
FISCAL AGENT AGREEMENT

by and between

CITY OF CORONA

and

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.
as Fiscal Agent

Dated as of _____ 1, 2020

Relating to

Community Facilities District No. 2004-1
(Buchanan Street)
of the City of Corona
County of Riverside
State of California

\$ _____
2020 Special Tax Refunding Bond

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FISCAL AGENT AGREEMENT

THIS FISCAL AGENT AGREEMENT (the "Agreement") is entered into and dated as of _____ 1, 2020, by and between City of Corona, a municipal corporation (the "City"), for and on behalf of Community Facilities District No. 2004-1 (Buchanan Street) of the City of Corona, County of Riverside, State of California (the "District") and The Bank of New York Mellon Trust Company, N.A., a national banking association, duly organized and existing under the laws of the United States of America, as fiscal agent (the "Fiscal Agent").

W I T N E S S E T H:

WHEREAS, the City Council of the City (the "City Council") has established the District pursuant to the provisions of the Mello-Roos Community Facilities Act of 1982, as amended, Chapter 2.5 (commencing with Section 53311) of Part 1 of Division 2 of Title 5 of the California Government Code (the "Act"); and

WHEREAS, bonds designated "Community Facilities District No. 2004-1 (Buchanan Street) of the City of Corona 2006 Special Tax Bonds" (the "Refunded Bonds") have been issued in the aggregate principal amount of \$3,805,000 and are outstanding in the aggregate principal amount of \$[_____], and the City Council has determined that it is in the best interest of the owners of property in the District that a bond (hereinafter referred to as the "Bond") be issued to defease and refund the outstanding Refunded Bonds; and

WHEREAS, the City Council has determined that the Bond shall be issued in the aggregate principal amount of \$_____ ; and

WHEREAS, all things necessary to cause such bond, when executed by the City and authenticated by the Fiscal Agent for the District and issued as in the Act, the Resolution (as hereinafter defined) and this Agreement provided, to be a legal, valid and binding special obligation of the District in accordance with its terms, and all things necessary to cause the authorization, execution and delivery of this Agreement and the authorization, execution, authentication and delivery of such bond, subject to the terms hereof, have in all respects been duly authorized; and

NOW, THEREFORE, in consideration of the covenants and provisions herein set forth and for other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto do hereby agree as follows:

ARTICLE I

AUTHORITY AND DEFINITIONS

Section 1.01. Authority for this Agreement. This Agreement is entered into pursuant to the provisions of the Act and the Resolution.

Section 1.02. Agreement for Benefit of Bondowner. The provisions, covenants and agreements herein set forth to be performed by or on behalf of the City and/or the District shall be for the equal benefit, protection and security of the Owner. If Parity Bonds are issued for the purpose of discharging the indebtedness of a portion of the Outstanding Bond, as provided in Sections 2.12 and 10.03 hereof, written consent of the Owner shall be required prior to issuance and the provisions of this Section 1.02 shall apply to such Parity Bonds to the same extent and with the same effect as they apply to the Bond.

Section 1.03. Definitions. Unless the context otherwise requires, the terms defined in this Section 1.03 shall, for all purposes of this Agreement, of any Supplemental Agreement, and of any certificate, opinion or other document herein mentioned, have the meanings herein specified. All references herein to “Articles,” “Sections” and other subdivisions are to the corresponding Articles, Sections or subdivisions of this Agreement, and the words “herein,” “hereof,” “hereunder” and other words of similar import refer to this Agreement as a whole and not to any particular Article, Section or subdivision hereof.

“Act” means the Mello-Roos Community Facilities Act of 1982, as amended, Chapter 2.5 (commencing with Section 53311) of Part 1 of Division 2 of Title 5 of the California Government Code.

“Administrative Expenses” means any or all of the following: the fees and expenses of the Fiscal Agent (including the fees and expenses of its counsel), the expenses of the City, acting for and on behalf of the District, or the District in carrying out its duties hereunder (including, but not limited to, the levying and collection of the Special Taxes, complying with the disclosure provisions of the Act and this Agreement, including those related to public inquiries regarding the Special Tax and disclosures to the Owner); the costs of the City and the District or their designees related to an appeal of the Special Tax; any costs of the City and the District (including fees and expenses of counsel) to defend the first lien on and pledge of the Special Taxes to the payment of the Bond or otherwise in respect of litigation relating to the District or the Bond or with respect to any other obligations of the District, the salaries of City staff directly related to the carrying out by the City, for and on behalf of the District, the District’s obligations hereunder and a proportionate amount of City general administrative overhead related thereto allocable to the Bond; and all other costs and expenses of the City, the District, and the Fiscal Agent incurred in connection with the discharge of their respective duties hereunder, and in the case of the City, in any way related to the administration of the District and all actual costs and expenses incurred in connection with the administration of the Bond. Included in the Administrative Expenses shall be the Priority Administrative Expense in the amount of \$30,000 annually.

“Administrative Expense Fund” means the fund by that name established by Section 3.04(A) hereof.

“Agreement” means this Agreement, as it may be amended or supplemented from time to time by any Supplemental Agreement adopted pursuant to the provisions hereof.

“Annual Debt Service” means, for each Bond Year, the sum of (i) the interest due on the Outstanding Bond in such Bond Year, assuming that the Outstanding Bond is retired as scheduled, and (ii) the principal amount of the Outstanding Bond scheduled to be paid.

“Auditor” means the Auditor-Controller of the County of Riverside.

“Authorized Officer” means the City Manager or Finance Director of the City to undertake the action referenced in this Agreement as required to be undertaken by an Authorized Officer.

“Bond Counsel” means any attorney or firm of attorneys acceptable to the City and nationally recognized for expertise in rendering opinions as to the legality and tax-exempt status of securities issued by public entities.

“Bond Fund” means the fund by that name established by Section 4.02(A) hereof.

“Bond Year” means the period beginning on the Closing Date and ending on September 1, 2020 and thereafter each successive period beginning on each September 2 and ending on the following September 1.

“Bond” means, unless otherwise expressly provided, the Community Facilities District No. 2004-1 (Buchanan Street) of the City of Corona 2020 Special Tax Refunding Bond authorized by and at any time Outstanding pursuant to the Act and this Agreement.

“Business Day” means any day other than (i) a Saturday or a Sunday or (ii) a day on which banking institutions in the State of California or in any state in which the Fiscal Agent has its Principal Office are authorized or obligated by law or executive order to be closed.

“CDIAC” means the California Debt and Investment Advisory Commission or any public official or agency succeeding to its information collection functions under California Government Code Section 53359.5(b) and (c).

“City” means the City of Corona.

“City Council” means the City Council of the City.

“Closing Date” means the date upon which there is an exchange of the Bond for the proceeds representing payment of the purchase price of the Bond by the Original Purchaser.

“Code” means the Internal Revenue Code of 1986, as amended.

“Costs of Issuance” means items of expense payable or reimbursable directly or indirectly by the District and related to the authorization, sale and issuance of the Bond, which items of expense shall include, but not be limited to, printing costs, costs of reproducing and binding documents, closing costs, filing and recording fees, initial fees and charges of the Fiscal Agent including its first annual administration fee and the fees of its counsel, expenses incurred by the District in connection with the issuance of the Bond, legal fees and charges, including the fees of Bond Counsel, counsel to the Original Purchaser, financial advisor’s fees, charges for

authentication, transportation and safekeeping of the Bond and other costs, charges and fees in connection with the foregoing.

“Costs of Issuance Fund” means the fund by that name established by Section 3.05(A) hereof.

“Debt Service” means the amount of interest and principal payable on the Bond scheduled to be paid during the period of computation, excluding amounts payable during such period which relate to principal of the Bond which are scheduled to be retired and paid before the beginning of such period.

“Defeasance Obligations” means any of the following:

- (i) cash;
- (ii) direct obligations (other than an obligation subject to variation in principal repayment) of the United States of America (“United States Treasury Obligations”);
- (iii) obligations fully and unconditionally guaranteed as to timely payment of principal and interest by the United States of America;
- (iv) obligations fully and unconditionally guaranteed as to timely payment of principal and interest by any agency or instrumentality of the United States of America when such obligations are backed by the full faith and credit of the United States of America; or
- (v) evidences of ownership of proportionate interests in future interest and principal payments on obligations described above held by a bank or trust company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor and the underlying government obligations are not available to any person claiming through the custodian or to whom the custodian may be obligated.

“EMMA” means the Municipal Securities Rulemaking Board’s Electronic Municipal Market Access service.

“Escrow Agent” means The Bank of New York Mellon Trust Company, N.A., acting as Escrow Agent pursuant to the Escrow Agreement.

“Escrow Agreement” means the Escrow Agreement dated as of _____ 1, 2020 to be entered into by the City and the Escrow Agent whereby Proceeds of the Bond will be deposited in the Escrow Fund for the defeasance and refunding of the Refunded Bonds.

“Federal Securities” 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:

- (i) Cash; and

(ii) Direct general obligations of (including obligations issued or held in book entry form on the books of the Department of the Treasury of the United States of America and CATS and TIGRS), or obligations, the payment of principal of and interest on which is unconditionally guaranteed by, the United States of America.

“Fiscal Agent” means The Bank of New York Mellon Trust Company, N.A., the Fiscal Agent appointed by the City, acting as an independent fiscal agent with the duties and powers herein provided, its successors and assigns, and any other corporation or association which may at any time be substituted in its place, as provided in Section 7.01 hereof.

“Fiscal Year” means the twelve-month period extending from July 1 in a calendar year to June 30 of the succeeding year, both dates inclusive.

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

“Independent Financial Consultant” means a firm of certified public accountants, a financial consulting firm, a consulting engineering firm or engineer which is not an employee of, or otherwise controlled by the City, or the Special Tax Consultant.

“Information Services” means EMMA and, in accordance with then current guidelines of the Securities and Exchange Commission, such other services providing information with respect to called bonds as the City may designate in an Officer’s Certificate delivered to the Fiscal Agent.

“Interest Account” means the account by that name established by the Fiscal Agent in the Bond Fund pursuant to Section 4.02(A) hereof.

“Interest Payment Dates” means March 1 and September 1 of each year, commencing March 1, 2020.

“Investment Earnings” means all interest earned and any gains and losses on the investment of moneys in any fund or account created by this Agreement excluding interest earned and gains and losses on the investment of moneys in the Rebate Fund.

“Letter of Representation” means a letter substantially in the form attached hereto as Exhibit B delivered by the Original Purchaser and each subsequent purchaser of the Bond to the District to the effect, among other things, that such purchaser (a) has such knowledge and experience in financial and business matters that it is capable of evaluating the merits and risks of the Bond, (b) is acquiring the Bond for its own account for deposit in its loan portfolio, and (c) has no present intention of selling, negotiating, transferring, or otherwise disposing of the Bond so purchased.

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

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

“Maximum Annual Debt Service” means the largest Annual Debt Service for any Bond Year after the calculation is made through the final maturity date of the Outstanding Bond.

“Moody’s” shall mean Moody’s Investors Service, Inc., a national rating service with offices in New York, New York.

“Officer’s Certificate” means a written certificate of the City signed by an Authorized Officer of the City.

“Ordinance” means any ordinance of the City or resolution of the City Council levying the Special Taxes.

“Original Purchaser” means BBVA Mortgage Corporation, an Alabama corporation and its successors, assigns and transferees.

“Outstanding,” when used as of any particular time with reference to the Bond, means (subject to the provisions of Section 8.04 hereof) the Bond except if the:

- (i) The Bond is canceled by the Fiscal Agent or surrendered to the Fiscal Agent for cancellation;
- (ii) The Bond is paid or deemed to have been paid within the meaning of Section 10.03 hereof; and
- (iii) The Bond in lieu of or in substitution for which another Bond shall have been authorized, executed, issued and delivered by the City and authenticated by the Fiscal Agent pursuant to this Agreement or any Supplemental Agreement.

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

“Parity Bonds” means bonds issued by the District pursuant to Section 2.12 hereof for the purpose of accomplishing the defeasance of a portion of the Outstanding Bond pursuant to Section 10.03 hereof, and that are secured by a pledge of and lien upon the Special Tax Revenues and funds pledged herein for the payment of the Bond hereunder on a parity with the Outstanding Bond.

“Permitted 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 money proposed to be invested therein:

- (1) Any Defeasance Obligation.
- (2) Federal Housing Administration debentures.
- (3) Direct obligations of the following federal agencies which are not fully guaranteed by the faith and credit of the United States of America:
 - (a) Federal Home Loan Mortgage Corporation (“FHLMCs”) – participation certificates (excluding stripped mortgage securities which are purchased at prices exceeding their principal amounts) and senior debt obligations.
 - (b) Farm Credit Banks (formerly: Federal Land Banks, Federal Intermediate Credit Banks and Banks for Cooperatives) – consolidated system-wide bonds and notes.
 - (c) Federal Home Loan Banks – consolidated debt obligations.
 - (d) Federal National Mortgage Association (“FNMA”) – senior debt obligations and mortgage backed securities (excluding stripped mortgage securities which are purchased at prices exceeding their principal amounts).
 - (e) Financing Corporation (FICO) – debt obligations.
 - (f) Resolution Funding Corporation – debt obligations.
- (4) Unsecured certificates of deposit, time deposits, and bankers’ acceptances (having maturities of not more than 30 days) of any bank including the Fiscal Agent and its affiliates the short-term obligations of which are rated “A-1” or better by S&P.
- (5) Deposits the aggregate amount of which are fully insured by the Federal Deposit Insurance Corporation (FDIC), in banks which have capital and surplus of at least \$5 million.
- (6) Commercial paper (having original maturities of not more than 30 days) rated at the time of purchase “A-1+” at the time of purchase by S&P and “Prime-1” by Moody’s.

(7) Money market funds rated in the highest rating category by S&P and Moody's, including such funds for which the Fiscal Agent, its affiliates or subsidiaries provide investment advisory or other management services or for which the Fiscal Agent or an affiliate of the Fiscal Agent serves as investment administrator, shareholder servicing agent, and/or custodian or subcustodian, notwithstanding that (i) the Fiscal Agent or an affiliate of the Fiscal Agent receives and realizes a fee for services provided to the fund, (ii) the Fiscal Agent collects fees for services rendered pursuant to this Agreement, which fees are separate from the fees received from such funds, and (iii) services performed for such funds and pursuant to this Agreement may at times duplicate those provided to such funds by the Fiscal Agent or an affiliate of the Fiscal Agent;

(8) "State Obligations," which means:

(a) Direct general obligations of any state of the United States of America or any subdivision or agency thereof to which is pledged the full faith and credit of a state the unsecured general obligation debt of which is rated "A3" by Moody's and "A" by S&P, or better, or any obligation fully and unconditionally guaranteed by any state, subdivision or agency whose unsecured general obligation debt is so rated.

(b) Direct general short-term obligations of any state agency or subdivision or agency thereof described in (a) above and rated "A-1+" by S&P and "MIG-1" by Moody's.

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

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

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

(b) the municipal obligations are secured by cash or United States Treasury Obligations (as defined in paragraph (1) of the definition of Defeasance Obligations) which may be applied only to payment of the principal of, interest and premium on such municipal obligations;

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

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

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

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

(10) Repurchase agreements with (1) any domestic bank, or domestic branch of a foreign bank, the long term debt of which is rated at least “AA” by S&P and Moody’s; or (2) any broker-dealer with “retail customers” or a related affiliate thereof which broker-dealer has, or the parent company (which guarantees the provider) of which has, long-term debt rated at least “AA” by S&P and Moody’s, which broker-dealer falls under the jurisdiction of the Securities Investors Protection Corporation; or (3) any other entity rated “AA” or better by S&P and Moody’s, provided that:

(a) The market value of the collateral is maintained at levels and upon such conditions as would be acceptable to S&P and Moody’s to maintain an “A” rating in an “A” rated structured financing (with a market value approach);

(b) The Fiscal Agent or a third party acting solely as agent therefor or for the District (the “Holder of the Collateral”) has possession of the collateral or the collateral has been transferred to the Holder of the Collateral in accordance with applicable state and federal laws (other than by means of entries on the transferor’s books);

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

(d) All other requirements of S&P and Moody’s in respect of repurchase agreements shall be met.

(e) The repurchase agreement shall provide that if during its term the provider’s rating by either Moody’s or S&P is withdrawn or suspended or falls below “A-” by S&P or “A3” by Moody’s, as appropriate, the provider must, at the direction of the District or the Fiscal Agent, within 10 days of receipt of such direction, repurchase all collateral and terminate the agreement, with no penalty or premium to the District or Fiscal Agent.

Notwithstanding the above, if a repurchase agreement has a term of 270 days or less (with no evergreen provision), collateral levels need not be as specified in (a) above, so long as

such collateral levels are 103% or better and the provider is rated at least “A” by S&P and Moody’s, respectively.

(11) Investment agreements with a domestic or foreign bank or corporation (other than a life or property casualty insurance company) the long-term debt of which, or, in the case of a guaranteed corporation the long-term debt is rated at least AA (stable) by S&P and Aa (stable) by Moody’s, or, in the case of a monoline financial guaranty insurance company, claims paying ability of the guarantor is rated at least “AAA (stable)” by S&P and “Aaa (stable)” by Moody’s; provided that, by the terms of the investment agreement:

(a) interest payments are to be made to the Fiscal Agent at times and in amounts as necessary to pay debt service (or, if the investment agreement is for the construction fund, construction draws) on the Bond;

(b) the invested funds are available for withdrawal without penalty or premium, at any time upon not more than seven days’ prior notice; the District and the Fiscal Agent hereby agree to give or cause to be given notice in accordance with the terms of the investment agreement so as to receive funds thereunder with no penalty or premium paid;

(c) the investment agreement shall state that is the unconditional and general obligation of, and is not subordinated to any other obligation of, the provider thereof or, if the provider is a bank, the agreement or the opinion of counsel shall state that the obligation of the provider to make payments thereunder ranks pari passu with the obligations of the provider to its other depositors and its other unsecured and unsubordinated creditors;

(d) the District or the Fiscal Agent receives the opinion of domestic counsel (which opinion shall be addressed to the District) that such investment agreement is legal, valid, binding and enforceable upon the provider in accordance with its terms and of foreign counsel (if applicable);

(e) the investment agreement shall provide that if during its term

(i) the provider’s rating by either S&P or Moody’s falls below “AA-” or “Aa3,” respectively, the provider shall, at its option, within 10 days of receipt of publication of such downgrade, either (i) collateralize the investment agreement by delivering or transferring in accordance with applicable state and federal laws (other than by means of entries on the provider’s books) to the District, the Fiscal Agent or a third party acting solely as agent therefor (the “Holder of the Collateral”) collateral free and clear of any third-party liens or claims the market value of which collateral is maintained at levels and upon such conditions as would be acceptable to S&P and Moody’s to maintain an “A” rating in an “A” rated structured financing (with a market value approach); or (ii) repay the principal of and accrued but unpaid interest on the investment, and

(ii) the provider's rating by either S&P or Moody's is withdrawn or suspended or falls below "A-" or "A3," respectively, the provider must, at the direction of the District or the Fiscal Agent, within 10 days of receipt of such direction, repay the principal of and accrued but unpaid interest on the investment, in either case with no penalty or premium to the District or the Fiscal Agent, and

(f) the investment agreement shall state and an opinion of counsel shall be rendered, in the event collateral is required to be pledged by the provider under the terms of the investment agreement, at the time such collateral is delivered, that the Holder of the Collateral has a perfected first priority security interest in the collateral, any substituted collateral and all proceeds thereof (in the case of bearer securities, this means the Holder of the Collateral is in possession); and

(g) the investment agreement must provide that if during its term

(i) the provider shall default in its payment obligations, the provider's obligations under the investment agreement shall, at the direction of the District or the Fiscal Agent, be accelerated and amounts invested and accrued but unpaid interest thereon shall be repaid to the District or the Fiscal Agent, as appropriate, and

(ii) the provider shall become insolvent, not pay its debts as they become due, be declared or petition to be declared bankrupt, etc. ("event of insolvency"), the provider's obligations shall automatically be accelerated and amounts invested and accrued but unpaid interest thereon shall be repaid to the District or the Fiscal Agent, as appropriate.

(12) The following investment pools:

(a) Local Agency Investment Fund (as set forth in Government Code Section 16429.1);

(b) Riverside County Investment Pool; and

(c) California Assessment Management Pool (CAMP).

"Principal Account" means the account by that name established by the Fiscal Agent pursuant to Section 4.02(A) hereof.

"Principal Office" means the corporate trust office of the Fiscal Agent in Los Angeles, California, or such other offices as may be specified to the City by the Fiscal Agent in writing; provided, however, that with respect to presentation of Certificates for payment or for registration of transfer and exchange such term shall mean the office or agency of the Fiscal Agent at which, at any particular time, its corporate trust agency business shall be conducted.

“Priority Administrative Expense Amount” means the amount of \$30,000 that will be deposited in the Administrative Expense Fund for each Fiscal Year pursuant to Section 3.03(B) hereof.

“Proceeds,” when used with reference to the Bond, means the aggregate principal amount of the Bond, plus accrued interest and premium, if any, less original issue discount, if any.

“Qualified Investor” means either (a) a “qualified institutional investor,” within the meaning of Rule 144A of the Securities Act of 1933 (the “Securities Act”); or (b) an “accredited investor” within the meaning of Rule 501 of Regulation D of the rules governing the limited offer and sale of securities without registration under the Securities Act.

“Rate and Method of Apportionment of Special Tax” means the Rate and Method of Apportionment of Special Tax for the District.

“Rebate Certificate” means the certificate delivered by the City upon the delivery of the Bond relating to Section 148 of the Code, or any functionally similar replacement certificate.

“Rebate Fund” means the fund by that name established by Section 6.02 hereof.

“Record Date” means the fifteenth (15th) day of the month next preceding the applicable Interest Payment Date whether or not such day is a Business Day.

“Refunded Bonds” means the Community Facilities District No. 2004-1 (Buchanan Street) of the City of Corona 2006 Special Tax Bonds.

“Regulations” means the temporary and permanent regulations of the United States Department of the Treasury promulgated under the Code.

“Reserve Fund” means the fund by that name established by Section 4.03(A) hereof.

[“Reserve Requirement” means _____.]

“Resolution” means Resolution No. _____ adopted by the City Council on, _____, 2019, authorizing the issuance of the Bond.

“Special Taxes” or “Special Tax” means the special taxes levied by the City on parcels of taxable property within the District pursuant to the Act and this Agreement.

“Special Tax Consultant” means an engineer or financial consultant or other such person or firm with expertise in the apportionment and levy of special taxes in community facilities districts which is employed by the City to assist the City in levying the Special Taxes.

“Special Tax Fund” means the fund by that name established by Section 3.03(A) hereof.

“Special Tax Prepayments” means amounts received by the City as prepayments of all or a portion of the Special Tax obligation of a parcel of property in the District.

“Special Tax Prepayment Account” means the account by that name established by the Fiscal Agent in the Bond Fund pursuant to Section 4.02(A) hereof.

“Special Tax Revenues” means the proceeds of the Special Taxes received by the City, including any scheduled payments thereof, interest and penalties thereon and proceeds of the redemption or sale of property sold as a result of foreclosure of the lien of the Special Taxes in the amount of said lien and interest and penalties thereon.

“S&P” means S&P Global Ratings, a Standard & Poor’s Financial Services LLC business, a national rating service with offices in New York, New York.

“Subordinate Bonds” means bonds issued by the District pursuant to Section 2.12 hereof for the purpose of accomplishing the defeasance of a portion of the Outstanding Bond pursuant to Section 10.03 hereof, and that are secured by a pledge of and lien upon the Special Tax Revenues and funds pledged herein for the payment of the Bond hereunder subordinate to the Outstanding Bond.

“Supplemental Agreement” means an agreement amending and supplementing this Agreement as permitted hereby.

“Surplus Account” means the Account by that name established in the Special Tax Fund by Section 3.03 (A) hereof.

ARTICLE II

THE BOND

Section 2.01. Principal Amount; Designation. The Bond, in the aggregate principal amount of \$ _____, is hereby authorized to be issued by the City for the District under and subject to the terms of the Resolution, this Agreement, the Act and other applicable laws of the State of California. The Bond shall be designated “Community Facilities District No. 2004-1 (Buchanan Street) of the City of Corona 2020 Special Tax Refunding Bond” and shall be issued in the form attached hereto as Exhibit A.

Notwithstanding the preceding provisions of this Section 2.01 or the provisions of Section 2.02, 2.03 and 3.01 or any other section hereof, so long as the Outstanding Bond is held by the Original Purchaser, the records of the Fiscal Agent with respect to the payment of the interest on and the principal of the Outstanding Bond shall be conclusive evidence of such payment and shall be binding upon the Owner of the Outstanding Bond. Upon payment of the principal of the Outstanding Bond and the interest due on the maturity date of the Bond, it shall be considered for all purposes to have been redeemed and to be no longer Outstanding. The Fiscal Agent shall provide to the Original Purchaser all payments, by mail or wire transfer, required pursuant to this Agreement without delivery of the Bond to the Original Purchaser.

Section 2.02. Terms of Bond.

(A) The Bond. The Bond shall be issued as a single bond that is fully registered, without coupons, in the denomination equal to the aggregate principal amount thereof. The Bond

shall be lettered and numbered in a customary manner as determined by the Fiscal Agent. The Bond shall be dated as of the Closing Date and shall be registered initially in the name of the Original Purchaser and shall not be delivered in book entry form, initially or upon subsequent transfer.

(B) Maturities. The Bond shall mature on September 1, 20__, and bear interest at the rate of [__]% per annum.

(C) Interest. Interest shall be calculated on the basis of a 360-day year composed of twelve 30-day months. The Bond shall bear interest from the Interest Payment Date next preceding the date of authentication thereof unless (i) it is authenticated on an Interest Payment Date, in which event it shall bear interest from such Interest Payment Date, or (ii) it is authenticated prior to an Interest Payment Date and after the close of business on the Record Date preceding such Interest Payment Date, in which event it shall bear interest from such Interest Payment Date, or (iii) it is authenticated prior to the Record Date preceding the first Interest Payment Date, in which event it shall bear interest from the Closing Date; provided, however, that if at the time of authentication of the Bond, interest is in default thereon, such Bond shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment thereon or from the Closing Date, if no interest has previously been paid or made available for payment thereon.

(D) Method of Payment. Interest on the Bond is payable by check of the Fiscal Agent mailed by first class mail, postage prepaid, on each Interest Payment Date, until the principal amount of the Bond has been paid or made available for payment, to the registered Owner thereof at such registered Owner's address as it appears on the registration books maintained by the Fiscal Agent at the close of business on the Record Date preceding the Interest Payment Date. The principal of the Bond is payable in lawful money of the United States of America by check of the Fiscal Agent upon surrender of such Bond at the Principal Office of the Fiscal Agent (other than pursuant to mandatory sinking fund redemption, as provided in Section 2.03(A) below or so long as the Original Purchaser is the Owner of the Bond or such Bond is privately held, in which case presentment of the Bond for payment of principal shall not be required); provided, however, that at the written request of the Owner of at least \$1,000,000 in aggregate principal amount of the Outstanding Bond filed with the Fiscal Agent prior to any Record Date, interest and mandatory sinking fund redemption payments on such Bond shall be paid to such Owner on each succeeding Interest Payment Date or mandatory sinking fund redemption date, as the case may be, by wire transfer of immediately available funds to an account in the United States of America designated in such written request. The Bond, or portions thereof, paid by the Fiscal Agent pursuant to this subsection shall be canceled by the Fiscal Agent.

Section 2.03. Redemption. The Bond is subject to optional redemption at the election of the City on any Interest Payment Date, in whole, or with the consent of the Original Purchaser so long as the Original Purchaser is the Owner of the Outstanding Bond, at a redemption price equal to the principal amount thereof to be redeemed, together with accrued interest to the date of redemption, without premium. The Bond is subject to mandatory redemption from special tax prepayments and sinking fund redemption as set forth in Section 2.03(A) and (B) below.

(A) Mandatory Redemption From Special Tax Prepayments. The Bond is subject to mandatory redemption prior to its stated maturity dates on or after September 1, 2020 and on each September 1 thereafter as directed in an Officer's Certificate to the Fiscal Agent and Owner, as selected among sinking fund payments by the City (and by lot within maturity), in minimum amounts of \$5,000 and integral multiples of \$5,000, from moneys derived by the City from Special Tax Prepayments, at redemption price equal to the principal amounts of the Bonds to be redeemed, together with accrued interest to the date of redemption; provided, however, any Special Tax Prepayments pursuant to this subsection shall be subject to a covenant of the City which will require that as a precondition to any prepayment made with respect to any parcel within the District a certification is provided by the City that, following any such prepayment, the ratio of (a) the amount of the maximum Special Taxes that may be levied on all parcels within the District on which a completed structure is located and remaining subject to the Special Taxes, to (b) the Maximum Annual Debt Service on the Bonds outstanding following such prepayment redemption is not less than 110%.

(B) Mandatory Sinking Fund Redemption. The Outstanding Bond is subject to mandatory sinking fund redemption, in part, on September 1, 20__, and on each September 1 thereafter to maturity, at a redemption price equal to the principal amount thereof to be redeemed, together with accrued interest to the date of redemption, without premium, and from sinking fund payments as follows:

Redemption Date (September 1)	<u>Sinking Fund Payment</u> \$
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(final maturity)

(C) Effect of Redemption. From and after the date fixed for redemption, if funds available for the payment of the redemption prices of the Bond called for redemption shall have been deposited in the Bond Fund, such Bond shall cease to be entitled to any benefit under this Agreement other than the right to receive payment of the redemption price, and interest shall cease to accrue on the Bond to be redeemed on the redemption date.

The Bond (or portions thereof) redeemed and purchased by the Fiscal Agent pursuant to this Section 2.03 shall not be required to be surrendered and shall be canceled by the Fiscal Agent. If less than all Bonds outstanding are to be redeemed pursuant to this Section 2.03, the Owner may surrender the Bond. Upon surrender of the Bond redeemed in part only, the City shall execute and the Fiscal Agent shall authenticate and deliver to the Owner, at the expense of the District, a new Bond, of the same maturity, of authorized denominations in an aggregate principal amount equal to the unredeemed portion of the Bond.

Section 2.04. Form of Bond. The Bond, including the Fiscal Agent's certificate of authentication and the assignment to appear thereon, shall be substantially in the form set forth in

Exhibit A attached hereto and by this reference incorporated herein, with necessary or appropriate variations, omissions and insertions as permitted or required by this Agreement. The Bond shall be issued as a single bond in denominations equal to \$1,000,000 and \$5,000 thereafter, or any multiple integral thereof.

Section 2.05. Execution of Bond. The Bond shall be executed on behalf of the District by the facsimile or manual signatures of the Mayor of the City and the City Clerk, who are in office on the date of this Agreement or at any time thereafter. If any officer whose signature appears on the Bond ceases to be such officer before delivery of the Bond to the Owner, such signature shall nevertheless be as effective as if the officer had remained in office until the delivery of the Bond to the Owner. The Bond may be signed and attested on behalf of the District by such persons as at the actual date of the execution of such Bond shall be the proper officers of the City although at the nominal date of such Bond any such person shall not have been such officer of the City.

The Bond as shall bear thereon a certificate of authentication in substantially the form set forth in Exhibit A hereto, manually executed and dated by the Fiscal Agent, shall be valid or obligatory for any purpose or entitled to the benefits of this Agreement, and such certificate of authentication of the Fiscal Agent shall be conclusive evidence that such Bond has been duly authenticated, registered and delivered hereunder, and are entitled to the benefits of this Agreement.

Section 2.06. Transfer of Bond. Any Bond may, in accordance with its terms, be transferred, in whole or in part, 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 duly written instrument of transfer and accompanied with a Letter of Representations, in the form set forth in Exhibit B hereto, and such Letter of Representations shall be conclusive evidence that such Letter has been duly executed and the Fiscal Agent may rely upon the representations set forth therein. The cost for any services rendered or any expenses incurred by the Fiscal Agent in connection with any such transfer shall be paid by the District. The Fiscal Agent shall collect from the Owner requesting such transfer any tax or other governmental charge required to be paid with respect to such transfer. Prior to any transfer of the Bonds outside the book-entry system (including, but not limited to, the initial transfer outside the book-entry system) the transferor shall provide or cause to be provided to the Fiscal Agent all information necessary to allow the Fiscal Agent to comply with any applicable tax reporting obligations, including without limitation any cost basis reporting obligations under Internal Revenue Code Section 6045, as amended. The Fiscal Agent shall conclusively rely on the information.

Section 2.07. Exchange of Bond. The Bond may be exchanged at the Principal Office of the Fiscal Agent only for a like aggregate principal amount of the Bond of authorized denominations and of the same maturity and interest rate. The cost for any services rendered or any expense incurred by the Fiscal Agent in connection with any such exchange shall be paid by the District. The Fiscal Agent shall collect from the Owner requesting exchange of such Bond any tax or other governmental charge required to be paid with respect to such exchange.

Section 2.08. Bond Register. The Fiscal Agent shall keep, or cause to be kept, at its Principal Office sufficient books for the registration and transfer of the Bond which books shall show the series, number, date of issuance, amount, rate of interest and Owner of the Bond and shall at all times be open to inspection by the City during regular business hours upon reasonable notice; and, upon presentation for such purpose, the Fiscal Agent shall, under such reasonable regulations as it may prescribe, register or transfer or cause to be registered or transferred, on said books, the ownership of the Bond as hereinbefore provided.

Section 2.09. Temporary Bond. The Bond may be initially issued in temporary form exchangeable for a definitive Bond when ready for delivery. The temporary Bond may be printed, lithographed or typewritten, shall be of such denominations as may be determined by the City, and may contain such reference to any of the provisions of this Agreement as may be appropriate. Every temporary Bond shall be executed by the City upon the same conditions and in substantially the same manner as the definitive Bond. If the City issues a temporary Bond it will execute and furnish definitive Bond without delay and thereupon the temporary Bond shall be surrendered, for cancellation, in exchange for the definitive Bond at the Principal Office of the Fiscal Agent or at such other location as the Fiscal Agent shall designate, and the Fiscal Agent shall authenticate and deliver in exchange for such temporary Bond an equal aggregate principal amount of a definitive Bond of authorized denominations. Until so exchanged, the temporary Bond shall be entitled to the same benefits under this Agreement as a definitive Bond authenticated and delivered hereunder.

Section 2.10. Bond Mutilated, Lost, Destroyed or Stolen. If any Bond shall become mutilated, the City, at the expense of the Owner of said Bond, shall execute, and the Fiscal Agent shall authenticate and deliver, a replacement Bond of like tenor and principal amount in exchange and substitution for the Bond so mutilated, but only upon surrender to the Fiscal Agent of the Bond so mutilated. Every mutilated Bond so surrendered to the Fiscal Agent shall be canceled and destroyed by the Fiscal Agent. If the Bond shall be lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the Fiscal Agent and, if such evidence be satisfactory to it and indemnity satisfactory to it shall be given, the City, at the expense of the Owner, shall execute, and the Fiscal Agent shall authenticate and deliver, a replacement Bond of like tenor and principal amount in lieu of and in substitution for the Bond so lost, destroyed or stolen. The City or Fiscal Agent may require payment of a sum not exceeding the actual cost of preparing each replacement Bond delivered under this Section 2.10 and of the expenses which may be incurred by the City and the Fiscal Agent for the preparation, execution, authentication and delivery thereof.

Section 2.11. Special Obligation. All obligations of the City and the District under this Agreement and the Bond shall be special obligations of the City and the District, payable solely from the Special Tax Revenues and the funds pledged therefor pursuant hereto. Neither the faith and credit nor the taxing power of the City, the District (except to the limited extent set forth herein) or the State of California or any political subdivision thereof is pledged to the payment of the Bond.

Section 2.12. Parity Bonds and Subordinate Bonds. The City will not issue Parity Bonds or Subordinate Bonds of the District for any purpose other than the defeasance of all or a

portion (a “Partial Discharge”) of the Outstanding Bond in conformance with the provisions of Section 8.01(B)(5) hereof.

ARTICLE III

ISSUANCE OF THE BOND; APPLICATION OF PROCEEDS; SPECIAL TAX FUND; ADMINISTRATIVE EXPENSE FUND; COSTS OF ISSUANCE FUND

Section 3.01. Issuance and Delivery of the Bond. At any time after the execution of this Agreement, the City may issue the Bond for the District in the aggregate principal amounts set forth in Section 2.01 hereof and deliver the Bond to the Original Purchaser. The Authorized Officers of the City are hereby authorized and directed to deliver any and all documents and instruments necessary to cause the issuance of the Bond in accordance with the provisions of the Act, the Resolution and this Agreement, to authorize the payment of Costs of Issuance by the Fiscal Agent from the proceeds of the Bond, and to do and cause to be done any and all acts and things necessary or convenient for delivery of the Bond to the Original Purchaser.

Section 3.02. Application of Proceeds of Sale of Bond. The Proceeds of the sale of the Bond to the Original Purchaser shall be paid to the Fiscal Agent, who shall forthwith set aside, pay over and deposit such Proceeds on the Closing Date as follows:

- (A) Deposit in the Reserve Fund the amount of \$_____;
- (B) Deposit in the Costs of Issuance Fund the amount of \$_____; and
- (C) The Fiscal Agent shall transfer the remaining Proceeds of the Bond in the amount of \$_____ to the Escrow Agent for deposit in the Escrow Fund established pursuant to the Escrow Agreement.

Section 3.03. Special Tax Fund.

(A) Creation of Special Tax Fund. There is hereby established, as a separate fund to be held by the Fiscal Agent, the “City of Corona Community Facilities District No. 2004-1 (Buchanan Street) Special Tax Refunding Bond Special Tax Fund” to the credit of which the City shall deposit, within ten (10) Business Days after receipt, the Special Tax Revenues received by the City. There is hereby established in the Special Tax Fund, as a separate account to be held by the Fiscal Agent, the “Surplus Account” to the credit of which amounts shall be deposited as provided in Section 4.02(B) hereof. Moneys in the Special Tax Fund shall be held by the Fiscal Agent for the benefit of the City and the Owner of the Bond, shall be disbursed as provided below and, pending disbursement, shall be subject to a lien in favor of the Owner of the Bond.

Notwithstanding the foregoing, any amounts received by the City which constitute Special Tax Prepayments shall be transferred by the City immediately upon receipt to the Fiscal Agent for deposit by the Fiscal Agent in the Special Tax Prepayments Account established pursuant to Section 4.02(A) hereof.

(B) Disbursements. As soon as practicable after the receipt from the City of any Special Tax Revenues, but no later than ten (10) Business Days after such receipt, the Fiscal Agent shall withdraw from the Special Tax Fund and deposit in the Administrative Expense Fund, an amount which is estimated by the City, in an Officer's Certificate delivered to the Fiscal Agent (upon which the Fiscal Agent may conclusively rely) to be sufficient, together with the amount then on deposit in the Administrative Expense Fund, to pay the Administrative Expenses during the current Fiscal Year; provided, however, that the amount deposited in the Administrative Expense Fund prior to the deposits to the Interest Account and the Principal Account of the Bond Fund, as provided below, shall not exceed the Priority Administrative Expense Amount for any Fiscal Year. From the amount then remaining on deposit in the Special Tax Fund (including the amount on deposit in the Surplus Account), the Fiscal Agent shall, as soon as such amount is sufficient, deposit in the Reserve Fund the amount, in addition to the amount transferred to the Bond Fund described above, necessary to replenish any draw on the Reserve Fund. Thereafter, on or before each Interest Payment Date, the Fiscal Agent shall deposit in the Interest Account and the Principal Account of the Bond Fund the amounts required to pay the interest on and the principal of the Bond on such Interest Payment Date, as provided in Section 4.02(B) hereof.

On or before the March 1 Interest Payment Date in each Bond Year, if the amount of other moneys which is on deposit in the Special Tax Fund is less than the amount of the interest on the Bond which is due on such Interest Payment Date, the Fiscal Agent shall transfer moneys from the Surplus Account, to the extent of moneys on deposit therein and available for transfer, to and deposit such moneys in the Interest Account of the Bond Fund in an amount not to exceed the deficiency in the amount of other moneys which are on deposit in the Special Tax Fund, and available for transfer, to pay the full amount of the interest on the Bond which is due and payable on such Interest Payment Date. If the moneys on deposit in the Surplus Account are insufficient to pay the interest on the Bond due on such March 1 Interest Payment Date, then the Fiscal Agent, on or before the March 1 Interest Payment Date, shall transfer moneys from the Reserve Fund, to the extent of moneys on deposit therein and available for transfer, to and deposit such moneys in the Interest Account of the Bond Fund in an amount not to exceed the deficiency in the amount of other moneys which are on deposit in the Special Tax Fund, and available for transfer, to pay the full amount of the interest on the Bond which is due and payable on such Interest Payment Date. On or before the September 1 Interest Payment Date in each Bond Year, if the amount of other moneys which is on deposit in the Special Tax Fund is less than the amount of the interest on and principal of the Bond which is due on such Interest Payment Date, the Fiscal Agent shall transfer moneys from the Surplus Account, to the extent of moneys on deposit therein and available for transfer, to and deposit such moneys in the Interest Account and the Principal Account in amounts not to exceed the amount of the deficiency in the amount of other moneys which are on deposit in the Special Tax Fund, and available for transfer, to pay the full amount of the interest on and principal of the Bond which is due and payable on such Interest Payment Date. If the moneys on deposit in the Surplus Account are insufficient to pay the interest on and principal of the Bond due on such September 1 Interest Payment Date, then the Fiscal Agent, on or before the September 1 Interest Payment Date shall transfer moneys from the Reserve Fund, to the extent of moneys on deposit therein and available for transfer to and deposit such moneys in the Interest Account and the Principal Account in amounts not to exceed the amount of the deficiency in the amount of other moneys which are on deposit in the Special Tax Fund, and available for transfer, to pay the full amount of the interest on and principal of the

Bond which is due and payable on such Interest Payment Date. On or before May 30 of each year, commencing on May 30, 2020, the Fiscal Agent shall notify the City of the amount which is then on deposit in the Surplus Account and the Reserve Fund, and of the aggregate amount of the principal of and interest on the Bond which will become due and payable on March 1 and September 1 of the following calendar year.

(C) Investment. Moneys in the Special Tax Fund shall be invested and deposited in accordance with Section 6.01 hereof. Investment Earnings shall be retained in the Special Tax Fund to be used for the purposes of such accounts.

Section 3.04. Administrative Expense Fund.

(A) Creation of Administrative Expense Fund. There is hereby established, as a separate fund to be held by the Fiscal Agent, the “City of Corona Community Facilities District No. 2004-1 (Buchanan Street) Special Tax Refunding Bond Administrative Expense Fund” to the credit of which deposits shall be made as required by Section 3.03(B) hereof. Moneys in the Administrative Expense Fund shall be held by the Fiscal Agent for the benefit of the City, and shall be disbursed as provided below.

(B) Disbursement. Amounts in the Administrative Expense Fund shall be withdrawn by the Fiscal Agent and paid to the City or its order upon receipt by the Fiscal Agent of an Officer’s Certificate stating the amount to be withdrawn, that such amount is to be used to pay an Administrative Expense, the nature of such Administrative Expense, name of payee and payment instructions.

Annually, not later than the last day of each Fiscal Year, the Fiscal Agent shall withdraw any amount then remaining in the Administrative Expense Fund that has not been allocated by an Officer’s Certificate received by the Fiscal Agent from the City to pay Administrative Expenses which are expected to be incurred in the succeeding Fiscal Year prior to the receipt by the City of Special Tax Revenues for such succeeding Fiscal Year and transfer such amount to the Surplus Account.

(C) Investment. Subject to the provisions of subsection (B) above, moneys in the Administrative Expense Fund shall be invested and deposited in accordance with Section 6.01 hereof. Investment Earnings shall be retained by the Fiscal Agent in the Administrative Expense Fund to be used for the purposes of such fund.

Section 3.05. Costs of Issuance Fund.

(A) Creation of Costs of Issuance Fund. There is hereby established, as a separate fund to be held by the Fiscal Agent, the “City of Corona Community Facilities District No. 2004-1 (Buchanan Street) Special Tax Refunding Bond Costs of Issuance Fund” to the credit of which a deposit shall be made as required by paragraph (B) of Section 3.02 hereof. Moneys in the Cost of Issuance Fund shall be held by the Fiscal Agent and shall be disbursed as provided in subsection (B) of this Section for the payment or reimbursement of Costs of Issuance.

(B) Disbursement. Amounts in the Costs of Issuance Fund shall be disbursed to pay Costs of Issuance, as set forth in a requisition containing respective amounts to be paid to the

designated payees, signed by an Authorized Officer and delivered to the Fiscal Agent on the Closing Date or any date thereafter. The Fiscal Agent shall pay all Costs of Issuance upon receipt of an invoice from any such payee. Each such requisition of the City shall be sufficient evidence to the Fiscal Agent of the facts stated therein and the Fiscal Agent shall have no duty to confirm the accuracy of such facts. The Fiscal Agent shall maintain the Costs of Issuance Fund for a period of ninety (90) days from the Closing Date and shall then transfer and deposit any moneys remaining therein, including any Investment Earnings thereon, to the Special Tax Fund.

(C) Investment. Moneys in the Costs of Issuance Fund shall be invested and deposited in accordance with Section 6.01 hereof. Investment Earnings shall be retained by the Fiscal Agent in the Cost of Issuance Fund to be used for the purposes of such fund.

ARTICLE IV

SPECIAL TAX REVENUES; BOND FUND; RESERVE FUND

Section 4.01. Pledge of Special Tax Revenues. The Bond (including any Parity Bonds that may be issued) shall be secured by a first and prior pledge of and lien upon (which shall be perfected in the manner and to the extent herein provided) all of the Special Tax Revenues (except the Priority Administrative Expense Amount which is to be deposited in the Administrative Expense Fund pursuant to Section 3.03(B) hereof), all moneys on deposit in the Principal Account and the Interest Account of the Bond Fund, all moneys on deposit in the Surplus Account and all moneys on deposit in the Reserve Fund. The Bond (including any Parity Bonds that may be issued) shall be equally secured by a pledge of and lien upon the Special Tax Revenues and such moneys without priority for number, date of Bond, date of execution or date of delivery; and the payment of the interest on and principal of the Bond (including any Parity Bonds that may be issued) and any premium upon the redemption of any thereof shall be and is secured by a first and prior pledge of and lien upon the Special Tax Revenues and such moneys. The Special Tax Revenues and all moneys on deposit in such funds and accounts are hereby dedicated in their entirety to the payment of the principal of the Bond (including any Parity Bonds that may be issued), and interest and any premium on, the Bond (including any Parity Bonds that may be issued), as provided herein and in the Act, until the Bond (including any Parity Bonds that may be issued) has been paid and retired or until moneys or Defeasance Obligations have been set aside irrevocably for that purpose in accordance with Section 10.03 hereof. If Parity Bonds are issued for the purpose of discharging the indebtedness of a portion of the Outstanding Bond pursuant to Sections 2.12 and 10.03 hereof, the provisions of this Section 4.01 shall apply to such Parity Bonds to the same extent and with the same effect as they apply to the Bond.

Section 4.02. Bond Fund.

(A) Deposits. There is hereby established, as a separate fund to be held by the Fiscal Agent, the “City of Corona Community Facilities District No. 2004-1 (Buchanan Street) Special Tax Refunding Bond Fund” to the credit of which deposits shall be made as required by Section 3.03(B) and Section 4.03(B) hereof and any other provision of this Agreement or the Act. There are hereby established in the Bond Fund, as separate accounts to be held by the Fiscal

Agent, the “Interest Account” and the “Principal Account.” There is hereby also established in the Bond Fund, as a separate account to be held by the Fiscal Agent, the “Special Tax Prepayments Account” to the credit of which deposits shall be made as required by Section 3.03(A) hereof and paragraph (2) of subsection (B) below. Moneys in the Bond Fund shall be held by the Fiscal Agent for the benefit of the Owner of the Bond, shall be disbursed for the payment of the principal of, and interest on, the Bond as provided below, and, pending such disbursement, shall be subject to a lien in favor of the Owner of the Bond.

(B) Disbursements.

(1) Bond Fund Disbursements. On or before each Interest Payment Date, the Fiscal Agent shall transfer from the Special Tax Fund (including the Surplus Account therein) and deposit into the following respective accounts in the Bond Fund the following amounts in the following order of priority, the requirements of each such account (including the making up of any deficiencies in any such account resulting from lack of Special Tax Revenues sufficient to make any earlier required deposit) at the time of deposit to be satisfied before any transfer is made to any account subsequent in priority:

(a) Interest Account. On or before each Interest Payment Date, the Fiscal Agent shall deposit in the Interest Account the amount required to cause the aggregate amount on deposit in the Interest Account to equal the amount of interest becoming due and payable on the Bond on such date. No deposit need be made into the Interest Account on any Interest Payment Date if the amount on deposit therein is at least equal to the interest becoming due and payable on the Bond on such date. All moneys in the Interest Account shall be used and withdrawn by the Fiscal Agent solely for the purpose of paying the interest on the Bond as it shall become due and payable (including accrued interest on the Bond redeemed prior to maturity). All amounts on deposit in the Interest Account on the first day of any Bond Year, to the extent not required to pay any interest then having become due and payable on the Outstanding Bond, shall be withdrawn therefrom by the Fiscal Agent and transferred first to the Reserve Fund to the extent the amounts on deposit in the Reserve Fund are less than the Reserve Requirement and then any moneys remaining in the Bond Fund shall be transferred to the Surplus Account.

(b) Principal Account. On or before each Interest Payment Date which occurs on September 1, the Fiscal Agent shall deposit in the Principal Account the amount required to cause the aggregate amount on deposit in the Principal Account to equal the principal amount of the Bond becoming due and payable on such Interest Payment Date pursuant to Section 2.03 hereof. All moneys in the Principal Account shall be used and withdrawn by the Fiscal Agent solely for the purpose of (i) paying the principal of the Bond at the maturity thereof, or (ii) paying the principal of the Bond upon the redemption thereof pursuant to Section 2.03 hereof. The amount on deposit in the Principal Account on the first day of any Bond Year (*i.e.*, September 2), to the extent not required to pay the principal of any Outstanding Bond then having become due and payable shall be

withdrawn therefrom by the Fiscal Agent and transferred first to the Reserve Fund to the extent the amounts on deposit in the Reserve Fund are less than the Reserve Requirement and then any moneys remaining in the Bond Fund shall be transferred to the Surplus Account.

On the first Business Day following each Interest Payment Date, the Fiscal Agent shall transfer any moneys remaining on deposit in the Bond Fund after the transfers discussed above (including the Interest Account and the Principal Account) other than moneys on deposit in the Special Tax Prepayments Account, first to the Reserve Fund and then the remainder to the Surplus Account.

In the event that moneys on deposit in the Special Tax Fund, including moneys on deposit in the Surplus Account, will be insufficient on any Interest Payment Date for the Fiscal Agent to deposit the required amounts in the Interest Account and the Principal Account, as provided above, the Fiscal Agent shall deposit the available funds first to the Interest Account in the amount required to cause the aggregate amount on deposit therein to equal the amount of interest becoming due and payable on the Bond on the Interest Payment Date, and shall then deposit the remaining available funds in the Special Tax Fund, including funds on deposit in the Surplus Account, to the Principal Account in the amount required to cause the aggregate amount on deposit therein to equal the amount, if any, of principal becoming due and payable on the Bond on the Interest Payment Date. If, after making such deposits to the Interest Account and the Principal Account, and after transferring moneys from the Reserve Fund to such accounts, as provided in Section 4.03(B) hereof, the amount on deposit in either the Interest Account or the Principal Account is insufficient to pay the full amount of the interest on or principal of the Bond redeemed on the Interest Payment Date, the Fiscal Agent shall apply any such amounts towards the payment of the interest on or principal of from each respective account, as specified in an Officer's Certificate provided to the Fiscal Agent.

(2) Special Tax Prepayments Account Deposits and Disbursements. Within ten (10) Business Days after receiving a Special Tax Prepayment, the City shall deliver the amount thereof to the Fiscal Agent, together with an Officer's Certificate notifying the Fiscal Agent that the amount being delivered is a Special Tax Prepayment which is to be deposited in the Special Tax Prepayments Account. Upon receiving a Special Tax Prepayment from the City and such an Officer's Certificate, the Fiscal Agent shall deposit the amount of the Special Tax Prepayment in the Special Tax Prepayments Account. Such an Officer's Certificate may be combined with the Officer's Certificate which the City is required to deliver to the Fiscal Agent pursuant to Section 2.03(A) hereof. A portion of the moneys on deposit in the Special Tax Prepayments Account shall be transferred by the Fiscal Agent, upon receipt of an Officer's Certificate directing such transfer and specifying the amount to be transferred (upon which the Fiscal Agent may conclusively rely), to the Principal Account and shall be used to redeem the Bond on the redemption date selected in accordance with Section 2.03(A) hereof. The portion of the moneys on deposit in the Special Tax Prepayments Account representing funded interest on a portion of the Outstanding Bond shall be transferred by the Fiscal Agent, upon receipt of an Officer's Certificate directing such transfer and specifying the amount to be transferred (upon which the Fiscal Agent may conclusively rely), to the Interest Account on or before each Interest Payment Date prior to and including the Interest Payment Date

on which the redemption of such Bond will occur. Pending such transfers, the moneys on deposit in the Special Tax Prepayments Account shall be invested in Permitted Investments of such type and at such yield as Bond Counsel may determine is necessary to preserve the exclusion of interest on the Bond from gross income for purposes of federal income taxation. Investment Earnings from such Permitted Investments shall be retained by the Fiscal Agent in the Special Tax Prepayments Account.

(C) Investment. Moneys in the Bond Fund, including all accounts therein, shall be invested and deposited in accordance with Section 6.01 hereof. Investment Earnings shall be retained in the Bond Fund, except to the extent they are required to be deposited by the Fiscal Agent in the Rebate Fund in accordance with Section 6.02 hereof. Investment earnings with respect to moneys in the Special Tax Prepayments Account shall be retained therein as specified in paragraph (2) of subsection (B) above.

Section 4.03. Reserve Fund.

(A) Creation of Fund. There is hereby established, as a separate fund to be held by the Fiscal Agent, the “City of Corona Community Facilities District No. 2004-1 (Buchanan Street) Special Tax Refunding Bond Reserve Fund” to the credit of which a deposit shall be made as required by paragraph (A) of Section 3.02 hereof, which deposit is equal to the Reserve Requirement, and to which deposits shall be made as provided in Section 3.03(B) hereof. Moneys in the Reserve Fund shall be held by the Fiscal Agent for the benefit of the Owner of the Bond as a reserve for the payment of the principal of and interest and any premium on the Bond and shall be subject to a lien in favor of the Owner of the Bond.

(B) Use of Fund. Except as otherwise provided in this Section, all amounts on deposit in the Reserve Fund shall be used and withdrawn by the Fiscal Agent solely for the purpose of making transfers to the Interest Account and the Principal Account of the Bond Fund in the event of any deficiency at any time in either of such accounts of the amount then required for payment of the principal of and interest on the Bond or, in accordance with the provisions of subsection (D) and subsection (F) of this Section 4.03, for the purpose of redeeming Bond.

(C) Transfer Due to Deficiency in Interest and Principal Accounts. Whenever transfer is made from the Reserve Fund to the Interest Account or the Principal Account due to a deficiency in either such account, the Fiscal Agent shall provide written notice thereof to the City and to the Original Purchaser so long as the Original Purchaser is the Owner of the Outstanding Bond.

(D) Transfer When Balance Exceeds the Outstanding Bond. Whenever the balance in the Reserve Fund is equal to or exceeds the amount required to redeem or pay the Outstanding Bond, including interest accrued to the date of payment or redemption and premium, if any, due upon redemption, the Fiscal Agent shall, upon receiving written direction from an Authorized Officer (upon which the Fiscal Agent may conclusively rely), transfer the amount in the Reserve Fund to the Interest Account and the Principal Account to be applied, on the next succeeding and/or applicable Interest Payment Date, to the payment and redemption, in accordance with Section 2.03 and Section 4.02 hereof, as applicable, of all of the Outstanding Bond. In the event that the amount available to be so transferred from the Reserve Fund to the Interest Account and

the Principal Account exceeds the amount required to pay and redeem the Outstanding Bond, the excess shall be transferred to the City to be used for any lawful purpose of the City.

(E) Transfers on Payment of Special Tax Obligations. Whenever the City receives a Special Tax Prepayment for a lot or parcel of property within the District, the City shall by an Officer's Certificate notify the Fiscal Agent thereof and of the amount by which the Reserve Fund is to be reduced and which is transferable from the Reserve Fund to the Principal Account of the Bond Fund, which amount shall be specified in the Officer's Certificate. Each such Officer's Certificate shall be accompanied by a report of an Independent Financial Consultant or the Special Tax Consultant verifying the accuracy of the calculation of the amount to be transferred from the Reserve Fund to the Principal Account ("Verification").

If the amount on deposit in the Reserve Fund is less than the Reserve Requirement on any date due to a transfer, if any, required by paragraph (C) above or as a result of the valuation of the Permitted Investments in the Reserve Fund pursuant to Section 6.01 below, the Fiscal Agent shall transfer to the Reserve Fund from the first available moneys in the Special Tax Fund, as set forth in Section 4.02(B)(1) hereof, an amount necessary to increase the balance therein to the Reserve Requirement. If at least ten (10) Business Days prior to each Interest Payment Date of each year, the amount on deposit in the Reserve Fund, less Investment Earnings resulting from the investment of the funds therein which pursuant to Section 6.02 hereof must be rebated to the United States, as directed by the City, is in excess of the Reserve Requirement, the Fiscal Agent shall transfer such excess to the Bond Fund.

(F) Transfer of Excess of Reserve Requirement. Whenever, on any September 2, the amount in the Reserve Fund, and any sub-account therein, less Investment Earnings resulting from the investment of the funds therein which pursuant to Section 6.02 hereof must be rebated to the United States, as previously directed by the City, exceeds the Reserve Requirement, as calculated on such date by the City and provided in writing to the Fiscal Agent, the Fiscal Agent shall provide written notice to the City of the amount of the excess. Upon receiving written direction from an Authorized Officer (upon which the Fiscal Agent may conclusively rely), the Fiscal Agent shall, subject to the requirements of Section 6.02 hereof, transfer an amount from the Reserve Fund, and any sub-account therein, which will reduce the amount on deposit therein to an amount equal to the Reserve Requirement to the Interest Account and the Principal Account, in the priority specified in Section 4.02(B)(1), to be used for the payment of the interest on and principal of the Bond on the next succeeding Interest Payment Date in accordance with Section 4.02 hereof.

(G) Investments. Investment Earnings shall be retained in the Reserve Fund and shall be used for the purposes of such fund, except to the extent they are required to be deposited by the Fiscal Agent in the Rebate Fund as provided in Section 6.02 hereof.

ARTICLE V

OTHER COVENANTS OF THE CITY

Section 5.01. Punctual Payment. The City will punctually pay or cause to be paid the principal of and interest and any premium on the Bond when and as due in strict conformity with

the terms of this Agreement and any Supplemental Agreement to the extent that the Special Tax Revenues are available therefor, and it will faithfully observe and perform all of the conditions, covenants and requirements of this Agreement and all Supplemental Agreements and of the Bond.

Section 5.02. Special Obligation. The Bond is a special obligation of the City and the District and is payable solely from and secured solely by the Special Tax Revenues and the amounts in the Bond Fund, the Reserve Fund and the Special Tax Fund, including the Surplus Account.

Section 5.03. Extension of Time for Payment. In order to prevent any accumulation of claims for interest after maturity, the City shall not, directly or indirectly, extend or consent to the extension of the time for the payment of any claim for interest on any of the Bond and shall not, directly or indirectly, be a party to the approval of any such arrangement 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 City, such claim for interest so extended or funded shall not be entitled, in case of default hereunder, to the benefits of this Agreement, except subject to the prior payment in full of the principal of the Bond then Outstanding and of all claims for interest which shall not have been so extended or funded.

Section 5.04. Against Encumbrances. The City shall not encumber, pledge or place any charge or lien upon any of the Special Tax Revenues or other amounts pledged to the Bond superior to or on a parity with the pledge and lien herein created for the benefit of the Bond, except as permitted by this Agreement.

Section 5.05. Books and Accounts. The City shall keep, or cause to be kept, proper books of record and accounts, separate from all other records and accounts of the City in which complete and correct entries shall be made of all transactions relating to the expenditure of amounts disbursed from the Administrative Expense Fund. Such books of record and accounts shall at all times during business hours, upon reasonable notice, be subject to the inspection of the Fiscal Agent (which shall have no duty to inspect) and the Owner of not less than ten percent (10%) of the aggregate principal amount of the Bond then Outstanding, or their representatives duly authorized in writing.

Section 5.06. Protection of Security and Rights of the Owner. The City will preserve and protect the security of the Bond and the rights of the Owner, and will warrant and defend their rights against all claims and demands of all persons. From and after the delivery of the Bond by the City, the Bond shall be incontestable by the City.

Section 5.07. Collection of Special Tax Revenues. The City shall comply with all requirements of the Act, including the enactment of necessary Ordinances, so as to assure the timely collection of Special Tax Revenues, including without limitation, the enforcement of the payment or collection of delinquent Special Taxes.

On or within five (5) Business Days of June 15 of each year, the Fiscal Agent shall provide the City with a notice stating the amount then on deposit in the Special Tax Fund (including the Surplus Account therein), the Bond Fund and the Reserve Fund. The receipt of

such notice by the City or the failure of the Fiscal Agent to give such notice shall in no way affect the obligations of the City under the following two paragraphs. The Fiscal Agent shall have no liability if it does not provide such notice to the City. Upon receipt of such notice, the City shall communicate with the Auditor to ascertain the relevant parcels on which the Special Taxes are to be levied, taking into account any parcel splits during the preceding and then current Fiscal Year.

The City shall effect the levy of the Special Taxes in an amount not to exceed the Maximum Annual Special Tax as set forth in the Rate and Method of Apportionment of Special Tax each Fiscal Year in accordance with the Act by August 1 of each year (or such later date as may be authorized by the Act or any amendment thereof) that the Bond is Outstanding, such that the computation of the levy is complete before the final date on which the Auditor will accept the transmission of the Special Tax amounts for the parcels within the District for inclusion on the tax roll for the Fiscal Year then beginning. Upon the completion of the computation of the amounts of the levy of the Special Taxes, the City shall prepare or cause to be prepared, and shall transmit to the Auditor, such data as the Auditor requires to include the levy of the Special Taxes on the tax roll.

The City shall fix and levy the amount of Special Taxes within the District required for the payment of the principal of and interest on the Outstanding Bond becoming due and payable during the ensuing calendar year, including any delinquencies in the payment of defaulted principal or interest payments on the Outstanding Bond that has occurred, any necessary replenishment or expenditure of the Reserve Fund, and the amount estimated to be sufficient to pay the Administrative Expenses during such calendar year. The Special Taxes so levied shall not, in any event, exceed the amounts provided in the Rates and Method of Apportionment of Special Tax.

The Special Taxes shall be payable and be collected (except in the event of judicial foreclosure proceedings pursuant to Section 5.11 hereof) in the same manner and at the same time and in the same installments as the general taxes on real property are payable, and have the same priority, become delinquent at the same times and in the same proportionate amounts and bear the same proportionate penalties and interest after delinquency as do the general taxes on real property.

The City will not, in collecting the Special Taxes or in processing any such judicial foreclosure proceedings, exercise any authority which it has pursuant to Sections 53340, 53344.1, 53356.1 and 53356.8 of the California Government Code in any manner which would materially and adversely affect the interests of the Owner and, in particular, will not permit the tender of the Bond in full or partial payment of any Special Taxes except upon receipt of a certificate of an Independent Financial Consultant that to accept such tender will not result in the City having insufficient Special Tax Revenues to pay the principal of and interest on the Bond remaining Outstanding following such tender.

Section 5.08. Reduction of Maximum Special Tax Rates. The City covenants that, to the extent that it is legally permitted to avoid doing so, it will not initiate and conduct proceedings to reduce the maximum rates or method of apportionment of Special Taxes which are authorized to be levied on taxable parcels of property within the District (the "Maximum Rates").

The City further covenants that in the event an ordinance is adopted by initiative pursuant to Section 3 of Article XIII C of the California Constitution, which purports to reduce or otherwise alter the Maximum Rates, it will commence and pursue legal action seeking to preserve its ability to comply with its covenant contained in the preceding paragraph.

Section 5.09. Further Assurances. The City will adopt, make, execute and deliver any and all such further ordinances, resolutions, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of this Agreement, and for better assuring and confirming unto the Owner of the Bond of the rights and benefits provided in this Agreement.

Section 5.10. Tax Covenants. The City covenants that:

(A) It will not take any action or omit to take any action, which action or omission, if reasonably expected on the date of the initial issuance and delivery of the Bond, would have caused the Bond to be “arbitrage bonds” within the meaning of Section 103(b) and Section 148 of the Code;

(B) It will not take any action or omit to take any action, which action or omission, if reasonably expected on the date of initial issuance and delivery of the Bond, would result in loss of exclusion from gross income for purposes of federal income taxation under Section 103(a) of the Code of interest paid with respect to the Bond;

(C) It will not take any action or omit to take any action, which action or omission, if reasonably expected on the date of initial issuance and delivery of the Bond, would have caused the Bond to be “private activity bonds” within the meaning of Section 141 of the Code;

(D) It will comply with the Rebate Certificate as a source of guidance for achieving compliance with the Code; and

(E) In order to maintain the exclusion from gross income for purposes of federal income taxation of interest paid with respect to the Bond, it will comply with each applicable requirement of Section 103 and Sections 141 through 150 of the Code.

The covenants of the City contained in this Section 5.10 shall survive the payment, redemption or defeasance of Bond pursuant to Section 10.03 hereof.

Section 5.11. Covenant to Foreclose. The City hereby covenants with and for the benefit of the Owner of the Bond as follows: (i) it will order, and cause to be commenced, judicial foreclosure proceedings against properties in the District with delinquent Special Taxes in excess of \$5,000 by the October 1 following the close of the Fiscal Year in which such Special Taxes were due, and (ii) if the amount on deposit in the Reserve Fund is less than the Reserve Requirement it will commence judicial foreclosure proceedings against all properties in the District with delinquent Special Taxes by the October 1 following the close of each Fiscal Year in which it receives Special Taxes in an amount which is less than ninety-five percent (95%) of the total Special Taxes levied, and diligently pursue to completion such foreclosure proceedings.

Section 5.12. Prepayment of Special Taxes. The City shall cause all applications of owners of property in the District to prepay and satisfy the Special Tax obligation for their property to be reviewed by the Special Tax Consultant and shall not accept any such prepayment unless such consultant certifies in writing that the maximum amount of the Special Taxes that may be levied on Taxable Property both prior to and after the proposed prepayment is and will be at least 1.1 times the amount of Maximum Annual Debt Service on the Outstanding Bond. For purposes of this Section, Taxable Property means all parcels of property in the District that are not exempt from the levy of the Special Tax pursuant to the Act or the Rates and Method of Apportionment of Special Tax.

Section 5.13. Calculation of Prepayments. The City will cause all Special Tax Prepayments to be calculated to include the amount of the premium on the Outstanding Bond that will be redeemed with the Special Tax Prepayment and negative arbitrage on the investment of the Special Tax Prepayment from the date of receipt until the Interest Payment Date upon which the Special Tax Prepayment and the amount to be transferred from the Reserve Fund to the Principal Account pursuant to Section 4.03(G) hereof will be used to redeem the Outstanding Bond pursuant to Section 2.03(A) hereof. The City will not include in any calculation of the amount of any Special Tax Prepayment for any parcel of taxable property any portion of the amount then on deposit in the Reserve Fund, if at the time of such calculation the amount on deposit in the Reserve Fund is less than the Reserve Requirement.

Section 5.14. Financial Condition. Since the most current date of the information, financial or otherwise, supplied by the City to the Owner:

- (a) There has been no change in the assets, liabilities, financial position or results of operations of the City and the District which might reasonably be anticipated to cause a Material Adverse Effect;
- (b) The District has not incurred any obligations or liabilities which might reasonably be anticipated to cause a Material Adverse Effect; and
- (c) The District has not (i) incurred any material indebtedness, other than the payments and trade accounts payable arising in the ordinary course of the District's business and not past due, or (ii) guaranteed the indebtedness of any other person

Section 5.15. Accuracy of Information. All information, reports and other papers and data furnished by the City to the Owner and/or the CDIAC were, at the time the same were so furnished, complete and accurate in all material respects and insofar as necessary to give the Owner a true and accurate knowledge of the subject matter and were provided in expectation of the Owner's reliance thereon in entering into the transactions contemplated by this Agreement. No fact is known to the City which has had or, so far as the City can now reasonably foresee, may in the future have a Material Adverse Effect, which has not been set forth in the financial statements previously furnished to the Owner or in other such information, reports, papers and data or otherwise disclosed in writing to the Owner prior to the Closing Date. Any financial, budget and other projections furnished to the Owner by the City or its or their agents were prepared in good faith on the basis of the assumptions stated therein, which assumptions were fair and reasonable in light of the conditions existing at the time of delivery of such financial,

budget or other projections, and represented, and as of the date of this representation, represent the City's best estimate of its future financial performance. No document furnished nor any representation, warranty or other written statement made to the Owner in connection with the negotiation, preparation or execution of this Agreement contains or will contain any untrue statement of a material fact or omits or will omit to state (as of the date made or furnished) any material fact necessary in order to make the statements contained herein or therein, in light of the circumstances under which they were or will be made, not misleading.

Section 5.16. Annual Reporting Requirements to Original Purchaser. Unless otherwise provided by the City on EMMA, on or before each March 31 of each year, the District shall provide to the Original Purchaser the information listed in Exhibit C. The District shall further provide to the Original Purchaser: (a) within three (3) Business Days after the District obtains knowledge thereof, notice by telephone, promptly confirmed in writing, of any event that constitutes an Event of Default under this Fiscal Agent Agreement, together with a statement by an Authorized Representative of the District of the steps being taken by the District to cure such Event of Default; (b) within ten (10) days after the District obtains knowledge thereof, written notice of any Material Adverse Effect; and (c) within ten (10) days after receipt of request therefor by the Original Purchaser, updates, if any, of the information described in Section 5.15 of this Fiscal Agent Agreement; and (d) within ten (10) days after receipt of request therefor by the Original Purchaser, such additional information as the Purchaser may reasonably request.

ARTICLE VI

INVESTMENTS; DISPOSITION OF INVESTMENT PROCEEDS; LIABILITY OF THE CITY

Section 6.01. Deposit and Investment of Moneys in Funds. Subject in all respects to the provisions of Section 6.02 hereof, moneys in any fund or account created or established by this Agreement and held by the Fiscal Agent shall be invested by the Fiscal Agent in Permitted Investments, as directed pursuant to an Officer's Certificate filed with the Fiscal Agent at least two (2) Business Days in advance of the making of such investments. In the absence of any such Officer's Certificate, the Fiscal Agent shall hold such moneys uninvested. The Fiscal Agent shall not have any responsibility for determining the legality of any Permitted Investments. The Fiscal Agent shall have no obligation to pay additional interest or maximize investment income on any funds held by it. Neither the City nor the Owner of the Bonds shall have any claim of any kind against the Fiscal Agent in connection with investments properly made pursuant to this Section 6.01. Obligations purchased as an investment of moneys in any fund or account shall be deemed to be part of such fund or account, subject, however, to the requirements of this Agreement for transfer of Investment Earnings in funds and accounts.

The Fiscal Agent and its affiliates may act as sponsor, advisor, depository, principal or agent in the holding, acquisition or disposition of any investment. The Fiscal Agent shall not incur any liability for losses arising from any investments made pursuant to this Section 6.01. For purposes of determining the amount on deposit in any fund or account held hereunder, all Permitted Investments credited to such fund or account shall be valued at the cost thereof (excluding accrued interest and brokerage commissions, if any) semi-annually at least ten (10) Business Days prior to each Interest Payment Date.

Subject in all respects to the provisions of Section 6.02 hereof, investments in any and all funds and accounts may be commingled in a single fund for purposes of making, holding and disposing of investments, notwithstanding provisions herein for transfer to or holding in or to the credit of particular funds or accounts of amounts received or held by the Fiscal Agent hereunder, provided that the Fiscal Agent shall at all times account for such investments strictly in accordance with the funds and accounts to which they are credited and otherwise as provided in this Agreement.

The Fiscal Agent shall furnish the City annual cash transaction statements which include detail for all investment transactions effected by the Fiscal Agent or brokers selected by the City. Upon the City's election, monthly statements will be delivered via the Fiscal Agent's online service and upon electing such service, paper statements will be provided only upon request except as noted. The City waives the right to receive brokerage confirmations of security transactions effected by the Fiscal Agent as they occur, to the extent permitted by law. The City further understands that trade confirmations for securities transactions effected by the Fiscal Agent will be available upon request and at no additional cost and other trade confirmations may be obtained from the applicable broker.

The Fiscal Agent may make any investments hereunder through its own bond or investment department or trust investment department, or those of its parent or any affiliate.

Section 6.02. Rebate Fund; Rebate to the United States. There is hereby created, to be held by the Fiscal Agent, as a separate account distinct from all other funds and accounts held by the Fiscal Agent under this Agreement, the Rebate Fund. The Fiscal Agent shall, in accordance with written directions received from an Authorized Officer, deposit into the Rebate Fund moneys transferred by the City to the Fiscal Agent pursuant to the Rebate Certificate or moneys transferred by the Fiscal Agent from the Bond Fund or the Reserve Fund. The Rebate Fund shall be held either uninvested or invested only in Federal Securities at the written direction of the City. Moneys on deposit in the Rebate Fund shall be applied only to payments made to the United States, to the extent such payments are required by the Rebate Certificate. The Fiscal Agent shall, upon written request and direction of the City, make such payments to the United States.

The Fiscal Agent's sole responsibilities under this Section 6.02 are to follow the written instructions of the City pertaining hereto. The City shall be responsible for any fees and expenses incurred by the Fiscal Agent pursuant to this Section 6.02.

The Fiscal Agent shall, upon written request and direction from the City, transfer to or upon the order of the City any moneys on deposit in the Rebate Fund in excess of the amount, if any, required to be maintained or held therein in accordance with the Rebate Certificate. The Fiscal Agent shall be deemed conclusively to have complied with these provisions if it follows the directions of the City, and shall have no liability or responsibility to enforce compliance by the City with the terms hereof or of the Rebate Certificate.

Section 6.03. Liability of City. The City shall not incur any responsibility in respect of the Bond or this Agreement other than in connection with the duties or obligations explicitly herein or in the Bond assigned to or imposed upon it. The City shall not be liable in connection

with the performance of its duties hereunder, except for its own negligence or willful default. The City shall not be bound to ascertain or inquire as to the performance or observance of any of the terms, conditions, covenants or agreements of the Fiscal Agent herein or of any of the documents executed by the Fiscal Agent in connection with the Bond.

In the absence of bad faith, the City may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the City and conforming to the requirements of this Agreement. The City shall not be liable for any error of judgment made in good faith unless it shall be proved that it was negligent in ascertaining the pertinent facts.

No provision of this Agreement shall require the City to expend or risk its own general funds or otherwise incur any financial liability (other than with respect to the Special Tax Revenues) in the performance of any of its obligations hereunder, or in the exercise of and of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

The City may rely and shall be protected in acting or refraining from acting upon any notice, resolution, request, consent, order, certificate, report, warrant, bond or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or proper parties. The City may consult with counsel, who may be counsel to the City, with regard to legal questions, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance therewith.

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

Section 6.04. Employment of Agents by City. In order to perform its duties and obligations hereunder, the City may employ such persons or entities as it deems necessary or advisable. The City shall not be liable for any of the acts or omissions of such persons or entities employed by it in good faith hereunder, and shall be entitled to rely, and shall be fully protected in doing so, upon the opinions, calculations, determinations and directions of such persons or entities.

ARTICLE VII

THE FISCAL AGENT

Section 7.01. Appointment of Fiscal Agent. The Bank of New York Mellon Trust Company, N.A., is hereby appointed Fiscal Agent, registrar and paying agent for the Bond. The Fiscal Agent undertakes to perform such duties, and only such duties, as are specifically set forth in this Agreement, and no implied covenants or obligations shall be read into this Agreement against the Fiscal Agent.

Any company into which the Fiscal Agent 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 a party or any company to which the Fiscal Agent may sell or transfer all or substantially all of its corporate trust business, provided such company shall be eligible under the following paragraph of this Section 7.01, shall be the successor to the Fiscal Agent without the execution or filing of any paper or any further act, anything herein to the contrary notwithstanding.

The City may, and shall upon the direction of a majority of the Owner with thirty (30) days prior notice, remove the Fiscal Agent initially appointed, and any successor thereto, and may appoint a successor or successors thereto, but any such successor shall be a bank, national banking association or trust company having a combined capital (exclusive of borrowed capital) and surplus of at least \$50,000,000, and subject to supervision or examination by federal or state authority. 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 purposes 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 Fiscal Agent may at any time resign by giving written notice to the City and by giving to the Owner notice by mail of such resignation. Upon receiving notice of such resignation, the City shall promptly appoint a successor Fiscal Agent by an instrument in writing. Any resignation or removal of the Fiscal Agent shall become effective upon acceptance of appointment by the successor Fiscal Agent.

If no appointment of a successor Fiscal Agent shall be made pursuant to the foregoing provisions of this Section 7.01 within forty-five (45) days after the Fiscal Agent shall have given to the City written notice or after a vacancy in the office of the Fiscal Agent shall have occurred by reason of its inability to act, the Fiscal Agent, at the expense of the City, or any Owner may apply to any court of competent jurisdiction to appoint a successor Fiscal Agent. Said court may thereupon, after such notice, if any, as such court may deem proper, appoint a successor Fiscal Agent.

Section 7.02. Liability of Fiscal Agent. The recitals of facts, covenants and agreements herein and in the Bond contained shall be taken as statements, covenants and agreements of the City and the District, and the Fiscal Agent assumes no responsibility for the correctness of the

same, nor makes any representations as to the validity or sufficiency of this Agreement or of the Bond, nor shall the Fiscal Agent incur any responsibility in respect thereof, other than in connection with the duties or obligations herein or in the Bond assigned to or imposed upon it. The Fiscal Agent shall not be liable in connection with the performance of its duties hereunder, except for its own negligence or willful misconduct. The Fiscal Agent assumes no responsibility or liability for any information, statement or recital in any offering memorandum or other disclosure material prepared or distributed with respect to the issuance of the Bond.

In the absence of bad faith, the Fiscal Agent may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Fiscal Agent and conforming to the requirements of this Agreement. Except as provided above in this paragraph, the Fiscal Agent shall be protected and shall incur no liability in acting or proceeding, or in not acting or not proceeding, in good faith, reasonably and in accordance with the terms of this Agreement, upon any resolution, order, notice, request, consent or waiver, certificate, statement, affidavit, or other paper or document which it shall in good faith reasonably believe to be genuine and to have been adopted or signed by the proper person or to have been prepared and furnished pursuant to any provision of this Agreement, and the Fiscal Agent shall not be under any duty to make any investigation or inquiry as to any statements contained or matters referred to in any such instrument.

The Fiscal Agent shall not be liable for any error of judgment made in good faith by the Fiscal Agent unless it shall be proved that the Fiscal Agent was negligent in ascertaining the pertinent facts.

No provision of this Agreement shall require the Fiscal Agent to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers.

The Fiscal Agent shall not be responsible for accounting for, or paying to, any party to this Agreement, including, but not limited to the City and the Owner, any returns on or benefit from funds held for payment of the unredeemed Bond or outstanding checks and no calculation of the same shall affect, or result in any offset against, fees due to the Fiscal Agent under this Agreement.

The Fiscal Agent shall be under no obligation to exercise any of the rights or powers vested in it by this Agreement at the request or direction of any of the Owner pursuant to this Agreement unless such Owner shall have offered to the Fiscal Agent reasonable security or indemnity against the costs, expenses and liabilities which might be incurred by it in compliance with such request or direction.

The Fiscal Agent may become the Owner of the Bond with the same rights it would have if it were not the Fiscal Agent.

All indemnification and releases from liability granted herein to the Fiscal Agent shall extend to the directors, officers and employees of the Fiscal Agent.

The Fiscal Agent shall have the right to accept and act upon instructions, including funds transfer instructions ("Instructions") given pursuant to this Agreement and delivered using

Electronic Means (“Electronic Means” shall mean the following communications methods: e-mail, facsimile transmission, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys issued by the Fiscal Agent, or another method or system specified by the Fiscal Agent as available for use in connection with its services hereunder); provided, however, that the City shall provide to the Fiscal Agent an incumbency certificate listing officers with the authority to provide such Instructions (“Authorized Officers”) and containing specimen signatures of such Authorized Officers, which incumbency certificate shall be amended by the City whenever a person is to be added or deleted from the listing. If the City elects to give the Fiscal Agent Instructions using Electronic Means and the Fiscal Agent in its discretion elects to act upon such Instructions, the Fiscal Agent’s understanding of such Instructions shall be deemed controlling. The City understands and agrees that the Fiscal Agent cannot determine the identity of the actual sender of such Instructions and that the Fiscal Agent shall conclusively presume that directions that purport to have been sent by an Authorized Officer listed on the incumbency certificate provided to the Fiscal Agent have been sent by such Authorized Officer. The City shall be responsible for ensuring that only Authorized Officers transmit such Instructions to the Fiscal Agent and that the City and all Authorized Officers are solely responsible to safeguard the use and confidentiality of applicable user and authorization codes, passwords and/or authentication keys upon receipt by the City. The Fiscal Agent shall not be liable for any losses, costs or expenses arising directly or indirectly or indirectly from the Fiscal Agent’s reliance upon and compliance with such Instructions notwithstanding such directions conflict or are inconsistent with a subsequent written instruction. The City agrees: (i) to assume all risks arising out of the use of Electronic Means to submit Instructions to the Fiscal Agent, including without limitation the risk of the Fiscal Agent acting on unauthorized Instructions, and the risk of interception and misuse by third parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting Instructions than the method(s) selected by the City; (iii) that the security procedures (if any) to be followed in connection with its transmission of Instructions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances; and (iv) to notify the Fiscal Agent immediately upon learning of any compromise or unauthorized use of the security procedures.

The permissive right of the Fiscal Agent to do things enumerated in this Agreement shall not be construed as a duty and it shall not be answerable for other than its negligence or willful misconduct.

The Fiscal Agent may execute any of the trusts or powers hereof and perform the duties required of it hereunder by or through attorneys, agents, affiliates, or receivers, and shall be entitled to advice of counsel concerning all matters of trust and its duty hereunder, and the Fiscal Agent shall not be answerable for any willful misconduct or negligence on the part of any such attorney, agent, or receiver selected by it with reasonable care.

The Fiscal Agent shall not be responsible for or accountable to anyone for the subsequent use or application of any moneys which shall be released or withdrawn in accordance with the provisions hereof.

Section 7.03. Information. The Fiscal Agent shall provide to the City such information relating to the Bond and the funds and accounts maintained by the Fiscal Agent hereunder as the

City shall reasonably request, including, but not limited to, quarterly statements reporting funds held and transactions by the Fiscal Agent.

Section 7.04. Notice to Fiscal Agent. The Fiscal Agent may rely and shall be protected in acting or refraining from acting upon any notice, resolution, request, consent, order, certificate, report, warrant, Bond or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or proper parties. The Fiscal Agent may consult with counsel, who may be counsel to the City, with regard to legal questions, and the advice or opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by the Fiscal Agent hereunder in good faith and in accordance therewith.

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

Section 7.05. Compensation, Indemnification. The City shall pay to the Fiscal Agent from time to time reasonable compensation for all services rendered as Fiscal Agent under this Agreement, and also all reasonable expenses, charges, fees and other disbursements, including those of its attorneys, agents and employees, incurred in and about the performance of its powers and duties under this Agreement, and the Fiscal Agent shall have a first priority lien therefor on any funds at any time held by it under this Agreement, and the Fiscal Agent shall pay and reimburse all expenses, charges, fees and other disbursements, including those of its attorneys, agents and employees, incurred in connection therewith from the funds held by it under this Agreement. The City further agrees, to the extent permitted by applicable law, to indemnify and save the Fiscal Agent, its officers, employees, directors and agents, harmless against any liabilities and expenses, including legal fees and expenses, which it may incur in the exercise and performance of its powers and duties hereunder which are not due to its negligence or willful misconduct. The obligation of the City under this Section 7.05 shall survive resignation or removal of the Fiscal Agent under this Agreement and payment of the Bond and discharge of this Agreement.

Section 7.06. Books and Accounts. The Fiscal Agent shall keep, or cause to be kept, proper books of record and accounts, separate from all other records and accounts of the Fiscal Agent, in which complete and correct entries shall be made of all transactions made by it and with respect to the expenditure of amounts disbursed from the Bond Fund, the Special Tax Fund, the Administrative Expense Fund, the Reserve Fund and the Cost of Issuance Fund. Such books of record and accounts shall, upon reasonable notice, at all times during business hours be subject to the inspection of the City and the Owner of not less than ten percent (10%) of the aggregate principal amount of the Bond then Outstanding, or their representatives duly authorized in writing.

ARTICLE VIII

MODIFICATION OR AMENDMENT OF THIS AGREEMENT

Section 8.01. Amendments Permitted.

(A) This Agreement and the rights and obligations of the District and the City and of the Owner of the Bond may be modified or amended at any time by a Supplemental Agreement with the written consent of the Owner of at least sixty percent (60%) in aggregate principal amount of the Bond then Outstanding, exclusive of Bond disqualified as provided in Section 8.04 hereof. No such modification or amendment shall (i) extend the maturity of any Bond or the time for paying interest thereon, or otherwise alter or impair the obligation of the City on behalf of the District to pay the principal of, and the interest and any premium on, the Bond, without the express consent of the Owner of such Bond, or (ii) permit the creation of any pledge of or lien upon the Special Tax Revenues, or the moneys on deposit in the Special Tax Fund, the Bond Fund or the Reserve Fund, superior to or on a parity with the pledge and lien created for the benefit of the Bond (except as otherwise permitted by the Act, the laws of the State of California or this Agreement), (iii) reduce the percentage of the Bond required for the amendment hereof, or (iv) reduce the principal amount of or redemption premium on any Bond or reduce the interest rate thereon. Any such amendment may not modify any of the rights or obligations of the Fiscal Agent without its written consent. The City shall deliver to the Fiscal Agent an opinion of counsel that any such Supplemental Agreement entered into by the City and the Fiscal Agent complies with the provisions of this Section 8.01 and the Fiscal Agent may conclusively rely on such opinion.

(B) This Agreement and the rights and obligations of the District and the City and the Owner may also be modified or amended at any time by a Supplemental Agreement, without the consent of the Owner, only to the extent permitted by law and only for any one or more of the following purposes:

(1) to add to the covenants and agreements of the City in this Agreement contained, other covenants and agreements thereafter to be observed, or to limit or surrender any right or power herein reserved to or conferred upon the City;

(2) to make modifications not adversely affecting any Outstanding Bond in any material respect;

(3) to make such provisions for the purpose of curing any ambiguity, or of curing, correcting or supplementing any defective provisions of this Agreement, or in regard to questions arising under this Agreement, as the City and the Fiscal Agent may deem necessary or desirable and not inconsistent with this Agreement, and which shall not adversely affect the rights of the Owner;

(4) to make such additions, deletions or modifications as may be necessary or desirable to assure compliance with Section 148 of the Code relating to required rebate of moneys to the United States or otherwise as may be necessary to assure exclusion from

gross income for federal income tax purposes of interest on the Bond or to conform with the Regulations; or

(5) to provide for the issuance of Parity Bonds to pay and discharge the indebtedness of a portion of the Outstanding Bond (a "Partial Discharge") pursuant to Section 10.03 hereof; provided that, following the issuance of such Parity Bonds, Maximum Annual Debt Service on the Bond that will remain Outstanding following such Partial Discharge and such Parity Bonds will not be more in any subsequent Bond Year than Maximum Annual Debt Service on the Outstanding Bond before the issuance of such Parity Bonds. Any such Partial Discharge shall be approved in writing by the Original Purchaser prior to issuance of the Parity Bonds.

Notwithstanding the preceding provisions of Section 8.01(B), any amendment to this Agreement shall require the consent of the Original Purchaser so long as the Original Purchaser is the sole Owner of the Outstanding Bond.

Section 8.02. Procedure for Amendment with Written Consent of the Owner. The City and the Fiscal Agent may at any time enter into a Supplemental Agreement amending the provisions of the Bond or of this Agreement or any Supplemental Agreement, to the extent that such amendment is permitted by Section 8.01(A) hereof, to take effect when and as provided in this Section 8.03. A copy of the Supplemental Agreement, together with a request to the Owner for their consent thereto, shall be mailed by first class mail, postage prepaid, by the Fiscal Agent to each Owner of the Bond Outstanding, but failure to mail copies of the Supplemental Agreement and request shall not affect the validity of the Supplemental Agreement when assented to as in this Section provided.

Such a Supplemental Agreement shall not become effective unless there shall be filed with the Fiscal Agent the written consents of the Owner of at least sixty percent (60%) in aggregate principal amount of the Bond then Outstanding (exclusive of Bond disqualified as provided in Section 8.03) and a notice shall have been mailed as hereinafter in this Section provided. Each such consent shall be effective only if accompanied by proof of ownership of the Bond for which such consent is given, which proof shall be such as is permitted by Section 10.04 hereof. Any such consent shall be binding upon the Owner of the Bond giving such consent and on any subsequent Owner (whether or not such subsequent Owner has notice thereof) unless such consent is revoked in writing by the Owner giving such consent or a subsequent Owner by filing such revocation with the Fiscal Agent prior to the date when the notice hereinafter in this Section provided for has been mailed.

After the Owner of the required percentage of the Bond shall have filed their consents to the Supplemental Agreement, the City shall mail a notice to the Owner in the manner hereinbefore provided in this Section for the mailing of the Supplemental Agreement, stating in substance that the Supplemental Agreement has been consented to by the Owner of the required percentage of the Bond and will be effective as provided in this Section (but failure to mail copies of said notice shall not affect the validity of the Supplemental Agreement or consents thereto). Proof of the mailing of such notice shall be filed with the Fiscal Agent. A record, consisting of the papers required by this Section 8.02 to be filed with the Fiscal Agent, shall be proof of the matters therein stated until the contrary is proved. The Supplemental Agreement

shall become effective upon the filing with the Fiscal Agent of the proof of mailing of such notice, and the Supplemental Agreement shall be deemed conclusively binding (except as otherwise hereinabove specifically provided in this Article VIII) upon the City, the District and the Owner of the Bond then Outstanding at the expiration of sixty (60) days after such filing, except in the event of a final decree of a court of competent jurisdiction setting aside such consent in a legal action or equitable proceeding for such purpose commenced within such sixty (60)-day period.

Section 8.03. Disqualified Bond. Any Bond owned or held for the account of the City, excepting any pension or retirement fund, shall not be deemed Outstanding for the purpose of any vote, consent or other action or any calculation of the Outstanding Bond provided for in this Article VIII, and shall not be entitled to vote upon, consent to, or participate in any action provided for in this Article VIII. Upon request of the Fiscal Agent, the City shall specify in a certificate to the Fiscal Agent those Certificates disqualified pursuant to this Section and the Fiscal Agent may conclusively rely on such certificate.

Section 8.04. Effect of Supplemental Agreement. From and after the time any Supplemental Agreement becomes effective pursuant to this Article VIII, this Agreement shall be deemed to be modified and amended in accordance therewith, and the respective rights, duties and obligations under this Agreement of the City and the Owner of the Bond Outstanding shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modifications and amendments, and all the terms and conditions of any such Supplemental Agreement shall be deemed to be part of the terms and conditions of this Agreement for any and all purposes.

Section 8.05. Endorsement or Replacement of the Bond Issued After Amendments. The City may determine that the Bond issued and delivered after the effective date of any action taken as provided in this Article VIII shall bear a notation, by endorsement or otherwise, in form approved by the City, as to such action. In that case, upon demand of the Owner of the Bond Outstanding at such effective date and upon presentation of his Bond for that purpose at the Principal Office of the Fiscal Agent or at such other office as the City may select and designate for that purpose, a suitable notation shall be made on such Bond. The City may determine that the new Bond, so modified as in the opinion of the City is necessary to conform to such action, shall be prepared, executed and delivered. In that case, upon demand of the Owner of the Bond then Outstanding, such new Bond shall be exchanged at the Principal Office of the Fiscal Agent without cost to any Owner, for the Bond then Outstanding, upon surrender of such Bond.

Section 8.06. Amendatory Endorsement of Bond. The provisions of this Article VIII shall not prevent any Owner from accepting any amendment as to the Bond held by him, provided that due notation thereof is made on the Bond.

ARTICLE IX

EVENTS OF DEFAULT AND REMEDIES

Section 9.01. Events of Default. The following events shall be Events of Default:

(a) **Principal Payment Default.** Default in the due and punctual payment of the principal or redemption price of the Bond when and as the same shall become due and payable, whether at maturity as therein expressed, by proceedings for redemption, by declaration or otherwise, or default in the payment of mandatory sinking fund redemption from any Sinking Account of any Bond in the amounts and at the times provided therefor;

(b) **Interest Payment Default.** Default in the due and punctual payment of any installment of interest on the Bond when and as such interest installment shall become due and payable; and

(c) **Other Covenant Default.** If the City shall fail to observe or perform any covenant, condition, agreement or provision in this Fiscal Agent Agreement on its part to be observed or performed, other than as referred to in subsection (A) or (B) of this Section, for a period of thirty (30) days after written notice, specifying such failure and requesting that it be remedied, has been given to the City; except that, if such failure can be remedied but not within such thirty (30) day period and if the City has taken all action reasonably possible to remedy such failure within such thirty (30) day period, such failure shall not, with the consent of the Original Purchaser so long as the Original Purchaser is the Owner of any Outstanding Bond, become an Event of Default for so long as the City shall diligently proceed to remedy same.

Section 9.02. Remedies of Owner. Upon the occurrence and continuance of an Event of Default, the Owner shall have the right to exercise all remedies contemplated under this Agreement as follows:

(a) by mandamus or other action, suit, or proceeding at law or in equity to enforce the Owner's rights against the City, and its members, officers and employees, and to compel the City, and its members, officers and employees perform and carry out their duties under the Law and the agreements and covenants with the Owner contained herein;

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

(c) by suit in equity upon the nonpayment of the Bond to require the City to account as the trustee of an express trust.

Section 9.03. Application of Money Collected. If an Event of Default shall occur and be continuing, the Fiscal Agent shall apply all funds then held or thereafter received by the Fiscal Agent under any of the provisions of this Fiscal Agent Agreement (except as otherwise provided in this Fiscal Agent Agreement) as follows and in the following order:

First: To the payment of reasonable fees and expenses of the Fiscal Agent (including reasonable fees and disbursements of its counsel and other agents) incurred in and about the performance of its duties under this Fiscal Agent Agreement;

Second: To the payment of all installments of interest then due and, if the amount available shall not be sufficient to pay in full any installment due on the same date, then pay the amount available for such portion of the interest installment then payable; and

Third: To the payment of the persons entitled thereto of the unpaid principal of the Bond that shall have become due, whether at maturity or by call for redemption, in the order of their due dates, with interest on the overdue principal at the rate borne by the Bond, and, if the amount available shall not be sufficient to pay in full the Bond due on such date, together with such interest, then to the payment thereof ratably, according to the amounts of principal due on such date to the persons entitled thereto, without any discrimination or preference.

Section 9.04. Restoration of Positions. In case any proceedings taken by the Owner on account of any Event of Default shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Owner, then in every such case the City and the Owner, subject to any determination in such proceedings, shall be restored to their former positions and rights hereunder, severally and respectively, and all rights, remedies, powers, and duties of the City and the Owner shall continue as though no such proceedings had been taken.

Section 9.05. Rights and Remedies Cumulative. No right or remedy herein conferred upon or reserved to the Owner is intended to be exclusive of any other right or remedy, and every right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right or remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

Section 9.06. Delay or Omission Not Waiver. No delay or omission of any Owner to exercise any right or remedy accruing upon an Event of Default shall impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein. Every right and remedy given by this Fiscal Agent Agreement or by law to the Owner of the Bond may be exercised from time to time, and as often as may be deemed expedient, by the Owner.

ARTICLE X

MISCELLANEOUS

Section 10.01. Benefits of Agreement Limited to Parties. Nothing in this Agreement, expressed or implied, is intended to give to any person other than the City, the Fiscal Agent and the Owner, any right, remedy or claim under or by reason of this Agreement. Any covenants, stipulations, promises or agreements in this Agreement contained by and on behalf of the City shall be for the sole and exclusive benefit of the Owner and the Fiscal Agent.

Section 10.02. Successor is Deemed Included in All References to Predecessor. Whenever in this Agreement or any Supplemental Agreement either the City or the Fiscal Agent

is named or referred to, such reference shall be deemed to include the successors or assigns thereof, and all the covenants and agreements in this Agreement contained by or on behalf of the City or the Fiscal Agent shall bind and inure to the benefit of the respective successors and assigns thereof whether so expressed or not.

Section 10.03. Discharge of Agreement.

If the City shall pay and discharge the entire indebtedness of all or a portion (a “Partial Discharge”) of the Outstanding Bond in any one or more of the following ways:

(A) by well and truly paying or causing to be paid the principal of and interest and any premium on such Bond, as and when the same become due and payable;

(B) by depositing with the Fiscal Agent, in trust, at or before maturity, an amount of money which, together with the amounts then on deposit in the Bond Fund, the Special Tax Fund and the Reserve Fund, or in the event of a Partial Discharge, the appropriate portion of such amounts, as determined by the City and confirmed by an Independent Financial Consultant, is fully sufficient to pay the Bond, including all principal and interest, if any; or

(C) by irrevocably depositing with the Fiscal Agent, in trust, cash or non-callable Defeasance Obligations in such amount as the City shall determine, as confirmed by an Independent Financial Consultant, will, together with the interest to accrue thereon and amounts then on deposit in the Bond Fund, the Special Tax Fund and the Reserve Fund, or in the event of a Partial Discharge, the appropriate portion of such amounts, as determined by the City and confirmed by an Independent Financial Consultant, be fully sufficient to pay and discharge the indebtedness of the Bond (including all principal and interest) at or before their respective maturity dates;

and if the Bond is to be redeemed prior to the maturity thereof, notice of such redemption shall have been given as in this Agreement provided or provision satisfactory to the Fiscal Agent shall have been made for the giving of such notice; then, at the election of the City, and notwithstanding that the Bond shall not have been surrendered for payment, the pledge of the Special Tax Revenues and other funds provided for in this Agreement and all other obligations of the City and the District under this Agreement with respect to the Bond shall cease and terminate, except the obligation of the City to pay or cause to be paid to the Owner of such Bond not so surrendered and paid all sums due thereon, the obligation of the City to pay all amounts owing to the Fiscal Agent pursuant to Section 7.05 hereof, and the obligations of the City pursuant to the covenants contained in Section 5.10 hereof; and thereafter Special Tax Revenues shall not be payable to the Fiscal Agent with respect to such Bond. Notice of such election shall be filed with the Fiscal Agent. The satisfaction and discharge of this Agreement as to all of the Outstanding Bond shall be without prejudice to the rights of the Fiscal Agent to charge and be reimbursed by the City for the expenses which it shall thereafter incur in connection herewith.

Any funds held by the Fiscal Agent to pay and discharge the indebtedness on such Bond, upon payment of all fees and expenses of the Fiscal Agent, which are not required for such purpose, shall be paid over to the City.

Section 10.04. Execution of Documents and Proof of Ownership by the Owner. Any request, consent, declaration or other instrument which this Agreement may require or permit to be executed by Owner may be in one or more instruments of similar tenor, and shall be executed by Owner 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 a request, consent, declaration or other instrument, or of a writing appointing such an 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 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 a notary public or other officer.

Except as otherwise herein expressly provided, the ownership of the registered Bond and the amount, maturity, number and date of holding the same shall be proved by the registration books maintained by the Fiscal Agent pursuant to Section 2.08 hereof.

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

Section 10.05. Waiver of Personal Liability. No member, officer, agent or employee of the City or the District shall be individually or personally liable for the payment of the principal of, or interest or any premium on, the Bond; but nothing herein contained shall relieve any such member, officer, agent or employee from the performance of any official duty provided by law.

Section 10.06. Notices to and Demands on City and Fiscal Agent. Any notice, request, complaint, demand for other communication under this Fiscal Agent Agreement shall be given by first class mail, overnight mail, facsimile, or personal delivery to the party entitled thereto at its address set forth below, or by telecopy or other form of telecommunication, including e-mail with document attached in pdf format, at its number set forth below. Notice shall be effective either (a) upon transmission by telecopy or other form of telecommunication, (b) forty-eight (48) hours after deposit in the United States mail, postage prepaid, or (c) in the case of personal delivery to any person or the Fiscal Agent, upon actual receipt. The City, the Fiscal Agent or the Original Purchaser may, by written notice to the other parties, from time to time modify the address or number to which communications are to be given hereunder.

If to the City: City of Corona
400 South Vicentia Avenue, Suite 320
Corona, CA 92882
Attn: Assistant City Manager/Administrative Services Director

If to the Fiscal Agent: The Bank of New York Mellon Trust Company, N.A.
Attn: Corporate Trust Services
400 S. Hope Street, Suite 500
Los Angeles, CA 90071
Reference: Corona CFD 2004-1 2020 Special Tax Refunding Bond

So long as the Original Purchaser is the Owner of any Outstanding Bond, to the Original Purchaser:

BBVA Mortgage Corporation
999 18th Street, Suite 2800
Denver, CO 80202
Attention: Denver Public Finance Group, Sandra Rangel
Phone: (303) 217-2278
email: sandra.rangel@bbva.com

With a copy to:

For U.S. Mail Deliveries:
BBVA USA
Attention: LD&FC Public Finance
8333 Douglas Avenue, 2nd Floor
Dallas, TX 75225
email: LDFCPublicFinance.us@BBVA.com

For Overnight Deliveries:
BBVA USA
Attention: LD&FC Public Finance
8333 Douglas Avenue, 2nd Floor
Dallas, TX 75225
email: LDFCPublicFinance.us@BBVA.com

Section 10.07. Partial Invalidity. If any section, paragraph, sentence, clause or phrase of this Agreement shall for any reason be held by a court of competent jurisdiction to be illegal or unenforceable, such holding shall not affect the validity of the remaining portions of this Agreement. The City hereby declares that it would have executed and delivered this Agreement and each and every other section, paragraph, sentence, clause or phrase hereof and authorized the issue of the Bond pursuant thereto irrespective of the fact that any one or more sections, paragraphs, sentences, clauses or phrases of this Agreement may be held illegal, invalid or unenforceable.

Section 10.08. Unclaimed Moneys. Anything contained herein to the contrary notwithstanding, any moneys held by the Fiscal Agent for the payment and discharge of the principal of, and the interest and any premium on, the Bond which remains unclaimed for two (2) years after the date when the payment of such principal, interest and premium have become payable, if such moneys were held by the Fiscal Agent at such date, shall be paid by the Fiscal Agent to the City as its absolute property free from any trust, and the Fiscal Agent shall thereupon be released and discharged with respect thereto and the Owner of such Bond shall look only to the City for the payment of the principal of, and interest and any premium on, the Bond.

Section 10.09. Applicable Law. This Agreement shall be governed by and enforced in accordance with the laws of the State of California applicable to contracts made and performed in the State of California.

Section 10.10. Severability. If any covenant, agreement or provision, or any portion thereof, contained in this Agreement, or the application thereof to any person or circumstance, is

held to be unconstitutional, invalid or unenforceable, the remainder of this Agreement and the application of any such covenant, agreement or provision, or portion thereof, to other persons or circumstances, shall be deemed severable and shall not be affected thereby, and this Agreement, the Bond and any Parity Bonds issued pursuant hereto shall remain valid and the Owner shall retain all valid rights and benefits accorded to them under the laws of the State.

Section 10.11. Conclusive Evidence of Regularity. The Bond issued pursuant to this Agreement shall constitute conclusive evidence of the regularity of all proceedings under the Act relative to their issuance and the levy of the Special Taxes.

Section 10.12. Payment on Business Day. In any case where the date of the payment of interest on or of principal (and premium, if any) of the Bond or the date fixed for redemption is other than a Business Day, the payment of interest or principal (and premium, if any) need not be made on such date but may be made on the next succeeding day which is a Business Day with the same force and effect as if made on the date required, and no interest shall accrue for the period from and after such date.

Section 10.13. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original.

Section 10.14. Third Party Beneficiaries. This Agreement shall not be deemed to confer any rights upon any individual or entity, which is not a party hereto except the Original Purchaser, and the parties hereto expressly disclaim any such third-party benefit.

[Balance of this page intentionally left blank.]

IN WITNESS WHEREOF, the City has caused this Agreement to be executed in its name on behalf of the District, and the Fiscal Agent, in acknowledgment of its acceptance of the duties of the Fiscal Agent created hereunder, has caused this Agreement to be executed in its name, all as of _____ 1, 2020.

CITY OF CORONA, on behalf of and for COMMUNITY FACILITIES DISTRICT NO. 2004-1 (BUCHANAN STREET) OF THE CITY OF CORONA, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA

By: _____
Assistant City Manager/
Administrative Services Director

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., as Fiscal Agent

By: _____
Authorized Officer

*-Signature Page-
Fiscal Agent Agreement
(CFD No. 2004-1)*

EXHIBIT A
FORM OF BOND

No. R-1

\$ _____

UNITED STATES OF AMERICA
STATE OF CALIFORNIA
COUNTY OF RIVERSIDE
COMMUNITY FACILITIES DISTRICT NO. 2004-1
(BUCHANAN STREET)
OF THE CITY OF CORONA
2020 SPECIAL TAX REFUNDING BOND

INTEREST RATE

MATURITY DATE

DATED DATE

_____%

September 1, 20__

REGISTERED OWNER:

PRINCIPAL AMOUNT: DOLLARS

City of Corona (the "City"), for and on behalf of Community Facilities District No. 2004-1 (Buchanan Street) of the City of Corona, County of Riverside, State of California (the "District"), for value received, hereby promises to pay, from the Special Taxes (as hereinafter defined) to be collected in the District or amounts in the funds and accounts held under the Agreement (as hereinafter defined) to the registered owner named above, or registered assigns, on the maturity date specified above, the principal amount specified above, and to pay interest on such principal amount from the Dated Date specified above (the "Dated Date"), or from the most recent interest payment date to which interest has been paid or duly provided for, semiannually on March 1 and September 1, commencing March 1, 2020 ("Interest Payment Dates"), at the interest rate specified above, until the principal amount hereof is paid or made available for payment. The principal of this Bond is payable by check to the registered owner hereof in lawful money of the United States of America upon presentation and surrender of this Bond at the Principal Office of The Bank of New York Mellon Trust Company, N.A. (the "Fiscal Agent"). Interest on the Bond is payable by check of the Fiscal Agent mailed by first class mail, postage prepaid, on each Interest Payment Date, until the principal amount of the Bond has been paid or made available for payment, to the registered Owner thereof at such registered Owner's address as it appears on the registration books maintained by the Fiscal Agent at the close of business on the Record Date preceding the Interest Payment Date. The principal of the Bond and any premium on the Bond are payable in lawful money of the United State of America by check of the Fiscal Agent upon surrender of such Bond at the Principal Office of the Fiscal Agent (other than pursuant to mandatory sinking fund redemption, as provided in Section 2.01(A) of the Agreement for which presentment will not be required); provided, however, that at the written request of the Owner of at least \$1,000,000 in aggregate principal amount of the Outstanding

Bond filed with the Fiscal Agent prior to any Record Date, interest and mandatory sinking fund redemption payments on such Bond shall be paid to such Owner on each succeeding Interest Payment Date or mandatory sinking fund redemption date, as the case may be, by wire transfer of immediately available funds to an account in the United States of America designated in such written request.

This Bond has been duly authorized and approved by the qualified electors of the District pursuant to the Mello-Roos Community Facilities Act of 1982, as amended, Chapter 2.5 (commencing with Section 53311) of Part 1 of Division 2 of Title 5 of the California Government Code (the "Mello-Roos Act"), for the purpose of refunding prior indebtedness of the District, and is designated "Community Facilities District No. 2004-1 (Buchanan Street) of the City of Corona 2020 Special Tax Refunding Bond (the "Bond"), in the aggregate principal amount of \$ _____. The issuance of the Bond and the terms and conditions thereof are provided for by a resolution adopted by the City Council of the City on _____, 2019 (the "Resolution"), and the Fiscal Agent Agreement, dated as of _____ 1, 2019, between the City and the Fiscal Agent (the "Agreement") and this reference incorporates the Resolution and the Agreement herein, and by acceptance hereof the owner of this Bond assents to the terms and conditions of the Resolution and the Agreement. The Resolution is adopted under, the Agreement is executed under, this Bond is issued under, and all are to be construed in accordance with, the laws of the State of California.

Pursuant to the Mello-Roos Act, the Agreement and the Resolution, the principal of and interest on the Bond is payable from the annual levy of Special Taxes authorized under the Mello-Roos Act to be collected within the District (the "Special Taxes") and are secured by a pledge of and lien upon the revenues derived therefrom and certain funds held by the Fiscal Agent pursuant to the Agreement.

Interest on this Bond shall be payable from the Interest Payment Date next preceding the date of its authentication, unless (i) it is authenticated on an Interest Payment Date, in which event it shall bear interest from such Interest Payment Date, or (ii) it is authenticated prior to an Interest Payment Date and after the close of business on the Record Date preceding such Interest Payment Date, in which event it shall bear interest from such Interest Payment Date, or (iii) it is authenticated prior to the Record Date preceding the first Interest Payment Date, in which event it shall bear interest from the Dated Date; provided, however, that if at the time of authentication of this Bond, interest is in default hereon, this Bond shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment hereon, or from the Dated Date if no interest has previously been paid or made available for payment hereon.

Any tax for the payment hereof shall be limited to the Special Taxes, except to the extent that provision for payment has been made by the City as may be permitted by law. The Bond does not constitute an obligation of the City for which the City is obligated to levy or pledge, or has levied or pledged, general or special taxation other than as described hereinabove.

The City has covenanted for the benefit of the Owner of the Bond as follows: (i) it will order, and cause to be commenced judicial foreclosure proceedings against properties in the District with delinquent Special Taxes in excess of \$5,000 by October 1 following the close of the fiscal year in which such Special Taxes were due, and (ii) it will commence judicial

foreclosure proceedings against all properties in the District with delinquent Special Taxes by the October 1 following the close of each fiscal year in which it receives Special Taxes in an amount which is less than ninety-five percent (95%) of the total Special Taxes levied, and diligently pursue to completion such foreclosure proceedings.

The Bond is subject to optional redemption at the election of the City on any Interest Payment Date, in whole, or with the consent of the Original Purchaser so long as the Original Purchaser is the Owner of the Outstanding Bond, at a redemption price equal to the principal amount thereof to be redeemed, together with accrued interest to the date of redemption, without premium.

The Bond is subject to mandatory redemption from special tax prepayments as stated in the Agreement.

The Outstanding Bond is subject to mandatory sinking fund redemption, in part, on September 1, 20___, and on each September 1 thereafter to maturity, at a redemption price equal to the principal amount thereof to be redeemed, together with accrued interest to the date of redemption, without premium, and from sinking fund payments as follows:

Maturing on September 1, 20

Redemption Date
(September 1)

Sinking Fund Payment
\$

(final maturity)

This Bond shall be registered in the name of the owner hereof, as to both principal and interest.

Each registration and transfer of registration of this Bond shall be entered by the Fiscal Agent in books kept by it for that purpose and authenticated by the manual signature of an authorized signatory of the Fiscal Agent upon the certificate of authentication endorsed hereon.

No transfer or exchange hereof shall be valid for any purpose unless made by the registered owner or his duly authorized attorney, by execution of the form of assignment endorsed hereon, and shall be accompanied with a Letter of Representation of the Purchaser, and authenticated as herein provided, and the principal hereof and interest hereon shall be payable only to the registered owner or to such owner's order.

The Fiscal Agent shall require the registered owner requesting transfer or exchange hereof to pay any tax or other governmental charge required to be paid with respect to such transfer or exchange.

The Agreement and the rights and obligations of the City and the District thereunder may be modified or amended as set forth therein.

This Bond shall not become valid or obligatory for any purpose until the certificate of authentication hereon endorsed shall have been dated and manually signed on behalf of the Fiscal Agent.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required by law to exist, happen and be performed precedent to and in the issuance of this Bond have existed, happened and been performed in due time, form and manner as required by law.

IN WITNESS WHEREOF, the City Council of the City of Corona, for Community Facilities District No. 2004-1 (Buchanan Street) of the City of Corona , has caused this Bond to be dated as of the Closing Date, and to be signed by the manual signature of the Mayor of the City and countersigned by the manual signature of the City Clerk of the City.

COMMUNITY FACILITIES DISTRICT NO.
2004-1 (BUCHANAN STREET) OF THE
CITY OF CORONA, COUNTY OF
RIVERSIDE, STATE OF CALIFORNIA

ATTEST:

City Clerk

Mayor of the City of Corona for Community
Facilities District No. 2004-1 (Buchanan Street)
thereof

CERTIFICATE OF AUTHENTICATION

This Bond is described in the within-defined Agreement.

Dated: _____

THE BANK OF NEW YORK MELLON TRUST
COMPANY, N.A., as Fiscal Agent

By: _____
Authorized Signatory

FORM OF ASSIGNMENT

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

(Name, Address and Tax Identification or Social Security Number of Assignee)

the within Bond and do(es) hereby irrevocably constitute and appoint _____

_____ attorney, to transfer the same on the books of the Trustee, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

Note: Signature guarantee shall be made by a guarantor institution participating in the Securities Transfer Agents Medallion Program or in such other guarantee program acceptable to the Trustee.

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

EXHIBIT B

FORM OF LETTER OF REPRESENTATIONS

City of Corona
400 South Vicentia Avenue, Suite 320
Corona, CA 92882

The Bank of New York Mellon Trust Company, N.A.
400 South Hope Street, Suite 500
Los Angeles, CA 90071
Attn: Corporate Trust

Re: \$_____ Community Facilities District No. 2004-1 (Buchanan Street) of the
City of Corona 2020 Special Tax Refunding Bond

The undersigned, a duly authorized representative of [_____] and its successors, assigns and transferees (the "Purchaser"), hereby certifies to the City of Corona (the "City") as follows:

(i) The Purchaser has purchased on the date hereof the above-referenced bond (the "Bond"), issued in the aggregate principal amount of \$_____ pursuant to the Fiscal Agent Agreement, dated as of _____ 1, 2019 (the "Fiscal Agent Agreement"), by and between the City and The Bank of New York Mellon Trust Company, N.A., as trustee, and acknowledged and agreed to by the Purchaser, as the original purchaser of the Bond.

(ii) The Bond is being acquired by the Purchaser for its own account and not with a present intent for any resale or distribution thereof, in whole or in part, to others; provided, however, that the Purchaser shall not be precluded from transferring or assigning its interest in the Bond in accordance with the terms and conditions set forth in the Fiscal Agent Agreement. The Purchaser is not participating, directly or indirectly, in a distribution of the Bond and will not take, or cause to be taken, any action that would cause the Purchaser to be deemed an "underwriter" of such Bond as defined in Section 2(11) of the Securities Act of 1933, as amended (the "Securities Act"). The Purchaser understands that the City has no obligation to register the Bond for resale under the Securities Act. The Purchaser further understands that the Bond is being sold in a transaction that is exempt from the registration requirements of the Securities Act. The Purchaser acknowledges that the City will not be entering into a continuing disclosure agreement pursuant to Section 15c2-12 of the Securities Exchange Act of 1934, as amended.

(iii) The Purchaser has received and carefully read all information and other items of disclosure relating to the City, Community Facilities District No. 2004-1 (Buchanan Street) of the City of Corona (the "District") and the Bond that the Purchaser has deemed necessary (the "Disclosure Items") and, in connection therewith, has had access to all other materials, books, records, documents, and information relating to the

City, the District and the Bond, and has been able to verify the accuracy of, and supplement, the information contained therein.

(iv) The Purchaser has had an opportunity to ask questions of, and receive satisfactory answers from, duly designated representatives of the City and the District concerning the terms and conditions pursuant to which the offer to purchase the Bond is being made, and any request for such information has been fully complied with to the extent the City possesses such information or can acquire it without unreasonable effort or expense.

(v) The Purchaser has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks relating to such Bond and has evaluated: (i) the information (including the information set forth in the Disclosure Items) furnished to it by the City and/or the District; (ii) its or such representative's personal knowledge of the business and affairs of the City and/or the District; (iii) the records, files, and plans of the City and/or the District, to all of which it or such representative has had full access; (iv) such additional information as it or such representative may have requested and have received from the City and/or the District; and (v) the independent inquiries and investigations undertaken by it or such representative.

(vi) The Purchaser certifies that it is an "accredited investor" within the meaning of Regulation D under the Securities Act.

(vii) The Purchaser has made an independent investigation and evaluation of the financial condition and prospects of, and the risks associated with, the Bond, the City and the District, or has caused such investigation and evaluation to be made by persons it deems competent to do so, and it has not relied upon the City in making its investment decision to purchase the Bond other than the Disclosure Items.

(viii) No person has given any information or made any representation not contained in any Disclosure Items referred to above or otherwise provided to the Purchaser in writing by a person employed or authorized in writing by the City and/or the District. The Purchaser understands and agrees that any information or representation not contained therein must not, and will not, be relied upon and that nothing contained therein should be City as legal or tax advice to the Purchaser.

(ix) No person has made any direct or indirect representation or warranty of any kind to the Purchaser with respect to the economic return which may accrue to the Purchaser. The Purchaser has consulted with its own counsel and other advisors with respect to an investment in the Bond.

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

Dated: _____

By: _____
Authorized Signatory