the members of the Agency nor any persons executing the Bonds shall be personally liable on the Bonds by reason of their issuance.

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

It is hereby certified that all of the acts, conditions and things required to exist, to have happened or to have been performed precedent to and in the issuance of this Bond do exist, have happened and have been performed in due time, form and manner as required by law and that the amount of this Bond, together with all other indebtedness of the Agency, does not exceed any limit prescribed by the Constitution or laws of the State of California, and is not in excess of the amount of Bonds permitted to be issued under the Indenture.

IN WITNESS WHEREOF, the Redevelopment Agency of the County of San Diego has caused this Bond to be executed in its name and on its behalf by its Chairperson and attested by its Secretary, and has caused this Bond to be dated as of the Dated Date stated above.

REDEVELOPMENT AGENCY OF THE  
COUNTY OF SAN DIEGO

By \_\_\_\_\_  
Chairperson

Attest:

\_\_\_\_\_  
Secretary

This is one of the Bonds described in the within mentioned Indenture which has been authenticated and registered on

\_\_\_\_\_ as Trustee

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

**ATTACHMENT A**

For value received the undersigned do(es) hereby sell, assign and transfer unto the within mentioned registered Bond and do(es) hereby irrevocably constitute and appoint attorney to transfer the same on the bond register of the Trustee, with full power of substitution in the premises.

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

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

**REDEVELOPMENT AGENCY OF THE COUNTY OF SAN DIEGO  
GILLESPIE FIELD PROJECT  
REVENUE REFUNDING BONDS, SERIES 2005A**

**CERTIFICATE OF MAILING**

I, Kellie S. Boles, of Orrick, Herrington & Sutcliffe LLP, hereby state and certify that for and on behalf of the Redevelopment Agency of the County of San Diego, on the date hereof, caused to be mailed two (2) Reports of Final Sale, pertaining to the Series 2005A-1 Bonds and the Series 2005AMT Bonds, postage prepaid, to the California Debt and Investment Advisory Commission at 915 Capitol Mall, Room 400, Sacramento, California 95814, a true copy of each such Report is attached hereto.

Dated: December 22, 2005



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Kellie S. Boles, Project Manager  
Orrick, Herrington & Sutcliffe LLP

<b>OLD VS. NEW</b>	
<b>OLD MTB TRANSFER</b>	<b>NEW DART TRANSFER</b>
MTB DT Transfer Summary Report	Preview Accounting
MTB Descriptive Flexfields	Sub-Batch Types: PY Transfer, Operating Transfer and Due From/Due To
System Generated Account 21158	System Generated Accounts 10806 and 24766

