
INDENTURE OF TRUST

by and between the

CITY OF NAPA

and

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

Dated as of October 1, 2016

Relating to
City of Napa
\$[Principal Amount]
Solid Waste Revenue Bonds,
Series 2016 (Federally Taxable)
Napa Materials Diversion Facility)
[(Green Bonds)]

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INDENTURE OF TRUST

THIS INDENTURE OF TRUST is made and entered into as of October 1, 2016, by and between the CITY OF NAPA, a chartered city and municipal corporation organized and existing under the constitution and laws of the State of California (the "City"), and THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., a national banking association organized and existing under the laws of the United States of America, with a corporate trust office in San Francisco, California, and being qualified to accept and administer the trusts hereby created, as trustee (the "Trustee").

RECITALS

1. The City is a charter city and municipal corporation organized and existing under and by virtue of the Constitution and laws of the State of California, and as such is authorized to issue the Bonds under and pursuant to the powers of the City with respect to municipal affairs in accordance with Section 4 of the City Charter and Section 5 of Article XI of the California Constitution.

2. The City, after due investigation and deliberation, has determined that it is in the interests of the City at this time to provide for the issuance of its Solid Waste Revenue bonds under this Indenture for the purpose of financing the acquisition and construction of capital improvements at the City's Materials Diversion Facility, and to that end the City Council has heretofore adopted its Resolution No. _____, approving and authorizing the issuance of its City of Napa Solid Waste Revenue Bonds, Series 2016 (Federally Taxable) Napa Materials Diversion Facility) [(Green Bonds)] (the "Series 2016 Bonds") for such purposes.

3. In order to provide for the authentication and delivery of the Series 2016 Bonds, to establish and declare the terms and conditions upon which the Series 2016 Bonds are to be issued and secured and to secure the payment of the principal thereof and of the interest and premium, if any, thereon, the Council has authorized the execution and delivery of this Indenture.

4. All of the Series 2016 Bonds will be secured by a pledge of the Net Revenues, as defined herein, and certain other moneys and securities held by the City and the Trustee hereunder.

5. All acts and proceedings required by law necessary to make the Series 2016 Bonds, when executed by the City, authenticated and delivered by the Trustee and duly issued, the valid, binding and legal special obligations of the City, and to constitute this Indenture a valid and binding agreement for the uses and purposes herein set forth, in accordance with its terms, have been done and taken; and the execution and delivery of this Indenture have been in all respects duly authorized.

In order to secure the payment of the principal of and the interest and premium (if any) on all Series 2016 Bonds at any time issued and Outstanding under this Indenture, according to their tenor, and to secure the performance and observance of all the covenants and conditions therein and herein set forth, and to declare the terms and conditions upon and subject to which the Bonds are to be issued and received, and in consideration of the premises and of the mutual covenants herein contained and of the purchase and acceptance of the Series 2016 Bonds by the Owners thereof, and for other valuable considerations, the receipt whereof is hereby acknowledged, the City does hereby covenant and agree with the Trustee, for the benefit of the respective Owners from time to time of the Series 2016 Bonds, as provided in this Indenture.

ARTICLE I

DEFINITIONS; AUTHORIZATION AND PURPOSE OF BONDS; EQUAL SECURITY

SECTION 1.01. Definitions. Unless the context otherwise requires, the terms defined in this Section shall for all purposes of this Indenture and of any Parity Bonds Instrument and of the Bonds and of any certificate, opinion, request or other documents herein mentioned have the meanings herein specified.

“Additional Revenues” means any or all of the following amounts:

(a) An allowance for Net Revenues from any additions or improvements to or extensions of the Solid Waste System to be financed from the proceeds of the proposed series of Parity Bonds or from any other source but in any case which, during all or any part of the most recent completed Fiscal Year for which audited financial statements are available or for any other 12-month period selected by the City under Section 3.05(b), were not in service, all in an amount equal to 80% of the estimated additional average annual Net Revenues to be derived from such additions, improvements and extensions for the first 36-month period in which each addition, improvement or extension is to be in operation, all as shown by the certificate or opinion of a qualified independent engineer employed by the City.

(b) An allowance for Net Revenues arising from any increase in the Charges made for service from the Solid Waste System which has become effective prior to the incurring of the proposed Parity Bonds but which, during all or any part of such Fiscal Year or such 12-month period, was not in effect, in an amount equal to the total amount by which the Net Revenues would have been increased if such increase in charges had been in effect during the whole of such Fiscal Year or such 12-month period, all as shown by the certificate or opinion of an Independent Accountant.

“Authorized Investments” means any of the following, but only to the extent that the same are acquired at Fair Market Value, which at the time of investment are legal investments under the laws of the State of California for the moneys proposed to be invested therein:

(a) Federal Securities;

(b) obligations of any of the following federal agencies which obligations represent full faith and credit of the United States of America, including: (i) Export-Import Bank; (ii) Farm Credit System Financial Assistance Corporation, (iii) Farmers Home Administration; (iv) General Services Administration; (v) U.S. Maritime Administration; (vi) Small Business Administration; (vii) Government National Mortgage Association (GNMA); (viii) U.S. Department of Housing & Urban Development (PHA's); (ix) Federal Housing Administration and (x) Federal Financing Bank;

(c) senior debt obligations rated “Aaa” by Moody’s and “AAA” by S&P issued by the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation, senior debt obligations of other government-sponsored agencies approved by the Municipal Bond Insurer, obligations of the Resolution Funding Corporation (RFFCORP) and senior debt obligations of other government sponsored agencies;

(d) Bank deposit products, trust funds, trust accounts, certificates of deposit (including those placed by a third party pursuant to an agreement between the City and the Trustee), overnight bank deposits, interest bearing deposits, interest bearing money market accounts, U.S. dollar denominated deposit accounts, federal funds and banker’s acceptances with domestic commercial banks (including the Trustee and its affiliates)

which (i) have a rating on their short term certificates of deposit on the date of purchase of "P-1" by Moody's and "A-1" or "A-1+" by S&P or collateralized by Federal Securities and maturing no more than 360 days after the date of purchase, provided that ratings on holding companies are not considered as the rating of the bank or (ii) are fully insured by the Federal Deposit Insurance Corporation;

(e) commercial paper which is rated at the time of purchase in the single highest classification, "P-1" by Moody's and "A-1+" by S&P, and which matures not more than 270 days after the date of purchase;

(f) investments in a money market mutual fund rated "AAAm" or "AAAm-G" or better by S&P, including any such money market fund from which the Trustee or its affiliates receive fees for services to such fund (including as transfer agent, investment advisor, custodian or other management services) but excluding such funds with a floating net asset value;

(g) pre-refunded municipal obligations defined as follows: Any bonds or other obligations of any state of the United States of America or of any agency, instrumentality or local governmental unit of any such state which are not callable at the option of the obligor prior to maturity or as to which irrevocable instructions have been given by the obligor to call on the date specified in the notice; and (i) which are rated, based upon an irrevocable escrow account or fund (the "escrow"), in the highest rating category of Moody's and S&P or any successors thereto; or (ii)(A) which are fully secured as to principal and interest and redemption premium, if any, by an escrow consisting only of cash or obligations described in paragraph (a) above, which escrow may be applied only to the payment of such principal of and interest and redemption premium, if any, on such bonds or other obligations on the maturity date or dates thereof or the specified redemption date or dates pursuant to such irrevocable instructions, as appropriate, and (B) which escrow is sufficient, as verified by a nationally recognized independent certified public accountant, to pay principal of and interest and redemption premium, if any, on the bonds or other obligations described in this paragraph on the maturity date or dates thereof or on the redemption date or dates specified in the irrevocable instructions referred to above, as appropriate;

(h) general obligations of States with a rating of at least "A2/ A" or higher by both Moody's and S&P;

(i) investment agreements approved by the Municipal Bond Insurer;

(j) other forms of investments (including repurchase agreements) approved in writing by the Municipal Bond Insurer;

(k) the Local Agency Investment Fund maintained by the State of California;

(l) CalTrust, provided that, for investment of funds held by the Trustee, the Trustee is entitled to make investments and withdrawals in its own name as Trustee; and

(m) repurchase or reverse repurchase agreements (including those of the Trustee or any of its affiliates) collateralized with Federal Securities.

"Authorized Official" means the City Manager, the Finance Director or a designee of the City Manager or Finance Director.

"Bond Counsel" means any attorney at law or firm of attorneys, of nationally recognized standing in matters pertaining to the federal tax exemption of interest on bonds issued by states

and political subdivisions, and duly admitted to practice law before the highest court of any state of the United States of America.

“Bond Proceeds Fund” means the fund of that name established pursuant to this Indenture.

“Bond Registration Books” means the books maintained by the Trustee pursuant to Section 2.08 for the registration and transfer of ownership of the Bonds.

“Bond Year” each twelve-month period extending from August 2 in one calendar year to August 1 of the succeeding calendar year, both dates inclusive; except that the first Bond Year commences on the Closing Date and extends to and including August 1, 20__.

“Bonds” means, collectively, the Series 2016 Bonds and any Parity Bonds issued and at any time outstanding hereunder and under a Parity Bonds Instrument.

“Business Day” means any day other than a Saturday, Sunday or a day on which the Trustee is authorized by law to remain closed.

“Certificate of the City” means a certificate in writing signed by an Authorized Official, or by any other officer of the City duly authorized by the Council for that purpose.

“Charges” means fees prescribed by the Council for the collection, recycling and disposal of Solid Waste in the City, whether the fees are collected by the City or a Contractor.

“City” means the City of Napa, a chartered city and municipal corporation organized and existing under the Constitution and laws of the State, and any successor thereto.

“Closing Date” means the date upon which there is an exchange of the Series 2016 Bonds for the proceeds representing the purchase of such Series by the Original Purchaser thereof.

“Continuing Disclosure Certificate” means that certain Continuing Disclosure Certificate executed by the City and dated the date of original execution and delivery of the Series 2016 Bonds, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

“Contractor” means any company awarded a contract by the City to collect, sort, recycle or dispose of solid waste in the City.

“Cost of Issuance Fund” means the Account by that name under this Indenture.

“Costs of Issuance” means all expenses incurred in connection with the authorization, issuance, sale and delivery of the Series 2016 Bonds, including but not limited to compensation, fees and expenses of the City and the Trustee and their respective counsel, compensation to any financial consultants and underwriters, legal fees and expenses, municipal bond insurance or surety bond premiums, filing and recording costs, rating agency fees, costs of preparation and reproduction of documents and costs of printing.

“Council” means the Council of the City or any other legislative body of the City hereafter provided for pursuant to law.

“Debt Service” means, during any period of computation, the amount obtained for such period by totaling the following amounts:

(a) The principal amount of all outstanding Serial Bonds payable by their terms in such period;

(b) The principal amount of all outstanding Term Bonds scheduled to be paid or redeemed by operation of mandatory Sinking Fund Installments in such period; and

(c) The interest which would be due during such period on the aggregate principal amount of Bonds which would be outstanding in such period if the Bonds are paid or redeemed as scheduled.

"Debt Service Fund" means the fund by that name established and held by the Trustee pursuant to this Indenture.

"Defeasance Obligations" means (a) cash, (b) non-callable Federal Securities described in paragraph (a) of the definition thereof ("Treasuries"), (c) evidences of ownership of proportionate interests in future interest and principal payments on Treasuries held by a bank or trust company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor and the underlying Treasuries are not available to any person claiming through the custodian or to whom the custodian may be obligated or (d) pre-refunded municipal obligations rated "AAA" and "Aaa" by S&P and Moody's, respectively (or any combination thereof).

"Depository" means (a) initially, DTC, and (b) any other Securities Depositories acting as Depository pursuant to Section 2.11.

"Depository System Participant" means any participant in the Depository's book-entry system.

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

"Event of Default" means any of the events described in Section 8.01.

"Federal Securities" means any of the following which at the time of investment are legal investments under the laws of the State for the moneys proposed to be invested therein:

(a) direct general obligations of the United States of America (including obligations issued or held in book entry form on the books of the Department of the Treasury of the United States of America); and

(b) obligations of any department, agency or instrumentality of the United States of America the timely payment of principal of and interest on which are unconditionally and fully guaranteed by the United States of America.

"Fiscal Year" means the period commencing on July 1 of each year and terminating on the next succeeding June 30.

"Gross Revenues" means, with respect to Solid Waste System, all revenue received by the City from the levy of Charges, and all other gross income and receipts derived by the City from the ownership and operation of the Solid Waste System or otherwise arising with respect to the Solid Waste System, including but not limited to investment earnings thereon; but excluding (a) the proceeds of any ad valorem property taxes levied for the purpose of paying general obligation bonds of the City relating to the Solid Waste System and (b) the proceeds of any special assessments or special taxes levied upon real property within any improvement district for the purpose of paying special assessment bonds or special tax obligations of the City relating to the Solid Waste System.

"Improvement" means any addition, extension, improvement, equipment, machinery or other facilities to or for the Solid Waste System.

“Improvement Fund” means the fund of that name established and held by the Trustee pursuant to this Indenture.

“Indenture” means this Indenture of Trust, as originally executed or as it may from time to time be supplemented, modified or amended by any Parity Bonds Instrument pursuant to the provisions hereof.

“Independent Certified Public Accountant” means any certified public accountant or firm of such accountants appointed and paid by the City, and who, or each of whom-

(a) is in fact independent and not under domination of the City;

(b) does not have any substantial identity of interest, direct or indirect, with the City; and

(c) is not and no member of which is connected with the City as an officer or employee of the City, but who may be regularly retained to make annual or other audits of the books of or reports to the City.

“Independent Consultant” means any financial or engineering consultant (including without limitation any Independent Certified Public Accountant) with an established reputation in the field of municipal finance or firm of such consultants appointed and paid by the City, and who, or each of whom-

(a) is in fact independent and not under domination of the City;

(b) does not have any substantial identity of interest, direct or indirect, with the City; and

(c) is not and no member of which is connected with the City as an officer or employee of the City, but who may be regularly retained to make annual or other audits of the books of or reports to the City.

“Information Services” means in accordance with then-current guidelines of the Securities and Exchange Commission, the Electronic Municipal Market Access System (referred to as “EMMA”), a facility of the Municipal Securities Rulemaking Board (at <http://emma.msrb.org>), or such service or services as the City may designate in a certificate delivered to the Trustee.

“Interest Payment Date” means, with respect to the Series 2016 Bonds, August 1 and February 1 in each year, beginning February 1, 2017.

“Interest Requirement” means, as of any particular date of calculation, the amount equal to any unpaid interest then due and payable, plus an amount which will on the next succeeding Interest Payment Date be equal to the interest to become due and payable on the Bonds on such next succeeding Interest Payment Date.

“Maintenance and Operation Costs” means the reasonable and necessary costs spent or incurred by the City or a Contractor for collecting, recycling and disposing of Solid Waste, and all reasonable and necessary expenses of management and repair and other expenses to collect, recycle and dispose of Solid Waste, and including all reasonable and necessary administrative costs of the City or the Contractor attributable to the collection, recycling and disposal of Solid Waste, such as landfill closure costs, salaries and wages and the necessary contribution to retirement of employees, overhead, insurance, taxes (if any), expenses, compensation and indemnification of the Trustee, and fees of auditors, accountants, attorneys or engineers, and including all other reasonable and necessary costs of the City or the Contractor or charges

required to be paid by it or the Contractor to comply with the terms of the Bonds or this Indenture, but excluding depreciation, interest expense, replacement and obsolescence charges or reserves therefor and amortization of intangibles or other bookkeeping entries of a similar nature. Although it would be consistent with generally accepted accounting principles to characterize it as a Maintenance and Operation Cost, the Solid Waste System's contribution to the City's Street Resurfacing Fund to pay for the impact of refuse vehicles on City streets shall not be paid as a Maintenance and Operation Cost pursuant to Section 4.02(c)(i) and instead shall be paid pursuant to Section 4.02(c)(iv).

"Moody's" means Moody's Investors Service, a corporation duly organized and existing under and by virtue of the laws of the State of Delaware, and its successors or assigns, except that if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, then the term "Moody's" shall be deemed to refer to any other nationally recognized securities rating agency selected by the City.

"Municipal Bond Insurance Policy" means the municipal bond insurance policy issued by the Municipal Bond Insurer insuring the payment, when due, of the principal of and interest on the Series 2016 Bonds.

"Municipal Bond Insurer" means _____, as issuer of the Municipal Bond Insurance Policy, and its successors and assigns.

"Net Proceeds", when used with reference to any insurance or condemnation award or sale of property, means the gross proceeds from the sale of property or insurance or condemnation award with respect to which that term is used remaining after payment of all expenses (including attorneys' fees and any extraordinary expenses of the Trustee) incurred in the collection of such gross proceeds.

"Net Revenues" means Gross Revenues minus Maintenance and Operation Costs.

"Original Purchaser" means, in the case of the Series 2016 Bonds, Raymond James & Associates, Inc.

"Outstanding", when used as of any particular time with reference to Series 2016 Bonds issued under this Indenture, means (subject to the provisions of Section 7.03) all Series 2016 Bonds theretofore executed, issued and delivered by the City under this Indenture except -

(a) Series 2016 Bonds theretofore cancelled by the Trustee or surrendered to the Trustee for cancellation;

(b) Series 2016 Bonds paid or deemed to have been paid within the meaning of Section 9.03; and

(c) Series 2016 Bonds in lieu of or in substitution for which other Series 2016 Bonds shall have been executed, issued and delivered by the City pursuant to this Indenture or any Parity Bonds Instrument.

"Owner" or "Bond Owner" or "Bondowner", when used with respect to any Series 2016 Bond, means the person in whose name the ownership of such Bond shall be registered on the Bond Registration Books.

"Parity Bonds" means all bonds, notes or other obligations (including without limitation long-term contracts, loans, sub-leases or other legal financing arrangements) of the City payable from and secured by a pledge of and lien upon any of the Net Revenues issued or incurred pursuant to Section 3.05.

"Parity Bonds Instrument" means the resolution, trust indenture or installment sale agreement adopted, entered into or executed and delivered by the City, and under which Parity Bonds are issued.

"Participating Underwriter" has the meaning ascribed thereto in the Continuing Disclosure Certificate.

"Principal Corporate Trust Office" means the corporate trust office of the Trustee at the address set forth in Section 9.10, provided that for purposes of payment, cancellation, surrender, redemption, exchange and transfer of Series 2016 Bonds, such term means the designated corporate trust operations or agency office of the Trustee or such other or additional offices as may be designated by the Trustee from time to time.

"Principal Installment" means with respect to any particular Principal Payment Date, an amount equal to the sum of (i) the aggregate principal amount of outstanding Serial Bonds payable on such Principal Payment Date as determined by the applicable Parity Bonds Instrument (but not including Sinking Fund Installments) and (ii) the aggregate of Sinking Fund Installments with respect to all outstanding Term Bonds payable on such Principal Payment Date as determined hereby and by the applicable Parity Bonds Instrument.

"Principal Payment Date" means August 1.

"Project Costs" means, with respect to any Improvements financed with proceeds of the Series 2016 Bonds, all costs of the acquisition, construction and installation thereof which are paid from moneys on deposit in the Improvement Fund, including but not limited to:

(a) all costs required to be paid to any person under the terms of any agreement for or relating to the acquisition, construction and installation of the Improvements;

(b) obligations incurred for labor and materials in connection with the acquisition, construction and installation of the Improvements;

(c) the cost of performance or other bonds and any and all types of insurance that may be necessary or appropriate to have in effect in connection with the acquisition, construction and installation of the Improvements;

(d) all costs of engineering and architectural services, including the actual out-of-pocket costs for test borings, surveys, estimates, plans and specifications and preliminary investigations therefor, development fees, sales commissions, and for supervising construction, as well as for the performance of all other duties required by or consequent to the proper acquisition, construction and installation of the Improvements;

(e) any sums required to reimburse the City for advances made for any of the above items or for any other costs incurred and for work done which are properly chargeable to the acquisition, construction and installation of the Improvements;

(f) all costs of issuing the Series 2016 Bonds and other financing costs incurred in connection with the acquisition, construction and installation of the Improvements; and

(g) the interest components of the debt service on the Series 2016 Bonds allocable to the Improvements or any component thereof, which come due during the period of acquisition, construction and installation of the Improvements or such component.

"Qualified Surety Bond" means any irrevocable standby or direct-pay letter of credit, insurance policy or surety bond issued by a commercial bank or insurance company and deposited with the Trustee pursuant to this Indenture, provided that all of the following

requirements are met at the time of acceptance thereof by the Trustee: (a) the long-term credit rating of such bank or insurance company is "A" or better from at least one rating agency; (b) such letter of credit or surety bond has a term of at least twelve (12) months; (c) such letter of credit or surety bond has a stated amount at least equal to the portion of the Reserve Requirement with respect to which funds are proposed to be released pursuant to Section 4.05(b); and (d) the Trustee is authorized pursuant to the terms of such letter of credit or surety bond to draw thereunder an amount equal to any deficiencies which may exist from time to time in the Debt Service Fund for the purpose of making payments on the Series 2016 Bonds required pursuant to Section 4.04.

"Rate Stabilization Account" means the Rate Stabilization Account established and maintained within the City's Solid Waste and Materials Diversion Fund pursuant to Section 4.09.

"Rating Agency" means, as of any date, each of the following rating agencies which then maintains a rating on any of the Bonds: (a) Moody's and (b) S&P.

"Record Date" means, with respect to the Series 2016 Bonds, the fifteenth (15th) calendar day of the month immediately preceding an Interest Payment Date or, with respect to any Parity Bonds, any other date established in the applicable Parity Bonds Instrument.

"Redemption Account" means the Account by that name established and held by the Trustee pursuant to Section 4.03.

"Redemption Price" means, with respect to any Bond, the principal amount thereof, plus the applicable premium, if any, payable upon redemption thereof pursuant to this Indenture and the Parity Bonds Instrument pursuant to which the same was issued.

"Request of the City" means a request in writing signed by an Authorized Officer.

"Reserve Account" means the Account by that name established and held by the Trustee pursuant to this Indenture.

"Reserve Requirement" means an amount equal to the maximum amount of annual debt service coming due and payable on the Series 2016 Bonds in the current or any future Bond Year.

"S&P" means Standard & Poor's Corporation, a corporation duly organized and existing under and by virtue of the laws of the State of New York, and its successors or assigns, except that if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, then the term "S&P" shall be deemed to refer to any other nationally recognized securities rating agency selected by the City.

"Serial Bonds" means all Bonds other than Term Bonds.

"Series" when used with respect to less than all of the Bonds, means and refers to all of the Bonds delivered on original issuance in a simultaneous transaction, regardless of variations in maturity, interest rate or other provisions, and any Bond thereafter delivered in lieu of or substitution for any of such Bonds.

"Series 2016 Bonds" means the City of Napa Solid Waste Revenue Bonds, Series 2016 (Federally Taxable) Napa Materials Diversion Facility [(Green Bonds)], issued and at any time Outstanding hereunder.

"Sinking Fund Installment" means, with respect to any particular date, the amount of money required by this Indenture or by or pursuant to a Parity Bonds Instrument to be paid by

the City on such date toward the retirement of any particular Term Bonds prior to their respective stated maturities.

“Solid Waste” means solid waste generated by residents and commercial and industrial entities in the City, including refuse and recyclables.

“Solid Waste and Materials Diversion Fund” means the enterprise fund of that name established and held by the City for the Solid Waste System.

“Solid Waste System” means the existing solid waste collection, recycling and disposal system of the City, comprising all facilities for the collection, disposal or recycling of Solid Waste in the City.

“State” means the State of California.

“Subordinate Bonds” means all bonds, notes or other obligations (including without limitation long-term contracts, loans, sub-leases or other legal financing arrangements) of the City payable from and secured by a pledge of and lien upon any of the Net Revenues issued or incurred pursuant to Section 3.06.

“Subordinate Bonds Instrument” means the resolution, trust indenture or installment sale agreement adopted, entered into or executed and delivered by the City, and under which Subordinate Bonds are issued.

“Supplemental Indenture” means any supplement or amendment to this Indenture which complies with the provisions of Section 7.01 or 7.02.

“Term Bonds” means, with respect to any Series 2016 Bonds or any Parity Bonds, such Series 2016 Bonds or Parity Bonds which are payable prior to their stated maturity by operation of Sinking Fund Installments.

“Trustee” means The Bank of New York Mellon Trust Company, N.A., appointed by the City to act as trustee hereunder pursuant to Section 6.01, and its assigns or any other corporation or association which may at any time be substituted in its place, as provided in Section 6.01.

SECTION 1.02. Rules of Construction. All references in this Indenture to “Articles,” “Sections,” and other subdivisions are to the corresponding Articles, Sections or subdivisions of this Indenture; and the words “herein,” “hereof,” “hereunder,” and other words of similar import refer to this Indenture as a whole and not to any particular Article, Section or subdivision hereof.

Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Unless the context shall otherwise indicate, words importing the singular number shall include the plural number and vice versa, and words importing persons shall include corporations and associations, including public bodies, as well as natural persons.

SECTION 1.03. Authorization and Purpose of Series 2016 Bonds. The City has reviewed all proceedings heretofore taken relative to the authorization of the Series 2016 Bonds and has found, as a result of such review, and hereby finds and determines that all things, conditions, and acts required by law to exist, happen and/ or be performed precedent to and in the issuance of the Series 2016 Bonds do exist, have happened and have been performed in due time, form and manner as required by law, and the City is now authorized, as an exercise of the municipal affairs power of the City as a chartered city under the constitution and laws of the State and pursuant to the Bond Law and each and every requirement of law, to issue the Series 2016 Bonds in the manner and form provided in this Indenture. Accordingly, the City hereby

authorizes the issuance of the Series 2016 Bonds pursuant to the Bond Law and this Indenture for the purposes specified in this Indenture.

SECTION 1.04. Equal Security. In consideration of the acceptance of the Series 2016 Bonds by the Owners thereof, this Indenture shall be deemed to be and shall constitute a contract among the City, the Trustee and the Owners from time to time of the Series 2016 Bonds; and the covenants and agreements herein set forth to be performed on behalf of the City shall be for the equal and proportionate benefit, security and protection of all Owners of the Series 2016 Bonds without preference, priority or distinction as to security or otherwise of any of the Series 2016 Bonds over any of the others by reason of the number or date thereof or the time of sale, execution or delivery thereof, or otherwise for any cause whatsoever, except as expressly provided therein or herein.

ARTICLE II

ISSUANCE OF SERIES 2016 BONDS

SECTION 2.01. Terms of Series 2016 Bonds. The Series 2016 Bonds authorized to be issued by the City under and subject to the Bond Law and the terms of this Indenture shall be designated the “City of Napa Solid Waste Revenue Bonds, Series 2016 (Federally Taxable) Napa Materials Diversion Facility) [(Green Bonds)]”, and shall be issued in the original principal amount of _____ Dollars (\$[Principal Amount]).

The Series 2016 Bonds shall be issued in fully registered form without coupons in denominations of \$5,000 or any integral multiple thereof, so long as no Series 2016 Bond shall have more than one maturity date. The Series 2016 Bonds shall mature on August 1 in each of the years and in the amounts, and shall bear interest at the rates, as follows:

<u>Maturity Date</u> <u>(August 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest Rate</u> <u>Per Annum</u>
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Interest on the Series 2016 Bonds shall be payable on each Interest Payment Date to the person whose name appears on the Bond Registration Books as the Owner thereof as of the Record Date immediately preceding each such Interest Payment Date, such interest to be paid by check or draft of the Trustee mailed by first class mail to the Owner or, at the option of any Owner of at least \$1,000,000 aggregate principal amount of the Series 2016 Bonds with respect to which written instructions have been filed with the Trustee prior to the Record Date, by wire transfer, at the address of such Owner as it appears on the Bond Registration Books. In the event there exists a default in payment of interest due on such Interest Payment Date, such interest shall be payable on a payment date established by the Trustee to the persons in whose names the Bonds are registered at the close of business on a special record date for the payment of such defaulted interest established by notice mailed by the Trustee to the registered Owners of the Bonds not less than 15 days preceding such special record date. Principal of and premium (if any) on any Series 2016 Bond shall be paid upon presentation and surrender thereof at the Principal Corporate Trust Office of the Trustee. Both the principal of and interest and premium (if any) on the Series 2016 Bonds shall be payable in lawful money of the United States of America.

The Series 2016 Bonds shall be dated the Closing Date and bear interest based on a 360-day year comprised of twelve 30-day months from the Interest Payment Date next preceding the date of authentication thereof, unless said date of authentication is an Interest Payment Date, in which event such interest is payable from such date of authentication, and unless said date of authentication is prior to January 15, 2017, in which event such interest is payable from the Closing Date; provided, however, that if, as of the date of authentication of any Series 2016 Bond, interest thereon is in default, such Series 2016 Bond shall bear interest from the date to which interest has previously been paid or made available for payment thereon in full.

SECTION 2.02. Redemption of Series 2016 Bonds.

(a) Optional Redemption. The Series 2016 Bonds maturing on or after August 1, 20__, shall be subject to redemption prior to their respective maturity dates, as a whole or in part, at the option of the City, on any date occurring on or after August 1, 20__, at the Redemption Price equal to the principal amount of the Series 2016 Bonds to be redeemed, plus accrued interest thereon to the date fixed for redemption, without premium.

The City shall be required to give the Trustee written notice of its intention to redeem Bonds under this subsection (a) and of the maturities selected for redemption at least 45 days prior to the date fixed for redemption (or such later date as shall be acceptable to the Trustee).

(b) Mandatory Sinking Fund Redemption.

The Term Bonds maturing on August 1, 20__ shall also be subject to mandatory redemption in part, by lot, on August 1 in each year commencing August 1, 20__, from sinking fund payments made by the City to the Debt Service Fund pursuant to Section 4.03(b), at a Redemption Price equal to the principal amount thereof to be redeemed, without premium, in the aggregate respective principal amounts and on August 1 in the respective years as set forth in the following table.

Bonds Maturing August 1, 20__

<u>Year</u> <u>(August 1)</u>	<u>Principal</u> <u>Amount</u>
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The Term Bonds maturing August 1, 20__ shall also be subject to mandatory redemption in part, by lot, on August 1 in each year commencing August 1, 20__, from sinking fund payments made by the City to the Debt Service Fund pursuant to Section 4.03(b), at a Redemption Price equal to the principal amount thereof to be redeemed, without premium, in the aggregate respective principal amounts and on August 1 in the respective years as set forth in the following table.

Term Bonds Maturing August 1, 20__

<u>Year</u> <u>(August 1)</u>	<u>Principal</u> <u>Amount</u>
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If some but not all of the Term Bonds have been redeemed under subsection (a) of this Section, the total amount of all future sinking fund payments shall be reduced by the aggregate principal amount of the Term Bonds so redeemed, to be allocated among such sinking fund payments on a pro rata basis in integral multiples of \$5,000 (as set forth in a schedule provided by the City to the Trustee).

(c) Parity Bonds. Any Parity Bonds issued pursuant to Section 3.05 of this Indenture may be made subject to redemption prior to maturity, as a whole or in part, at such time or times, and upon payment of the principal amount thereof and accrued interest thereon plus such premium or premiums, if any, as may be determined by the City in the applicable Parity Bonds Instrument.

(d) Notice of Redemption. Unless waived by any Owner of Series 2016 Bonds to be redeemed, notice of any redemption of Series 2016 Bonds shall be given, at the expense of the City, by the Trustee by mailing a copy of a redemption notice by first class mail at least 30 days and not more than 60 days prior to the date fixed for redemption to the Owner of the Series 2016 Bond or Bonds to be redeemed at the address shown on the Bond Registration Books; provided, that neither the failure to receive such notice nor any immaterial defect in any notice shall affect the sufficiency of the proceedings for the redemption of the Series 2016 Bonds.

(e) Contents of Notice. All notices of redemption shall be dated and shall state:

(i) the redemption date,

(ii) the Redemption Price,

(iii) if fewer than all outstanding Series 2016 Bonds are to be redeemed, the identification (and, in the case of partial redemption, the respective principal amounts) of the Series 2016 Bonds to be redeemed,

(iv) that on the redemption date the Redemption Price will become due and payable with respect to each such Series 2016 Bond or portion thereof called for redemption, and that interest with respect thereto shall cease to accrue from and after said date,

(v) the place or places where such Series 2016 Bonds are to be surrendered for payment of the Redemption Price, which places of payment may include the Principal Corporate Trust Office of the Trustee, and

(vi) the CUSIP number of the Series 2016 Bonds to be redeemed.

Such redemption notices may state that no representation is made as to the CUSIP number printed therein or on the Series 2016 Bonds. Such redemption notices may be conditional. The City shall have the right to rescind any optional redemption by written notice to the Trustee on or prior to the date fixed for redemption. Any such notice of optional redemption shall be canceled and annulled if for any reason funds will not be or are not available on the date fixed for redemption for the payment in full of the outstanding Series 2016 Bonds then called for redemption, and such cancellation shall not constitute an Event of Default under this Indenture. The City and the Trustee shall have no liability to the Owners or any other party related to or arising from such rescission of redemption. The Trustee shall mail notice of such rescission of redemption in the same manner as the original notice of redemption was sent.

(f) Deposit of Money. At least one (1) day prior to any redemption date, the City shall deposit with the Trustee an amount of money sufficient to pay the Redemption Price of all the Series 2016 Bonds or portions of Series 2016 Bonds which are to be redeemed on that date.

(g) Consequences of Notice. Notice of redemption having been given as aforesaid, the Series 2016 Bonds or portions of Series 2016 Bonds so to be redeemed shall, on the redemption date, become due and payable at the Redemption Price therein specified, and from and after such date (unless the City shall default in the payment of the Redemption Price) such Series 2016 Bonds or portions of Series 2016 Bonds shall cease to have interest accrue thereon. Upon surrender of such Series 2016 Bonds for redemption in accordance with said notice, such Series 2016 Bonds shall be paid by the Trustee at the Redemption Price. Installments of interest due on or prior to the redemption date shall be payable as herein provided for payment of interest. Upon surrender for any partial redemption of any Bond, there shall be prepared for the Owner a new Series 2016 Bond or Series 2016 Bonds of the same maturity in the amount of the unredeemed principal. All Bonds that have been redeemed shall be cancelled and destroyed by

the Trustee and shall not be redelivered. Neither the failure of any Bond Owner to receive any notice so mailed nor any defect therein shall affect the sufficiency of the proceedings for redemption of any Bonds nor the cessation of accrual of interest thereon.

(h) Additional Notice. In addition to the foregoing notice, further notice shall be given by the Trustee as set out below, but no defect in said further notice nor any failure to give all or any portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if notice thereof is given as above prescribed:

(i) Each further notice of redemption given hereunder shall contain the information required above for an official notice of redemption plus (A) the CUSIP numbers of all Bonds being redeemed; (B) the stated interest rate with respect to each Series 2016 Bond being redeemed; (C) the maturity date of each Series 2016 Bond being redeemed; and (D) any other descriptive information needed to identify accurately the Series 2016 Bonds being redeemed.

(ii) Each further notice of redemption shall be sent at least 35 days before the redemption date by registered or certified mail or overnight delivery service to all registered securities depositories then in the business of holding substantial amounts of instruments of types comprising the Bonds, and, on the date notice is mailed to Bond Owners, to one or more Information Services.

(iii) Upon the payment of the Redemption Price of the Series 2016 Bonds being redeemed, each check or other transfer of funds issued for such purpose shall bear the CUSIP number identifying, by issue and maturity, the Series 2016 Bonds being redeemed with the proceeds of such check or other transfer.

(i) Partial Redemption of Bonds. In the event only a portion of any Series 2016 Bond is called for redemption, then upon surrender of such Series 2016 Bond redeemed in part only, the City shall execute and the Trustee shall authenticate and deliver to the Owner, at the expense of the City, a new Series 2016 Bond or Series 2016 Bonds, of the same maturity, of authorized denominations in aggregate principal amount equal to the unredeemed portion of the Series 2016 Bond or Series 2016 Bonds.

(j) Manner of Redemption. Whenever any Series 2016 Bonds are to be selected for redemption, the Trustee shall determine, by lot, the numbers of the Series 2016 Bonds to be redeemed, and shall notify the City thereof.

SECTION 2.03. Form of Series 2016 Bonds. The Series 2016 Bonds, the Trustee's certificate of authentication, and the assignment to appear thereon, shall be substantially in the respective forms 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 Indenture.

SECTION 2.04. Execution of Series 2016 Bonds. The Series 2016 Bonds shall be signed in the name and on behalf of the City with the manual or facsimile signatures of its Mayor and attested by the manual or facsimile signature of its City Clerk under the seal of the City. Such seal may be in the form of a facsimile of the City's seal and shall be imprinted or impressed upon the Series 2016 Bonds. The Series 2016 Bonds shall then be delivered to the Trustee for authentication by it. In case any officer who shall have signed any of the Series 2016 Bonds shall cease to be such officer before the Series 2016 Bonds so signed shall have been authenticated or delivered by the Trustee or issued by the City, such Series 2016 Bonds may nevertheless be authenticated, delivered and issued and, upon such authentication, delivery and issue, shall be as binding upon the City as though the individual who signed the same had continued to be such officer of the City. Also, any Series 2016 Bond may be signed on behalf of the City by any individual who on the actual date of the execution of such Series 2016 Bond

shall be the proper officer although on the nominal date of such Series 2016 Bond such individual shall not have been such officer.

Only such of the Series 2016 Bonds as shall bear thereon a certificate of authentication in substantially the form set forth in Exhibit A, manually executed by the Trustee, shall be valid or obligatory for any purpose or entitled to the benefits of this Indenture, and such certificate of the Trustee shall be conclusive evidence that the Series 2016 Bonds so authenticated have been duly authenticated and delivered hereunder and are entitled to the benefits of this Indenture.

SECTION 2.05. Transfer of Series 2016 Bonds. Any Series 2016 Bond may, in accordance with its terms, be transferred upon the Bond Registration Books by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such Series 2016 Bond for cancellation, accompanied by delivery of a written instrument of transfer in a form approved by the Trustee, duly executed. Whenever any Series 2016 Bond shall be surrendered for transfer, the City shall execute and the Trustee shall thereupon authenticate and deliver to the transferee a new Bond or Bonds of like tenor, maturity and aggregate principal amount. No Series 2016 Bonds the notice of redemption of which has been mailed pursuant to Section 2.02(d) shall be subject to transfer pursuant to this Section.

SECTION 2.06. Exchange of Series 2016 Bonds. Series 2016 Bonds may be exchanged at the Principal Corporate Trust Office of the Trustee, for Series 2016 Bonds of the same tenor and maturity and of other authorized denominations. No Series 2016 Bonds the notice of redemption of which has been mailed pursuant to Section 2.02(d) shall be subject to exchange pursuant to this Section.

SECTION 2.07. Temporary Bonds. The Series 2016 Bonds may be issued initially in temporary form exchangeable for definitive Series 2016 Bonds when ready for delivery. The temporary Series 2016 Bonds 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 Indenture as may be appropriate. Every temporary Series 2016 Bond shall be executed by the City and be registered and authenticated by the Trustee upon the same conditions and in substantially the same manner as the definitive Series 2016 Bonds. If the City issues temporary Series 2016 Bonds, it will execute and furnish definitive Series 2016 Bonds without delay, and thereupon the temporary Series 2016 Bonds may be surrendered, for cancellation, in exchange therefor at the Principal Corporate Trust Office of the Trustee, and the Trustee shall authenticate and deliver in exchange for such temporary Series 2016 Bonds an equal aggregate principal amount of definitive Series 2016 Bonds of authorized denominations. Until so exchanged, the temporary Series 2016 Bonds shall be entitled to the same benefits under this Indenture as definitive Series 2016 Bonds authenticated and delivered hereunder.

SECTION 2.08. Bond Registration Books. The Trustee will keep or cause to be kept at its trust office sufficient Bond Registration Books for the registration and transfer of the Series 2016 Bonds, which shall at all times during regular business hours, and upon reasonable notice, be open to inspection by the City; and, upon presentation for such purpose, the Trustee shall, under such reasonable regulations as it may prescribe, register or transfer or cause to be registered or transferred, on said books, Series 2016 Bonds as hereinbefore provided.

SECTION 2.09. Bonds Mutilated, Lost, Destroyed or Stolen. If any Series 2016 Bond shall become mutilated, the City, at the expense of the Owner of said Series 2016 Bond, shall execute, and the Trustee shall thereupon authenticate and deliver, a new Series 2016 Bond of like maturity and principal amount in exchange and substitution for the Series 2016 Bond so mutilated, but only upon surrender to the Trustee of the Series 2016 Bond so mutilated. Every mutilated Series 2016 Bond so surrendered to the Trustee shall be cancelled by it and delivered to, or upon the order of, the City. If any Series 2016 Bond issued hereunder shall be lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the City and the Trustee and, if such evidence be satisfactory to them and indemnity satisfactory to them shall be given, the City, at the expense of the Series 2016 Bond Owner, shall execute, and the

Trustee shall thereupon authenticate and deliver, a new Series 2016 Bond of like maturity and principal amount in lieu of and in substitution for the Series 2016 Bond so lost, destroyed or stolen (or if any such Series 2016 Bond shall have matured or shall have been called for redemption, instead of issuing a substitute Series 2016 Bond the Trustee may pay the same without surrender thereof upon receipt of indemnity satisfactory to the Trustee). The City may require payment of a reasonable fee for each new Series 2016 Bond issued under this Section and of the expenses which may be incurred by the City and the Trustee. Any Series 2016 Bond issued under the provisions of this Section in lieu of any Series 2016 Bond alleged to be lost, destroyed or stolen shall constitute an original contractual obligation on the part of the City whether or not the Series 2016 Bond alleged to be lost, destroyed or stolen be at any time enforceable by anyone, and shall be equally and proportionately entitled to the benefits of this Indenture with all other Series 2016 Bonds secured by this Indenture.

SECTION 2.10. Payment Procedure Pursuant to Municipal Bond Insurance Policy

[to come, if applicable]

SECTION 2.11. Book Entry System.

(a) Original Delivery. The Series 2016 Bonds shall be initially delivered in the form of a separate single fully registered Series 2016 Bond (which may be typewritten) for each maturity of the Series 2016 Bonds. Upon initial delivery, the ownership of each such Series 2016 Bond shall be registered on the Series 2016 Bond Registration Books maintained by the Trustee pursuant to Section 2.08 hereof in the name of the Nominee. Except as provided in subsection (c), the ownership of all of the Outstanding Series 2016 Bonds shall be registered in the name of the Nominee on such Series 2016 Bond Registration Books.

With respect to Series 2016 Bonds the ownership of which shall be registered in the name of the Nominee, the City and the Trustee shall have no responsibility or obligation to any Depository System Participant or to any person on behalf of which the City holds an interest in the Series 2016 Bonds. Without limiting the generality of the immediately preceding sentence, the City and the Trustee shall have no responsibility or obligation with respect to (i) the accuracy of the records of the Depository, the Nominee or any Depository System Participant with respect to any ownership interest in the Series 2016 Bonds, (ii) the delivery to any Depository System Participant or any other person, other than a Series 2016 Bond Owner as shown in the Registration Books, of any notice with respect to the Series 2016 Bonds, including any notice of redemption, (iii) the selection by the Depository of the beneficial interests in the Series 2016 Bonds to be redeemed in the event the City elects to redeem the Series 2016 Bonds in part, (iv) the payment to any Depository System Participant or any other person, other than a Series 2016 Bond Owner as shown in the Registration Books, of any amount with respect to principal, premium, if any, or interest represented by the Series 2016 Bonds or (v) any consent given or other action taken by the Depository as Owner of the Series 2016 Bonds. The City and the Trustee may treat and consider the person in whose name each Series 2016 Bond is registered as the absolute owner of such Series 2016 Bond for the purpose of payment of principal, premium, if any, and interest represented by such Series 2016 Bond, for the purpose of giving notices of redemption and other matters with respect to such Series 2016 Bond, for the purpose of registering transfers of ownership of such Series 2016 Bond, and for all other purposes whatsoever. The Trustee shall pay the principal, interest and premium, if any, represented by the Series 2016 Bonds only to the respective Owners or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge all obligations with respect to payment of principal, interest and premium, if any, represented by the Series 2016 Bonds to the extent of the sum or sums so paid. No person other than a Series 2016 Bond Owner shall receive a Series 2016 Bond evidencing the obligation of the City to make payments of principal, interest and premium, if any, pursuant to this Trust Indenture. Upon delivery by the Depository to the Nominee of written notice to the effect that the Depository has determined to substitute a new Nominee in its place, such new nominee

shall become the Nominee hereunder for all purposes; and upon receipt of such a notice the City shall promptly deliver a copy of the same to the Trustee.

(b) Representation Letter. In order to qualify the Series 2016 Bonds for the Depository's book-entry system, the City shall execute and deliver to such Depository a letter representing such matters as shall be necessary to so qualify the Series 2016 Bonds. The execution and delivery of such letter shall not in any way limit the provisions of subsection (a) above or in any other way impose upon the City or the Trustee any obligation whatsoever with respect to persons having interests in the Series 2016 Bonds other than the Series 2016 Bond Owners. Upon the written acceptance by the Trustee, the Trustee shall agree to take all action reasonably necessary for all representations of the Trustee in such letter with respect to the Trustee to at all times be complied with. In addition to the execution and delivery of such letter, the City may take any other actions, not inconsistent with this Trust Indenture, to qualify the Series 2016 Bonds for the Depository's book-entry program.

(c) Transfers Outside Book-Entry System. In the event that either (i) the Depository determines not to continue to act as Depository for the Series 2016 Bonds, or (ii) the City determines to terminate the Depository as such, then the City shall thereupon discontinue the book-entry system with such Depository. In such event, the Depository shall cooperate with the City and the Trustee in the execution of replacement Series 2016 Bonds by providing the Trustee with a list showing the interests of the Depository System Participants in the Series 2016 Bonds, and by surrendering the Series 2016 Bonds, registered in the name of the Nominee, to the Trustee on or before the date such replacement Series 2016 Bonds are to be issued. The Depository, by accepting delivery of the Series 2016 Bonds, agrees to be bound by the provisions of this subsection (c). If, prior to the termination of the Depository acting as such, the City fails to identify another Securities Depository to replace the Depository, then the Series 2016 Bonds shall no longer be required to be registered in the Registration Books in the name of the Nominee, but shall be registered in whatever name or names the Owners transferring or exchanging Series 2016 Bonds shall designate, in accordance with the provisions hereof.

In the event the City determines that it is in the best interests of the beneficial owners of the Series 2016 Bonds that they be able to obtain certificated Series 2016 Bonds, the City may notify the Depository System Participants of the availability of such certificated Series 2016 Bonds through the Depository. In such event, the Trustee will execute, transfer and exchange Series 2016 Bonds as required by the Depository and others in appropriate amounts; and whenever the Depository requests, the Trustee and the City shall cooperate with the Depository in taking appropriate action (y) to make available one or more separate certificates evidencing the Series 2016 Bonds to any Depository System Participant having Series 2016 Bonds credited to its account with the Depository, or (z) to arrange for another Securities Depository to maintain custody of a single certificate evidencing such Series 2016 Bonds, all at the City's expense.

(d) Payments to the Nominee. Notwithstanding any other provision of this Trust Indenture to the contrary, so long as any Series 2016 Bond is registered in the name of the Nominee, all payments with respect to principal, interest and premium, if any, represented by such Series 2016 Bond and all notices with respect to such Series 2016 Bond shall be made and given, respectively, as provided in the letter described in subsection (b) of this Section or as otherwise instructed by the Depository.

ARTICLE III

ISSUE OF SERIES 2016 BONDS; PARITY BONDS

SECTION 3.01. Issuance of Series 2016 Bonds. Upon the execution and delivery of this Indenture, the City shall execute and deliver Series 2016 Bonds in the aggregate principal amount of _____ Dollars (\$[Principal Amount]) to the Trustee for authentication and delivery to the Original Purchaser thereof upon the Request of the City.

SECTION 3.02. Application of Proceeds of Sale of Series 2016 Bonds. Upon the receipt of payment for the Series 2016 Bonds on the Closing Date, the Trustee shall deposit the proceeds of sale thereof in the Bond Proceeds Fund which the Trustee shall establish and maintain hereunder, and shall further apply the proceeds in the Bond Proceeds Fund as follows:

- (a) the Trustee shall deposit \$_____ into the Cost of Issuance Fund;
- (b) the Trustee shall deposit \$_____ into the Improvement Fund; and
- (c) the Trustee shall deposit \$_____ into the Reserve Account (which is equal to the initial Reserve Requirement).

SECTION 3.03. Improvement Fund. The Trustee will establish and maintain a separate fund to be known as the Improvement Fund into which the Trustee shall deposit a portion of the proceeds of sale of the Series 2016 Bonds as set forth in Section 3.02. Except as otherwise provided herein, moneys in the Improvement Fund will be used solely for the payment of the Project Costs. Upon receipt of a Certificate of the City (in substantially the form attached hereto as Exhibit B) detailing the purposes for which any amounts requisitioned from the Improvement Fund will be used, the Trustee will disburse moneys in the Improvement Fund to the City in the amount requested. The Trustee has no responsibility for payments made in accordance with this Section 3.03. The City shall maintain copies of any Certificates of the City requisitioning moneys from the Improvement Fund and accurate records showing the purposes for which moneys requisitioned from the Improvement Fund were used.

Upon the determination by the City that no further amounts are intended to be requisitioned from the Improvement Fund, the Trustee shall thereupon close the Improvement Fund and transfer all remaining amounts to the Debt Service Fund for the payment of interest on the Series 2016 Bonds. If and to the extent so directed in a Certificate of the City, the Trustee shall transfer moneys in the Improvement Fund to the Redemption Account for the redemption of the Series 2016 Bonds under Section 2.02(a).

SECTION 3.04. Cost of Issuance Fund. There is hereby created a fund to be known as the "City of Napa Solid Waste Revenue Bonds, Series 2016 Cost of Issuance Fund" (the "Cost of Issuance Fund"), which the City hereby covenants and agrees to cause to be maintained and which shall be held in trust by the Trustee. The moneys in the Cost of Issuance Fund shall be used in the manner provided by law solely for the purpose of the payment of Costs of Issuance upon receipt by the Trustee of Requests of the City therefor, on or after the Closing Date. Any funds remaining in the Cost of Issuance Fund on December 1, 2016, shall be transferred by the Trustee to the Debt Service Fund.

SECTION 3.05. Issuance of Parity Bonds. In addition to the Series 2016 Bonds, the City may, by Parity Bonds Instrument, issue or incur other loans, advances or indebtedness payable from Net Revenues, to provide financing for the Solid Waste System, in such principal amount as shall be determined by the City. The City may issue or incur any such Parity Bonds subject to the following specific conditions which are hereby made conditions precedent to the issuance and delivery of such Parity Bonds:

(a) The City shall be in compliance with all covenants set forth in this Indenture, unless any non-compliance will be cured as a result of the issuance of the Parity Bonds.

(b) The Net Revenues of the Solid Waste System (excluding any amounts derived from a Rate Stabilization Fund), calculated in accordance with sound accounting principles, as shown by the books of the City for the most recent completed Fiscal Year for which audited financial statements of the City are available, or for any more recent consecutive 12 month period selected by the City, in either case verified by an Independent Accountant or an Independent Consultant or shown in the audited financial statements of the City, plus (at the option of the City) any Additional Revenues, are at least equal to 125% of maximum scheduled Debt Service for the current or any future Bond Year (taking into account the Parity Bonds then proposed to be issued); provided, however, that in the event that all or a portion of the Parity Bonds being issued are to be issued for the purpose of refunding and retiring all or a portion of the unpaid Bonds, then the Debt Service on the Bonds to be so refunded and retired from the proceeds of such Parity Bonds being issued shall be excluded from the foregoing computation of maximum scheduled Debt Service; provided further, however, that the City may at any time enter into or incur Parity Bonds without compliance with the foregoing condition if the aggregate annual Debt Service for all Bonds for each Bond Year during which such Parity Bonds being issued will be outstanding will not be increased by reason of the entry into or incurrence of such Parity Bonds.

(c) The Parity Bonds Instrument providing for the issuance of such Parity Bonds under this Section 3.05 shall provide that:

(i) The proceeds of such Parity Bonds shall be applied to the acquisition, construction, improvement, financing or refinancing of additional facilities, improvements or extensions of existing facilities within the Solid Waste System, or otherwise for facilities, improvements or property that the City determines are of benefit to the Solid Waste System, or for the purpose of refunding any Bonds in whole or in part, including all costs (including costs of issuing such Parity Bonds and including capitalized interest on such Parity Bonds during any period which the City deems necessary or advisable) relating thereto;

(ii) interest on the Parity Bonds shall be payable on an Interest Payment Date and principal on the Parity Bonds shall be payable on a Principal Payment Date; and

(iii) Money or a Qualified Surety Bond may (but is not required to) be deposited in a reserve account for such Parity Bonds from the proceeds of the sale of such Parity Bonds or otherwise in an amount defined in the Parity Bonds Instrument.

SECTION 3.06. Subordinate Bonds. Nothing in this Indenture shall prohibit or impair the authority of the City from issuing bonds or other obligations secured by a lien on Net Revenues which is subordinate to the lien established hereunder, upon such terms and in such principal amounts as the City may determine; provided, that the City must satisfy the following specific conditions which are hereby made conditions precedent to the issuance and delivery of such Subordinate Bonds:

(a) The City shall be in compliance with all covenants set forth in this Indenture, unless any non-compliance will be cured as a result of the issuance of the Subordinate Bonds.

(b) The Subordinate Bonds Instrument providing for the issuance of such Subordinate Bonds under this Section 3.06 shall provide that the proceeds of such

Subordinate Bonds shall be applied to the acquisition, construction, improvement, financing or refinancing of additional facilities, improvements or extensions of existing facilities within the Solid Waste System, or otherwise for facilities, improvements or property that the City determines are of benefit to the Solid Waste System, or for the purpose of refunding any Bonds or Subordinate Bonds in whole or in part, including all costs (including costs of issuing such Subordinate Bonds and including capitalized interest on such Subordinate Bonds during any period which the City deems necessary or advisable) relating thereto.

SECTION 3.07. Validity of Bonds. The validity of the authorization and issuance of the Bonds shall not be affected in any way by any proceedings taken by the City in connection with the Solid Waste System, and the recital contained in the Bonds that the same are issued pursuant to the Bond Law shall be conclusive evidence of their validity and of the regularity of their issuance.

ARTICLE IV

PLEDGE OF NET REVENUES; FUNDS AND ACCOUNTS

SECTION 4.01. Pledge of Net Revenues.

(a) The City hereby transfers, places a charge upon, assigns and sets over to the Trustee, for the benefit of the Owners of the Series 2016 Bonds and any Parity Bonds, that portion of the Net Revenues that is necessary to pay the principal or Redemption Price of and interest on the Bonds in any Fiscal Year.

In addition, the City hereby transfers, places a charge upon, assigns and sets over to the Trustee, for the benefit of the Owners of the Series 2016 Bonds, all moneys on deposit in the Debt Service Fund.

The Gross Revenues shall be used only for the purposes set forth in this Indenture while any of the Bonds remain outstanding.

The pledge described in this Section 4.01(a) shall constitute a first, direct and exclusive charge and lien on the Net Revenues and the moneys in the Debt Service Fund, as applicable, in accordance with the terms of this Indenture.

(b) The Net Revenues constitute a trust fund for the security and payment of the principal or Redemption Price of and interest on the Bonds. The general fund of the City is not liable, and the credit or taxing power of the City is not pledged, for the payment of the principal or Redemption Price of and interest on the Bonds. The Owner of the Bonds shall not compel the exercise of the taxing power by the City or the forfeiture of its property. The principal or Redemption Price of and interest on the Bonds are not a debt of the City, nor a legal or equitable pledge, charge, lien or encumbrance, upon any of its property, or upon any of its income, receipts, or revenues except the Net Revenues.

SECTION 4.02. Receipt, Deposit and Application of Gross Revenues. (a) The City covenants and agrees that all Gross Revenues, when and as received, will be held by the City in the Solid Waste and Materials Diversion Fund, and will be deposited by the City, or caused to be deposited, in the Solid Waste and Materials Diversion Fund, and will be accounted for through and held in trust in the Solid Waste and Materials Diversion Fund, and the City shall only have such beneficial right or interest in any of such money as provided in this Indenture. All such Gross Revenues shall be transferred, disbursed, allocated and applied solely to the uses and purposes hereinafter in this Article set forth, and shall be accounted for separately and apart from all other money, funds, accounts or other resources of the City and the Contractor.

(b) The City hereby covenants to hold the Solid Waste and Materials Diversion Fund in trust for the benefit of the Owners of the Bonds. For purposes of record-keeping, the City may establish and maintain separate accounts within the Solid Waste and Materials Diversion Fund.

(c) Gross Revenues deposited in the Solid Waste and Materials Diversion Fund shall be applied by the City to pay the following amounts when due, in the following order of priority:

(i) to pay Maintenance and Operation Costs;

(ii) no later than the fifth (5th) Business Day preceding each Interest Payment Date and Principal Payment Date, to transfer to the Trustee for deposit in the Debt Service Fund held by the Trustee an amount sufficient to pay Debt Service on the Series 2016 Bonds and any Parity Bonds (in the event of a shortfall,

amounts shall be used to pay Debt Service on the Series 2016 Bonds and any Parity Bonds on a pro rata basis based on the amounts required to be deposited;

(iii) to transfer to the Trustee for deposit in the Reserve Account held by the Trustee and to transfer as required to make a deposit into a debt service reserve fund (if any) for any Parity Bonds issued under a Parity Bonds Instrument an amount necessary to (A) bring the funds then on hand in the Reserve Account to the Reserve Requirement and (B) bring the funds then on hand in the debt service reserve fund (if any) for any Parity Bonds to its required level (in the event of a shortfall, amounts shall be transferred to deposit into the Reserve Account and such other debt service reserve fund on a pro rata basis based on the amounts required to be deposited); and

(iv) to pay for any lawful purpose of the Solid Waste System.

SECTION 4.03. Establishment of Funds and Accounts and Allocation of Net Revenues Thereof. The Debt Service Fund, as a special fund, and the Reserve Account, as a special account therein, are hereby created and the Redemption Account shall be created when needed.

The Debt Service Fund, and the Redemption Account and Reserve Account therein, shall be held and maintained by the Trustee.

(a) Debt Service Fund. Moneys will be deposited into the Debt Service Fund as set forth in Section 4.02. Moneys in the Debt Service Fund shall be applied as set forth in Section 4.04. All interest earnings and profits or losses on the investment of amounts in the Debt Service Fund shall be deposited in or charged to the Debt Service Fund and applied to the purposes thereof. No transfer and deposit need be made into the Debt Service Fund if the amount contained therein, taking into account investment earnings and profits, is at least equal to the Interest Requirement or Principal Installments to become due on the next Interest Payment Date or Principal Payment Date upon all Outstanding Bonds.

(b) Reserve Account. On the Closing Date, the Trustee shall deposit into the Reserve Account the amount required to be deposited therein pursuant to Section 3.02. Thereafter, moneys will be deposited into the Reserve Account as set forth in Section 4.02.

Moneys deposited into the Reserve Account pursuant to Section 4.02 will be applied in the following priority: (i) principal and interest on the Qualified Surety Bond will be paid from first available Net Revenues, and (ii) after all such amounts are paid in full, amounts necessary to fund the Reserve Account to the Reserve Requirement, after taking into account the amounts available under the Qualified Surety Bond, shall be deposited from next available Net Revenues.

Moneys in the Reserve Account shall be applied as set forth in Section 4.05.

SECTION 4.04. Application of Debt Service Fund.

(a) The Trustee shall withdraw from the Debt Service Fund, prior to each Interest Payment Date, an amount equal to the Interest Requirement on the Series 2016 Bonds payable on such Interest Payment Date, and shall cause the same to be applied to the payment of said interest when due and is hereby authorized to apply the same to the payment of such interest by check or draft (or by wire transfer, as the case may be), as provided in Section 2.01.

(b) The Trustee shall withdraw from the Debt Service Fund, prior to each Principal Payment Date, an amount equal to the principal amount of the outstanding Series 2016 Bonds that are Serial Bonds, if any, maturing on said Principal Payment Date and any Sinking Fund Installments due and payable with respect to any Term Bonds that are Series 2016 Bonds on said Principal Payment Date, and shall cause the same to be applied to the payment of the

principal of said Series 2016 Bonds when due and is hereby authorized to apply the same to such payment upon presentation and surrender of the Series 2016 Bonds as they become due and payable, as provided in Section 2.01.

(c) All withdrawals and transfers under the provisions of subsection (a) or subsection (b) of this Section shall be made not earlier than one (1) day prior to the Interest Payment Date or Principal Payment Date to which they relate, and the amount so withdrawn or transferred shall, for the purposes of this Indenture, be deemed to remain in and be part of the appropriate Account until such Interest Payment Date or Principal Payment Date.

SECTION 4.05. Application of Reserve Account.

(a) In General. An amount equal to the Reserve Requirement in the form of either cash or a Qualified Surety Bond shall be maintained in the Reserve Account at all times. Any deficiency therein shall be replenished from available Net Revenues pursuant to Section 4.03(c).

If at any time there shall not be sufficient amounts in the Debt Service Fund to pay Principal Installments or Redemption Price of or interest on the Series 2016 Bonds when due, the Trustee shall provide notice of such insufficiency to the City, and apply the amounts then on hand in the Reserve Account to pay into the appropriate Fund or Account the amount of the deficiency. Any amounts in the Reserve Account in excess of the Reserve Requirement (whether derived from interest or gain on investments or otherwise) shall, as available, but not more frequently than monthly, be transferred by the Trustee to the Debt Service Fund. In the event amounts on hand in the Reserve Account equal or exceed remaining Debt Service on the Series 2016 Bonds, the Trustee shall apply the funds on hand in the Reserve Account to the payment of Debt Service on the Series 2016 Bonds, on behalf of the City.

(b) Qualified Surety Bond. In the event the City satisfies the Reserve Requirement by delivering to the Trustee a Qualified Surety Bond, such Qualified Surety Bond, and any subsequent Qualified Surety Bond, shall provide that the Trustee is entitled to draw amounts thereunder when required by the provisions of this Indenture to make transfers from the Reserve Account to the Debt Service Fund to pay debt service on the Series 2016 Bonds in the event of a deficiency in any such account, provided that, in any such event, the Trustee shall first apply to any such deficiency the amount of cash (including cash represented by investments) then on deposit in the Reserve Account.

(c) Cash to the City. To the extent that the Reserve Requirement has been satisfied by delivery of a Qualified Surety Bond under Section 4.05(b), any cash or Authorized Investments on deposit in the Reserve Account shall be transferred by the Trustee to the City.

SECTION 4.06. Application of Redemption Account. On or before the date which is at least two (2) Business Days prior to any Interest Payment Date on which Series 2016 Bonds are subject to redemption pursuant to Section 2.02(a) or on which any Parity Bonds are subject to optional redemption pursuant to the provisions of the Parity Bonds Instrument authorizing such Parity Bonds, the City shall transfer from the Solid Waste and Materials Diversion Fund to the Trustee for deposit in the Redemption Account an amount at least equal to the Redemption Price (excluding accrued interest, which is payable from the Debt Service Fund) of such Bonds to be redeemed on such Interest Payment Date. Amounts in the Redemption Account shall be applied by the Trustee solely for the purpose of paying the Redemption Price of Series 2016 Bonds to be redeemed pursuant to Section 2.02 (a). If, after all of the Bonds have been paid or deemed to have been paid, there are moneys remaining in the Redemption Account, such moneys shall be transferred by the Trustee to the City for deposit in the Solid Waste and Materials Diversion Fund.

SECTION 4.07. Investments. All moneys in the Solid Waste and Materials Diversion Fund and Rate Stabilization Fund may be invested by the City from time to time in any investments authorized by law, consistent with the City's investment policy.

All moneys in the Debt Service Fund, Improvement Fund and Cost of Issuance Fund or any other moneys held by the Trustee hereunder shall be invested by the Trustee solely in Authorized Investments, as directed pursuant to a Request of the City. In the absence of any such Request of the City, the Trustee shall hold any such amounts uninvested. Obligations purchased as an investment of moneys in any Fund or Account shall be deemed to be part of such Fund or Account, and all interest or gain derived from the investment of amounts in any of the Funds or Accounts established hereunder shall be deposited in the Fund or Account from which such investment was made.

For purposes of acquiring any investments hereunder, the Trustee may commingle funds held by it hereunder with the written approval of the City. The Trustee or an affiliate may act as principal or agent in the acquisition or disposition of any investment, and shall be entitled to its customary fees therefor. The Trustee shall incur no liability for losses arising from any investments made pursuant to this Section. The Trustee may rely conclusively upon the investment direction of the City as to the suitability and legality of the directed investments.

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

SECTION 4.08. Valuation; Investments.

In computing the amount in any Fund or Account, Authorized Investments shall be valued at their fair market value. With respect to all Funds and Accounts, valuation shall occur annually, except in the event of a withdrawal from the Reserve Account, whereupon securities shall be valued immediately after such withdrawal. In determining the market value of Authorized Investments, the Trustee may use and rely conclusively and without liability upon any generally recognized pricing information service (including brokers and dealers in securities) available to it.

SECTION 4.09. Rate Stabilization Fund.

The City has the right at any time to establish a rate stabilization fund (a "Rate Stabilization Fund") to be held by it and administered in accordance with this Section 4.09, for the purpose of stabilizing the Charges imposed by the City with respect to the Solid Waste System. From time to time the City may deposit amounts in a Rate Stabilization Fund, from any source of legally available funds, including but not limited to Net Revenues that are released from the pledge and lien which secures the Series 2016 Bonds and any Parity Bonds, as the City may determine.

The City may, but is not required to, withdraw from any amounts on deposit in a Rate Stabilization Fund and deposit such amounts in the Solid Waste and Materials Diversion Fund in any Fiscal Year. Amounts so transferred from a Rate Stabilization Fund to the Solid Waste and Materials Diversion Fund shall constitute Gross Revenues for such Fiscal Year (except as otherwise provided herein), and shall be applied for the purposes of the Solid Waste and Materials Diversion Fund. Amounts on deposit in a Rate Stabilization Fund shall not be pledged to or otherwise secure the Series 2016 Bonds or any Parity Bonds. All interest or other earnings on deposits in the Rate Stabilization Fund will be retained therein or, at the option of the City, be applied for any other lawful purposes of the Solid Waste System. The City has the right at any time to withdraw any or all amounts on deposit in a Rate Stabilization Fund and apply such amounts for any lawful purposes of the Solid Waste System.

ARTICLE V
COVENANTS OF THE CITY

SECTION 5.01. Punctual Payment; Compliance With Documents. The City shall punctually pay or cause to be paid the interest and principal to become due with respect to all of the Bonds in strict conformity with the terms of the Bonds and of this Indenture, and will faithfully observe and perform all of the conditions, covenants and requirements of this Indenture and all Parity Bonds Instruments.

SECTION 5.02. Against Encumbrances. The City will not mortgage or otherwise encumber, pledge or place any charge upon the assets of the Solid Waste System or any part thereof, or upon any of the Net Revenues, except as provided in the Indenture.

SECTION 5.03. Discharge of Claims. The City covenants that in order to fully preserve and protect the priority and security of the Bonds, the City shall pay from the Gross Revenues and discharge all lawful claims for labor, materials and supplies furnished for or in connection with the Solid Waste System which, if unpaid, may become a lien or charge upon the Gross Revenues prior or superior to the lien of the Bonds and impair the security of the Bonds. The City shall also pay from the Gross Revenues all taxes and assessments or other governmental charges lawfully levied or assessed upon or in respect of the Solid Waste System or upon any part thereof or upon any of the Gross Revenues therefrom.

SECTION 5.04. Acquisition, Construction or Financing of Improvements to the Solid Waste System. The City will acquire, construct, or finance Improvements to the Solid Waste System to be financed with the proceeds of any Parity Bonds with all practicable dispatch, and such Improvements will be made in an expeditious manner and in conformity with laws so as to complete the same as soon as possible.

SECTION 5.05. Maintenance and Operation of Solid Waste System in Efficient and Economical Manner; Contractor.

(a) The City covenants and agrees to maintain and operate, or cause a Contractor to maintain and operate, the Solid Waste System in an efficient and economical manner and to operate, maintain and preserve, or cause a Contractor to maintain and operate, the Solid Waste System in good repair and working order.

(b) No later than one year prior to the termination date of a contract with a Contractor for which the City does not plan to exercise an option to extend the contract, the City shall either (i) initiate a process for identifying a new company that is experienced in the operations of solid waste enterprises like the Solid Waste System or (ii) initiate a process for assuming responsibility for managing the Solid Waste System itself.

SECTION 5.06. Against Sale, Eminent Domain.

(a) The City will not sell, lease or otherwise dispose of any assets of the Solid Waste System that are essential to the proper operation of the Solid Waste System or to the maintenance of the Net Revenues except as herein expressly permitted. The City will not enter into any lease or agreement which impairs the operation of the Solid Waste System or any part thereof necessary to secure adequate Net Revenues for the payment of the interest on and principal or Redemption Price, if any, on the Bonds, or which would otherwise impair the rights of the Holders with respect to the Net Revenues or the operation of the Solid Waste System. Any real or personal property which has become non-operative or which is not needed for the efficient and proper operation of the Solid Waste System, or any material or equipment which has worn out, may be sold at not less than the market value thereof without the consent of the

Holders if such sale will not reduce Net Revenues and if all of the Net Proceeds of such sale are deposited in the Solid Waste and Materials Diversion Fund.

(b) If all or any part of the Solid Waste System shall be taken by eminent domain proceedings, the Net Proceeds realized by the City therefrom shall be deposited by the City with the Trustee in a special fund in trust and applied by the City to the cost of acquiring or constructing or financing Improvements to the Solid Waste System if (A) the City first secures and files with the Trustee a Certificate of the City (i) showing the estimated loss in annual Net Revenues, if any, suffered, or to be suffered, by the City by reason of such eminent domain proceedings, (ii) describing the Improvements to the Solid Waste System then proposed to be acquired or constructed by the City from such Net Proceeds, (iii) estimating the additional Net Revenues to be derived from such Improvements, and (iv) stating that such additional Net Revenues will sufficiently offset the loss of Net Revenues, resulting from such eminent domain proceedings so that the ability of the City to meet its obligations hereunder will not be substantially impaired, which determination shall be final and conclusive.

If the foregoing conditions are met, the City shall then promptly proceed with the acquisition or construction or financing of such Improvements substantially in accordance with such Certificate of the City and payments therefor shall be made by the Trustee from such Net Proceeds and from other moneys of the City lawfully available therefor, and any balance of such Net Proceeds not required by the City for the purposes aforesaid shall be deposited in the Solid Waste and Materials Diversion Fund.

If the foregoing conditions are not met, then such Net Proceeds shall be applied by the Trustee pro rata to the redemption or purchase of the Bonds of each Series then outstanding in the proportion which the principal amount of the outstanding Bonds of each Series bears to the aggregate principal amount of all Bonds then outstanding. If the Trustee is unable to purchase or redeem Bonds in amounts sufficient to exhaust the available moneys allocable to each such Series, the remainder of such moneys for each such Series shall be held in trust by the Trustee and applied to the payment of the Bonds as the same become due by their terms, and, pending such application, such remaining moneys may be invested by the Trustee in the manner specified in writing by the City.

SECTION 5.07. Insurance. The City covenants that it shall at all times maintain, or cause the Contractor to maintain, such insurance on the Solid Waste System as is customarily maintained with respect to works and properties of like character against accident to, loss of or damage to such works or properties. If any part of the Solid Waste System that is essential to the proper operation of the Solid Waste System or to the maintenance of the Net Revenues shall be damaged or destroyed, such part shall be restored to use. The City may determine whether the Net Proceeds of insurance against accident to or destruction of the physical assets of the Solid Waste System shall be (a) used by the City to repair or rebuild the damaged or destroyed portions of the Solid Waste System (to the extent that such repair or rebuilding is determined by the City to be useful or of continuing value to the Solid Waste System), (ii) transferred to the Trustee at the same time that the City delivers a Certificate of the City directing the Trustee to use the Net Proceeds for the redemption or purchase of the Bonds of each Series then outstanding in the proportion which the principal amount of the outstanding Bonds of each Series bears to the aggregate principal amount of all Bonds then outstanding or (iii) deposited in the Solid Waste and Materials Diversion Fund if the City delivers a Certificate of the City to the Trustee in which it describes the City's determination that that it is not necessary to repair or rebuild the damaged or destroyed portions of the Solid Waste System or redeem Bonds because the damaged or destroyed portions of the Solid Waste System are not essential to the proper operation of the Solid Waste System or to the maintenance of the Net Revenues.

Any such insurance shall be in the form of policies or contracts for insurance with insurers of good standing and shall be payable to the City, or may be in the form of self-insurance by the City. The City shall establish such fund or funds or reserves as it determines, in its sole judgment, are necessary to provide for its share of any such self-insurance.

SECTION 5.08. Reserved.

SECTION 5.09. Protection of Security and Rights of Owners. The City will preserve and protect the security of the Bonds and the rights of the Owners, and will warrant and defend their rights against all claims and demands of all persons. From and after the sale and delivery of any Parity Bonds by the City, such Parity Bonds shall be incontestable by the City.

SECTION 5.10. Against Competitive Facilities. The City will not acquire, construct, operate or maintain a solid waste system or utility within the service area of the City that would be competitive with the Solid Waste System.

SECTION 5.11. Payment of Taxes, Etc. The City will pay and discharge, or cause to be paid and discharged, all taxes, assessments and other governmental charges which may hereafter be lawfully imposed upon the Solid Waste System or any part thereof or upon any Net Revenues when the same shall become due. The City will duly observe and conform with all valid requirements of any governmental authority relative to the Solid Waste System or any part thereof, and will comply with all requirements with respect to any state or federal grants received to assist in paying for the costs of the acquisition, construction or financing of any Improvements to the Solid Waste System.

SECTION 5.12. Rates and Charges. (a) The City shall fix, prescribe, revise and cause to be collected Charges during each Fiscal Year which will yield Gross Revenues that are at least sufficient, after making allowances for contingencies and error in the estimates and not including any transfers to the Solid Waste and Materials Diversion Fund from a Rate Stabilization Fund, to pay the following amounts in the following order:

- (i) all Maintenance and Operation Costs estimated by the City to become due payable in such Fiscal Year;
- (ii) the Debt Service on the Bonds;
- (iii) replenishment of the Reserve Account and the debt service reserve fund for any Parity Bonds, if needed;
- (iv) all other payments required for compliance with this Indenture and any Parity Bonds Instrument; and
- (v) all payments required to meet any other obligations of the City which are charges, liens, encumbrances upon or payable from the Gross Revenues, including a reasonable profit for the Contractor, if applicable.

(b) In addition, the City shall fix, prescribe, revise and cause to be collected Charges during each Fiscal Year which are sufficient to yield Net Revenues least equal to One Hundred Twenty-Five percent (125%) of the amounts payable under the preceding clause (a)(ii) in such Fiscal Year for Bonds which have a lien on Net Revenues. For purposes of this subsection 5.12(b), the amount of Net Revenues for a Fiscal Year will be computed on the basis that (1) any transfers into the Solid Waste and Materials Diversion Fund in that Fiscal Year from the Rate Stabilization Fund are included in the calculation of aggregate Net Revenues, and (2) any deposits into the Rate Stabilization Fund in that Fiscal Year are deducted from the amount of Net Revenues, but only to the extent such deposits are made from Gross Revenues received by the City during that Fiscal Year.

(c) The City covenants that it will cause to be prepared annually, and filed with the Trustee, not more than two hundred seventy (270) days after the close of each Fiscal Year, a certificate stating that the City is in compliance with the rate covenant set forth in this Section 5.12.

SECTION 5.13. No Priority for Additional Obligations. The City covenants that no additional bonds or other obligations shall be issued or incurred having any priority in payment of principal or interest out of the Net Revenues over the Bonds.

SECTION 5.14. Further Assurances. The City will adopt, make, execute and deliver any and all such further resolutions, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of this Indenture, and for the better assuring and confirming unto the Owners of the Series 2016 Bonds the rights and benefits provided in this Indenture.

SECTION 5.15. Continuing Disclosure. The City hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate. Notwithstanding any other provision of this Indenture, failure of the City to comply with the Continuing Disclosure Certificate shall not be considered an Event of Default; however, any holder or beneficial owner of the Series 2016 Bonds may take such actions as may be necessary and appropriate to compel performance, including seeking mandate or specific performance by court order.

In furtherance of its covenant set forth in the first sentence of this Section 5.15, the City shall require by contract any Contractor to provide to the City the information it needs in order to comply with the Continuing Disclosure Certificate and shall use all reasonable means to enforce such obligations.

ARTICLE VI

THE TRUSTEE

SECTION 6.01. Appointment of Trustee. The Bank of New York Mellon Trust Company, N.A., with an office in San Francisco, California, a national banking association organized and existing under and by virtue of the laws of the United States of America, is hereby appointed Trustee by the City for the purpose of receiving all moneys required to be deposited with the Trustee hereunder and to allocate, use and apply the same as provided in this Indenture. The City agrees that it will maintain a Trustee having a corporate trust office in San Francisco, California, with a combined capital and surplus of at least Fifty Million Dollars (\$50,000,000), and subject to supervision or examination by federal or State authority, so long as any Series 2016 Bonds are Outstanding. If such bank or trust company publishes a report of condition at least annually pursuant to law or to the requirements of any supervising or examining authority above referred to, then for the purpose of this Section 5.01 the combined capital and surplus of such bank or trust company shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published.

The Trustee is hereby authorized to pay the Series 2016 Bonds when duly presented for payment at maturity, or on redemption or purchase prior to maturity, and to cancel all Series 2016 Bonds upon payment thereof. The Trustee shall keep accurate records of all funds administered by it and of all Series 2016 Bonds paid and discharged.

SECTION 6.02. Acceptance of Trusts. The Trustee hereby accepts the trusts imposed upon it by this Indenture, and agrees to perform said trusts, but only upon and subject to the following express terms and conditions:

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

(b) The Trustee may execute any of the trusts or powers hereof and perform the duties required of it hereunder by or through attorneys, agents, or receivers but shall not be answerable for the selection of the same if appointed by it with due care, and shall be entitled to rely conclusively on advice of counsel of its choice concerning all matters of trust and its duty hereunder.

(c) The Trustee shall not be responsible for any recital herein, or in the Series 2016 Bonds, or for the validity of this Indenture or any of the supplements thereto or instruments of further assurance, or for the sufficiency of the security for the Series 2016 Series 2016 Bonds issued hereunder or intended to be secured hereby and the Trustee shall not be bound to ascertain or inquire as to the observance or performance of any covenants, conditions or agreements on the part of the City hereunder. The Trustee shall not be responsible or liable for any loss suffered in connection with any investment of funds made by it in accordance with the City's investment direction.

(d) The Trustee shall not be accountable for the use of any proceeds of sale of the Series 2016 Bonds delivered hereunder. The Trustee may become the Owner of Series 2016 Bonds secured hereby with the same rights which it would have if not the Trustee; may acquire and dispose of other bonds or evidence of indebtedness of the City with the same rights it would have if it were not the Trustee; and may act as a depository for and

permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of Owners of Series 2016 Bonds, whether or not such committee shall represent the Owners of the majority in principal amount of the Series 2016 Bonds then Outstanding.

(e) In the absence of bad faith on its part, the Trustee shall be protected in acting upon any notice, request, consent, certificate, order, affidavit, letter, telegram or other paper or document believed by it to be genuine and correct and to have been signed or sent by the proper person or persons. Any action taken or omitted to be taken by the Trustee pursuant to this Indenture upon the request or authority or consent of any person who at the time of making such request or giving such authority or consent is the Owner of any Series 2016 Bond, shall be conclusive and binding upon all future Owners of the same Bond and upon Bonds issued in exchange therefor or in place thereof. The Trustee shall not be bound to recognize any person as an Owner of any Series 2016 Bond or to take any action at his request unless the ownership of such Series 2016 Bond by such person shall be reflected on the Bond Registration Books.

(f) As to the existence or non-existence of any fact or as to the sufficiency or validity of any instrument, paper or proceeding, the Trustee shall be entitled to rely upon a Certificate of the City as sufficient evidence of the facts therein contained and prior to the occurrence of an Event of Default hereunder of which the Trustee has been given notice or is deemed to have notice, as provided in Section 6.02(h) hereof, shall also be at liberty to accept a similar certificate to the effect that any particular dealing, transaction or action is necessary or expedient, but may at its discretion secure such further evidence deemed by it to be necessary or advisable, but shall in no case be bound to secure the same. The Trustee may accept a Certificate of the City to the effect that an authorization in the form therein set forth has been adopted by the City, as conclusive evidence that such authorization has been duly adopted and is in full force and effect.

(g) The permissive right of the Trustee to do things enumerated in this Indenture shall not be construed as a duty and it shall not be answerable for other than its negligence or willful misconduct. The immunities and exceptions from liability of the Trustee shall extend to its officers, as finally adjudicated by a court of law, directors, employees and agents.

(h) The Trustee shall not be required to take notice or be deemed to have notice of any Event of Default hereunder except failure by the City to make any of the payments to the Trustee required to be made by the City pursuant hereto or failure by the City to file with the Trustee any document required by this Indenture to be so filed subsequent to the issuance of the Bonds by a date certain, unless the Trustee shall be specifically notified in writing of such default by the City or by the Owners of at least twenty-five percent (25%) in aggregate principal amount of the Series 2016 Bonds then Outstanding and all notices or other instruments required by this Indenture to be delivered to the Trustee must, in order to be effective, be delivered at the Principal Corporate Trust Office of the Trustee, and in the absence of such notice so delivered the Trustee may conclusively assume there is no Event of Default hereunder except as aforesaid.

(i) At any and all reasonable times the Trustee, and its duly authorized agents, attorneys, experts, engineers, accountants and representatives, shall have the right fully to inspect the Solid Waste System, including all books, papers and records of the City pertaining to the Solid Waste System and the Series 2016 Bonds, and to take such memoranda from and with regard thereto as may be desired but which is not privileged by statute or by law.

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

(k) Notwithstanding anything elsewhere in this Indenture with respect to the execution of any Series 2016 Bonds, the withdrawal of any cash, the release of any property, or any action whatsoever within the purview of this Indenture, the Trustee shall have the right, but shall not be required, to demand any showings, certificates, opinions, appraisals or other information, or corporate action or evidence thereof, as may be deemed desirable for the purpose of establishing the right of the City to the execution of any Series 2016 Bonds, the withdrawal of any cash, or the taking of any other action by the Trustee.

(l) Before taking the action referred to in Section 8.03 or any other action in connection with its duties hereunder (other than making payments of principal and interest on the Series 2016 Bonds), the Trustee may require that an indemnity bond satisfactory in terms and amount be furnished for the reimbursement of all expenses to which it may be put and to protect it against all liability, except liability which is finally adjudicated by a court of law to have resulted from its negligence or willful misconduct in connection with any such action.

(m) All moneys received by the Trustee shall, until used or applied or invested as herein provided, be held in trust for the purposes for which they were received but need not be segregated from other funds except to the extent required by law. The Trustee shall not be under any liability for interest on any moneys received hereunder except such as it may agree to in writing.

(n) The Trustee shall not be considered in breach of or in default in its obligations hereunder and will not incur any liability for not performing any act or fulfilling any duty, obligation or responsibility hereunder, or progress in respect thereto in the event of enforced delay ("unavoidable delay") in the performance of such obligations due to unforeseeable causes beyond its control and without its fault or negligence, including, but not limited to, present or future law or regulation or governmental authority, natural catastrophes, civil or military disturbances, loss or malfunctions of utilities, any act of God or war, terrorism or the unavailability of the Federal Reserve Bank or other wire or communication facility, acts of a government, acts of the other party, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, earthquakes, explosion, mob violence, riot, inability to procure or general sabotage or rationing of labor, equipment, facilities, sources of energy, material or supplies in the open market, litigation or arbitration involving a party or others relating to zoning or other governmental action or inaction pertaining to the Improvements, malicious mischief, condemnation, and unusually severe weather or delays of suppliers or subcontractors due to such causes or any similar event and/ or occurrences beyond the control of the Trustee.

(o) The Trustee shall have the right to accept and act upon instructions, including funds transfer instructions ("Instructions") given pursuant to this Indenture and delivered using Electronic Means ("Electronic Means" means the following communications methods: e-mail, facsimile transmission, secure electronic transmission containing applicable authorization codes, passwords and/ or authentication keys issued by the Trustee, or another method or system specified by the Trustee as available for use in connection with its services hereunder); provided, however, that the City shall provide to the Trustee an incumbency certificate listing officers with the authority to provide such Instructions ("Authorized Officers") and containing specimen signatures of such Authorized Officers, which incumbency certificate shall be amended by the City, whenever a person is to be added or deleted from the listing. If the City elects to give the Trustee Instructions using Electronic Means and the Trustee in its discretion elects to act upon such Instructions, the Trustee's understanding of such Instructions shall be deemed controlling. The City understands and agrees that the Trustee cannot determine the identity of the actual sender of such Instructions and that the Trustee shall

conclusively presume that directions that purport to have been sent by an Authorized Officer listed on the incumbency certificate provided to the Trustee have been sent by such Authorized Officer. The City shall be responsible for ensuring that only Authorized Officers transmit such Instructions to the Trustee 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 Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee's reliance upon and compliance with such Instructions notwithstanding such directions conflict or are inconsistent with a subsequent written instruction. The City agrees: (i) to assume all risks arising out of the use of Electronic Means to submit Instructions to the Trustee, including without limitation the risk of the Trustee acting on unauthorized Instructions, and the risk of interception and misuse by third parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting Instructions to the Trustee and that there may be more secure methods of transmitting Instructions than the method(s) selected by the 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 Trustee immediately upon learning of any compromise or unauthorized use of the security procedures.

(p) Notwithstanding the effective date of this Indenture or anything to the contrary in this Indenture, the Trustee shall have no liability or responsibility for any act or event relating to this Indenture which occurs prior to the date the Trustee formally executes this Indenture and commences acting as Trustee hereunder.

(q) The Trustee shall have no responsibility or liability with respect to any information, statements or recitals in any offering memorandum or other disclosure material prepared or distributed with respect to the issuance of these Series 2016 Bonds.

SECTION 6.03. Fees, Charges and Expenses of Trustee. The Trustee shall be entitled to payment and reimbursement for reasonable fees for its services rendered hereunder and all advances, counsel fees (including expenses) and other expenses reasonably and necessarily made or incurred by the Trustee in connection with such services. Upon the occurrence of an Event of Default hereunder, but only upon an Event of Default, the Trustee shall have a first lien with right of payment prior to payment of any Bond upon the amounts held hereunder for the foregoing fees, charges and expenses incurred by it respectively. When the Trustee incurs expenses or renders services after the occurrence of an Event of Default, such expenses and the compensation for such services are intended to constitute expenses of administration under any federal or state bankruptcy, insolvency, arrangement, moratorium, reorganization or other debtor relief law.

SECTION 6.04. Notice to Bond Owners of Default. If an Event of Default hereunder occurs with respect to any Series 2016 Bonds, of which the Trustee has been given or is deemed to have notice, as provided in this Indenture, then the Trustee shall promptly give written notice thereof by first-class mail to the Owner of each such Series 2016 Bond, unless such Event of Default shall have been cured before the giving of such notice; provided, however, that unless such Event of Default consists of the failure by the City to make any payment when due, the Trustee may elect not to give such notice if and so long as the Trustee in good faith determines that it is in the best interests of the Series 2016 Bond Owners not to give such notice.

SECTION 6.05. Intervention by Trustee. In any judicial proceeding to which the City is a party which, in the opinion of the Trustee and its counsel, has a substantial bearing on the interests of Owners of any of the Series 2016 Bonds, the Trustee may intervene on behalf of such Bond Owners, and subject to Section 6.02 hereof, shall do so if requested in writing by the Owners of at least twenty-five percent (25%) in aggregate principal amount of such Series 2016 Bonds then Outstanding, upon being indemnified to its satisfaction.

SECTION 6.06. Removal of Trustee. The Owners of a majority in aggregate principal amount of the Outstanding Series 2016 Bonds may, upon thirty (30) days prior notice, and the City may so long as no Event of Default shall have occurred and then be continuing, remove the Trustee initially appointed, and any successor thereto, by an instrument or concurrent instruments in writing delivered to the Trustee (where applicable), whereupon the City or such Owners, as the case may be, shall appoint a successor or successors thereto; provided that any such successor shall be a bank or trust company meeting the requirements set forth in Section 6.01 hereof.

SECTION 6.07. Resignation by Trustee. The Trustee and any successor Trustee may at any time resign by giving thirty (30) days' written notice by registered or certified mail to the City. Upon receiving such notice of resignation, the City shall promptly appoint a successor Trustee. Any resignation or removal of the Trustee and appointment of a successor Trustee shall become effective upon acceptance of appointment by the successor Trustee. Upon such acceptance, the City shall cause notice thereof to be given by first class mail to the Series 2016 Bond Owners at their respective addresses set forth on the Bond Registration Books. No resignation of the Trustee shall take effect until a successor is appointed and has accepted.

SECTION 6.08. Appointment of Successor Trustee. In the event of the removal or resignation of the Trustee pursuant to Sections 6.06 or 6.07, respectively, the City shall promptly appoint a successor Trustee. In the event the City shall for any reason whatsoever fail to appoint a successor Trustee within forty-five (45) days following the delivery to the Trustee of the instrument described in Section 6.06 or within forty-five (45) days following the receipt of notice by the City pursuant to Section 6.07, the Trustee may apply to a court of competent jurisdiction for the appointment of a successor Trustee meeting the requirements of Section 6.01 hereof. Any such successor Trustee appointed by such court shall become the successor Trustee hereunder notwithstanding any action by the City purporting to appoint a successor Trustee following the expiration of such forty-five-day period.

The Trustee may be removed at any time, upon thirty (30) days' written notice, at the request of the Municipal Bond Insurer with the consent of the City, for any breach of the trust set forth herein. The Municipal Bond Insurer shall receive prior written notice of any Trustee resignation.

Notwithstanding any other provision of this Trust Indenture, no removal, resignation or termination of the Trustee shall take effect until a successor, acceptable to the Municipal Bond Insurer, shall be appointed; provided, however, that if for any reason whatsoever no successor Trustee shall have been appointed within 45 days following receipt of notice by the City pursuant to Section 6.07 above, the Trustee may apply to a court of competent jurisdiction for the appointment of a successor Trustee which meets the requirements of Section 6.01 hereof, and such appointment shall be binding upon the Municipal Bond Insurer.

SECTION 6.09. Merger or Consolidation. Any company into which the Trustee may be merged or converted or with which it may be consolidated, or any company resulting from any merger, conversion or consolidation to which it shall be a party, or any company to which the Trustee may sell or transfer all or substantially all of its corporate trust business (provided that such company shall be eligible under Section 6.01), shall be the successor to the Trustee and vested with all of the title to the trust estate and all of the trusts, powers, discretions, immunities, privileges and all other matters as was its predecessor, without the execution or filing of any paper or further act, anything herein to the contrary notwithstanding.

SECTION 6.10. Concerning any Successor Trustee. Every successor Trustee appointed hereunder shall execute, acknowledge and deliver to its predecessor and also to the City an instrument in writing accepting such appointment hereunder and thereupon such successor, without any further act, deed or conveyance, shall become fully vested with all the estates, properties, rights, powers, trusts, duties and obligations of its predecessors; but such

predecessor shall, nevertheless, on the Request of the City, or of its successor, execute and deliver an instrument transferring to such successor all the estates, properties, rights, powers and trusts of such predecessor hereunder; and every predecessor Trustee shall deliver all securities and moneys held by it as the Trustee hereunder to its successor. Should any instrument in writing from the City be required by any successor Trustee for more fully and certainly vesting in such successor the estate, rights, powers and duties hereby vested or intended to be vested in the predecessor, any and all such instruments in writing shall, on request, be executed, acknowledged and delivered by the City.

SECTION 6.11. Appointment of Co-Trustee. It is the purpose of this Indenture that there shall be no violation of any law of any jurisdiction (including particularly the law of the State) denying or restricting the right of banking corporations or associations to transact business as Trustee in such jurisdiction. It is recognized that in the case of litigation under this Indenture, and in particular in case of the enforcement of the rights of the Trustee on default, or in the case the Trustee deems that by reason of any present or future law of any jurisdiction it may not exercise any of the powers, rights or remedies herein granted to the Trustee or hold title to the properties, in trust, as herein granted, or take any other action which may be desirable or necessary in connection therewith, it may be necessary that the Trustee appoint an additional individual or institution as a separate or co-trustee. The following provisions of this Section 6.11 are adopted to these ends.

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

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

SECTION 6.12. Indemnification; Limited Liability of Trustee. The City shall indemnify and hold the Trustee and its officers, directors, agents and employees harmless from and against all claims, losses, costs, expenses, liabilities, suits, actions, judgments and damages including legal fees and expenses arising from the exercise and performance of its duties hereunder and the termination of this Indenture. Such indemnity shall survive the resignation or removal of the Trustee hereunder and the termination of this Indenture. No provision in this Indenture shall require the Trustee to risk or expend its own funds or otherwise incur any financial liability hereunder if it shall have reasonable grounds for believing repayment of such funds or adequate indemnity against such liability or risk is not assured to it. The Trustee shall not be liable for any action taken or omitted to be taken by it in accordance with the direction of the Bond Insurer or a majority of the Owners of the principal amount of Series 2016 Bonds Outstanding relating to the time, method and place of conducting any proceeding or remedy available to the Trustee under this Indenture.

ARTICLE VII

MODIFICATION AND AMENDMENT OF THE INDENTURE

SECTION 7.01. Amendment by Consent of Bond Owners. This Indenture and the rights and obligations of the City and of the Owners of the Series 2016 Bonds may be modified or amended at any time by a Supplemental Indenture which shall become binding when the written consent of the Owners of a majority in aggregate principal amount of the Series 2016 Bonds then Outstanding, exclusive of Series 2016 Bonds disqualified as provided in Section 7.03 hereof, are filed with the Trustee. No such modification or amendment shall (a) extend the maturity of or reduce the interest rate on any Series 2016 Bond or otherwise alter or impair the obligation of the City to pay the principal, interest or redemption premiums at the time and place and at the rate and in the currency provided therein of any Series 2016 Bond without the express written consent of the Owner of such Series 2016 Bond, (b) reduce the percentage of Series 2016 Bonds required for the written consent to any such amendment or modification, or (c) without its written consent thereto, modify any of the rights or obligations of the Trustee.

SECTION 7.02. Amendment Without Consent of Bondholders. This Indenture and the rights and obligations of the City and of the Owners of the Series 2016 Bonds may also be modified or amended at any time by a Supplemental Indenture which shall become binding upon execution and delivery, without consent of any Series 2016 Bond Owners, but only to the extent permitted by law and only for any one or more of the following purposes-

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

(b) to make such provisions for the purpose of curing any ambiguity, or of curing, correcting or supplementing any defective provision contained in this Indenture, or in any other respect whatsoever as the City may deem necessary or desirable, provided under any circumstances that such modifications or amendments shall not materially adversely affect the interests of the Owners of the Bonds, as evidenced by the opinion of counsel delivered under Section 7.06 hereunder;

(c) to provide for the issuance of any Parity Bonds, and to provide the terms and conditions under which such Parity Bonds may be issued, including but not limited to the establishment of special funds and accounts relating to such Parity Bonds and any other provisions relating solely to such Parity Bonds, subject to and in accordance with the provisions of Section 3.05; or

(d) to make such additions, deletions or modifications as may be necessary or desirable to assure exemption from federal income taxation of interest on the Series 2016 Bonds.

Any amendments which require Series 2016 Bond Owner consent pursuant to this Section 10.02 shall also require the prior written consent of the Municipal Bond Insurer. Notices regarding any such proposed amendments shall be provided to the following address: _____.

SECTION 7.03. Disqualified Bonds. Series 2016 Bonds owned or held by or for the account of the City (but excluding Series 2016 Bonds held in any employees' retirement fund) shall not be deemed Outstanding for the purpose of any consent or other action or any calculation of Outstanding Series 2016 Bonds in this article provided for, and shall not be entitled to consent to, or take any other action in this article provided for; except that in determining whether the Trustee shall be protected in relying upon any such consent or other action of an Owner, only Series 2016 Bonds which the Trustee actually knows to be owned or held by or for the account of the City, shall be disregarded unless all Series 2016 Bonds are so

owned or held, in which case such Series 2016 Bonds shall be considered Outstanding for the purpose of such determination..

SECTION 7.04. Endorsement or Replacement of Bonds After Amendment. After the effective date of any action taken as hereinabove provided, the City may determine that the Series 2016 Bonds shall bear a notation, by endorsement in form approved by the City, as to such action, and in that case upon demand of the Owner of any Series 2016 Bond Outstanding at such effective date and presentation of his Series 2016 Bond for that purpose at the Principal Corporate Trust Office of the Trustee, a suitable notation as to such action shall be made on such Bond. If the City shall so determine, new Series 2016 Bonds so modified as, in the opinion of the City, shall be necessary to conform to such Series 2016 Bond Owners' action shall be prepared and executed, and in that case upon demand of the Owner of any Series 2016 Bond Outstanding at such effective date such new Series 2016 Bonds shall be exchanged at the Principal Corporate Trust Office of the Trustee, without cost to each Series 2016 Bond Owner, for Bonds then Outstanding, upon surrender of such Outstanding Series 2016 Bonds.

SECTION 7.05. Amendment by Mutual Consent. The provisions of this Article VII shall not prevent any Series 2016 Bond Owner from accepting any amendment as to the particular Series 2016 Bond held by him, provided that due notation thereof is made on such Series 2016 Bond.

SECTION 7.06. Execution of Amendments. In executing, or accepting the additional trusts created by, any amendment permitted by this Article or the modification thereby of the trusts created by this Indenture, the Trustee shall be entitled to receive, and shall be fully protected in relying upon, an opinion of counsel stating that the execution of such amendment is authorized or permitted by this Indenture and complies with the terms hereof. The Trustee may, but shall not be obligated to, enter into any such amendment which affects the Trustee's own rights, duties or immunities under this Indenture or otherwise.

ARTICLE VIII

EVENTS OF DEFAULT AND REMEDIES OF BOND OWNERS

SECTION 8.01. Events of Default and Acceleration of Maturities. The following events shall be Events of Default hereunder:

(a) Default in the due and punctual payment of the principal of any 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;

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

(c) Default by the City in the observance of any of the covenants, agreements or conditions on its part in this Indenture or in any Parity Bonds Instrument or in the Bonds contained, and such default shall have continued for a period of sixty (60) days after the City shall have been given notice in writing of such default by the Trustee; or

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

Upon the occurrence of an Event of Default, the Trustee may, with the consent of the Municipal Bond Insurer, and shall, at the direction of the owners of a majority of the principal amount of the Series 2016 Bonds, with the consent of the Municipal Bond Insurer, by written notice to the City, declare the principal of the Series 2016 Bonds to be immediately due and payable, whereupon that portion of the principal of the Series 2016 Bonds thereby coming due and there interest thereon accrued to the date of payment shall, without further action, become and be immediately due and payable, anything in this Indenture or in the Series 2016 Bonds to the contrary notwithstanding. This provision, however, is subject to the condition that if, at any time after the principal of the Series 2016 Bonds shall have been so declared due and payable and before any judgment or decree for the payment of the moneys due shall have been obtained or entered, the City shall deposit with the Trustee a sum sufficient to pay all of the principal of and interest on the Series 2016 Bonds having come due prior to such declaration, with interest on such overdue principal and interest calculated at the rate of interest per annum then borne by the Outstanding Series 2016 Bonds, and the reasonable fees and expenses of the Trustee and those of its attorneys, and any and all other defaults known to the Trustee (other than in the payment of the principal of and interest on the Series 2016 Bonds having come due and payable solely by reason of such declaration) shall have been made good or cured to the satisfaction of the Trustee or provision deemed by the Trustee to be adequate shall have been made therefor, then, and in every such case, the Owners of a majority in aggregate principal amount of the Series 2016 Bonds at the time Outstanding may, by written notice to the City and to the Trustee, on behalf of the Owners of all of the Outstanding Series 2016 Bonds, rescind and annul such declaration and its consequences. However, no such rescission and annulment shall extend to or shall affect any subsequent default, or shall impair or exhaust any right or power consequent thereon.

SECTION 8.02. Application of Funds Upon Acceleration. All amounts held by the Trustee hereunder or received by the Trustee pursuant to any right given or action taken by the Trustee under the provisions of this Indenture shall be applied by the Trustee in the following

order upon presentation of the several Series 2016 Bonds, and the stamping thereon of the amount of the payment if only partially paid, or upon the surrender thereof if fully paid -

First, to the payment of the fees, costs and expenses of the Trustee, including reasonable compensation to their agents, attorneys and counsel, and to the payment of the costs and expenses of the Trustee, if any, in carrying out the provisions of this Article VIII, including reasonable compensation to its agents, attorneys and counsel, then to the Series 2016 Bond Owners' costs and expenses in declaring such Event of Default; and

Second, to the payment of the whole amount then owing and unpaid upon the Series 2016 Bonds for interest and principal, with interest on such overdue amounts to the extent permitted by law at the rate of interest then borne by the Outstanding Series 2016 Bonds, and in case such moneys shall be insufficient to pay in full the whole amount so owing and unpaid upon the Series 2016 Bonds, then to the payment of such interest, principal and interest on overdue amounts without preference or priority among such interest, principal and interest on overdue amounts ratably in proportion to the aggregate of such interest, principal and interest on overdue amounts.

SECTION 8.03. Other Remedies; Rights of Bond Owners. Upon the occurrence of an Event of Default, the Trustee may pursue any available remedy, in addition to the remedy specified in Section 8.01, at law or in equity to enforce the payment of the principal of, premium, if any, and interest on the Outstanding Series 2016 Bonds, and to enforce any rights of the Trustee under or with respect to this Indenture.

If an Event of Default shall have occurred and be continuing and if requested so to do by the Owners of at least twenty-five percent (25%) in aggregate principal amount of Outstanding Series 2016 Bonds and indemnified as provided in Section 6.02 (I), the Trustee shall be obligated to exercise such one or more of the rights and powers conferred by this Article VIII, as the Trustee, being advised by counsel, shall deem most expedient in the interests of the Series 2016 Bond Owners.

No remedy by the terms of this Indenture conferred upon or reserved to the Trustee (or to the Series 2016 Bond Owners) is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to any other remedy given to the Trustee or to the Series 2016 Bond Owners hereunder or now or hereafter existing at law or in equity.

No delay or omission to exercise any right or power accruing upon any Event of Default shall impair any such right or power or shall be construed to be a waiver of any such Event of Default or acquiescence therein; such right or power may be exercised from time to time as often as may be deemed expedient.

Notwithstanding any other provisions of the Trust Indenture, the Municipal Bond Insurer shall have the right, so long as it is not in default under the Municipal Bond Insurance Policy, to direct the remedies to be taken upon any Event of Default hereunder and the Municipal Bond Insurer's consent shall be required for remedial action taken by the Trustee or the City hereunder.

SECTION 8.04. Power of Trustee to Control Proceedings. In the event that the Trustee, upon the happening of an Event of Default, shall have taken any action, by judicial proceedings or otherwise, pursuant to its duties hereunder, whether upon its own discretion or upon the request of the Owners of a majority in principal amount of the Series 2016 Bonds then Outstanding, it shall have full power, in the exercise of its discretion for the best interests of the Owners of the Series 2016 Bonds, with respect to the continuance, discontinuance, withdrawal, compromise, settlement or other disposal of such action; provided, however, that the Trustee shall not, unless there no longer continues an Event of Default, discontinue, withdraw, compromise or settle, or otherwise dispose of any litigation pending at law or in equity, if at the

time there has been filed with it a written request signed by the Owners of a majority in principal amount of the Outstanding Series 2016 Bonds hereunder opposing such discontinuance, withdrawal, compromise, settlement or other disposal of such litigation and the Trustee has been indemnified to its satisfaction. Any suit, action or proceeding which any Owner of Series 2016 Bonds shall have the right to bring to enforce any right or remedy hereunder may be brought by the Trustee for the equal benefit and protection of all Owners of Series 2016 Bonds similarly situated and the Trustee is hereby appointed (and the successive respective Owners of the Series 2016 Bonds issued hereunder, by taking and holding the same, shall be conclusively deemed so to have appointed it) the true and lawful attorney-in-fact of the respective Owners of the Series 2016 Bonds for the purpose of bringing any such suit, action or proceeding and to do and perform any and all acts and things for and on behalf of the respective Owners of the Series 2016 Bonds as a class or classes, as may be necessary or advisable in the opinion of the Trustee as such attorney-in-fact. Nothing herein shall be deemed to authorize the Trustee to authorize or consent to or accept or adopt on behalf of any Owner any plan of reorganization, arrangement, adjustment, or composition affecting the Series 2016 Bonds or the rights of any Owner thereof, or to authorize the Trustee to vote in respect of the claim of any Owner in any such proceeding without the approval of the Owners so affected.

SECTION 8.05. Appointment of Receivers. Upon the occurrence of an Event of Default hereunder, and upon the filing of a suit or other commencement of judicial proceedings to enforce the rights of the Trustee and of the Series 2016 Bond Owners under this Indenture, the Trustee shall be entitled, as a matter of right, to the appointment of a receiver or receivers of the Net Revenues and other amounts pledged hereunder, pending such proceedings, with such powers as the court making such appointment shall confer.

SECTION 8.06. Non-Waiver. Nothing in this Article VIII or in any other provision of this Indenture, or in the Series 2016 Bonds, shall affect or impair the obligation of the City, which is absolute and unconditional, to pay the interest on and principal of the Series 2016 Bonds to the respective Owners of the Series 2016 Bonds at the respective dates of maturity, as herein provided, out of the Net Revenues and other moneys herein pledged for such payment.

A waiver of any default or breach of duty or contract by the Trustee or any Series 2016 Bond Owners shall not affect any subsequent default or breach of duty or contract, or impair any rights or remedies on any such subsequent default or breach. No delay or omission of any Owner of any of the Series 2016 Bonds to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or an acquiescence therein; and every power and remedy conferred upon the Trustee or Series 2016 Bond Owners by the Bond Law or by this Article VIII may be enforced and exercised from time to time and as often as shall be deemed expedient by the Trustee or the Bond Owners, as the case may be.

If a suit, action or proceeding to enforce any right or exercise any remedy is abandoned or determined adversely to the Series 2016 Bond Owners, the City and the Series 2016 Bond Owners shall be restored to their former positions, rights and remedies as if such suit, action or proceeding had not been brought or taken.

SECTION 8.07. Rights and Remedies of Bond Owners. No Owner of any Series 2016 Bond issued hereunder shall have the right to institute any suit, action or proceeding at law or in equity, for any remedy under or upon this Indenture, unless (a) such Owner shall have previously given to the Trustee written notice of the occurrence of an Event of Default; (b) the Owners of a majority in aggregate principal amount of all the Series 2016 Bonds then Outstanding shall have made written request upon the Trustee to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in its own name; (c) said Owners shall have tendered to the Trustee indemnity reasonably acceptable to the Trustee against the costs, expenses and liabilities to be incurred in compliance with such request; and (d) the Trustee shall have refused or omitted to comply with such request for a period of sixty

(60) days after such written request shall have been received by, and said tender of indemnity shall have been made to, the Trustee.

Such notification, request, tender of indemnity and refusal or omission are hereby declared, in every case, to be conditions precedent to the exercise by any Owner of Series 2016 Bonds of any remedy hereunder; it being understood and intended that no one or more Owners of Series 2016 Bonds shall have any right in any manner whatever by his or their action to enforce any right under this Indenture, except in the manner herein provided, and that all proceedings at law or in equity to enforce any provision of this Indenture shall be instituted, had and maintained in the manner herein provided and for the equal benefit of all Owners of the Outstanding Series 2016 Bonds.

The right of any Owner of any Series 2016 Bond to receive payment of the principal of and interest and premium (if any) on such Series 2016 Bond as herein provided or to institute suit for the enforcement of any such payment, shall not be impaired or affected without the written consent of such Owner, notwithstanding the foregoing provisions of this Section or any other provision of this Indenture.

SECTION 8.08. Termination of Proceedings. In case the Trustee shall have proceeded to enforce any right under this Indenture by the appointment of a receiver or otherwise, and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely, then and in every such case, the City, the Trustee and the Series 2016 Bond Owners shall be restored to their former positions and rights hereunder, respectively, with regard to the property subject to this Indenture, and all rights, remedies and powers of the Trustee shall continue as if no such proceedings had been taken.

SECTION 8.09. Municipal Bond Insurer as Third-Party Beneficiary. To the extent that this Indenture confers upon or gives or grants to the Municipal Bond Insurer any right, remedy or claim under or by reason of this Indenture, the Municipal Bond Insurer is hereby explicitly recognized as being a third-party beneficiary hereunder and may enforce any such right remedy or claim conferred, given or granted hereunder.

SECTION 8.10. Rights of Municipal Bond Insurer. Anything in this Indenture to the contrary notwithstanding, upon the occurrence and continuation of an Event of Default, the Municipal Bond Insurer shall be entitled to control and direct the enforcement of all rights and remedies granted hereunder to the Series 2016 Bond Owners, or to the Trustee for the benefit of the Series 2016 Bond Owners, including but not limited to, rights and remedies granted pursuant to Section 8.01 and 8.03 and, including but not limited to, the right to approve all waivers of any Events of Default. The rights granted to the Municipal Bond Insurer hereunder shall be deemed terminated and shall not be exercisable by the Municipal Bond Insurer during any period during which Municipal Bond Insurer shall be in default under the Municipal Bond Insurance Policy.

SECTION 8.11. Effect on Municipal Bond Insurance Policy. Notwithstanding any other provision of this Indenture, in determining whether the rights of the Bondholders will be materially adversely affected by any action taken pursuant to the terms and provisions of this Indenture, the effect on the Bondholders shall be considered as if there were no Municipal Bond Insurance Policy.

ARTICLE IX

MISCELLANEOUS

SECTION 9.01. Limited Liability of City. Notwithstanding anything in this Indenture contained, the City shall not be required to advance any moneys derived from any source of income other than the Net Revenues for the payment of the principal of or interest on the Series 2016 Bonds, or any premiums upon the redemption thereof, or for the performance of any covenants herein contained (except to the extent any such covenants are expressly payable hereunder from the Net Revenues). The City may, however, advance funds for any such purpose, provided that such funds are derived from a source legally available for such purpose and may be used by the City for such purpose without incurring indebtedness.

SECTION 9.02. Parties Interested Herein.

(a) Nothing in this Trust Indenture expressed or implied is intended or shall be construed to confer upon, or to give to, any person or entity, other than the City, the Trustee, the Municipal Bond Insurer and the Owners any right, remedy or claim under or by reason of this Trust Indenture, or any covenant, condition or stipulation hereof, and all covenants, stipulations, promises and agreements in this Trust Indenture contained by and on behalf of the City shall be for the sole and exclusive benefit of the City, the Trustee, the Municipal Bond Insurer and the Owners.

(b) Notwithstanding any other provision of this Trust Indenture, in determining whether the rights of the Owners will be materially adversely affected by any action taken pursuant to the terms and provisions of this Trust Indenture, the effect on the Owners shall be considered as if there was no Municipal Bond Insurance Policy.

SECTION 9.03. Discharge of Indenture. If the City shall pay and discharge any or all of the Outstanding Series 2016 Bonds 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 premium (if any) on such Series 2016 Bonds, as and when the same become due and payable;

(b) by depositing with the Trustee, in trust, at or before maturity, money which, together with the available amounts then on deposit in the funds and accounts established pursuant to this Indenture, is fully sufficient to pay such Series 2016 Bonds, including all principal, interest and redemption premiums; or

(c) by depositing with a qualified escrow holder, in trust, Defeasance Obligations in such amount as the City (verified by an Independent Certified Public Accountant) shall determine will, together with the interest to accrue thereon and available moneys then on deposit in the Funds and Accounts established pursuant to this Indenture, be fully sufficient to pay and discharge the indebtedness on such Series 2016 Bonds (including all principal, interest and redemption premiums, if any) at or before their respective maturity dates;

and if such Series 2016 Bonds are to be redeemed prior to the maturity thereof notice of such redemption shall have been mailed pursuant to Section 2.02(d) or provision satisfactory to the Trustee shall have been made for the mailing of such notice, then, at the election of the City, and notwithstanding that any of such Series 2016 Bonds shall not have been surrendered for payment, the pledge of the Net Revenues and other funds provided for in this Indenture with respect to such Series 2016 Bonds, and all other pecuniary obligations of the City under this Indenture with respect to all such Series 2016 Bonds, shall cease and terminate, except only the obligation of the City to indemnify the Trustee under Section 6.12 hereof, and to pay or cause to

be paid to the Owners of such Series 2016 Bonds not so surrendered and paid all sums due thereon from amounts set aside for such purpose as aforesaid, and all expenses and costs of the Trustee. Notice of such election shall be filed with the Trustee.

Any funds thereafter held by the Trustee, which are not required for said purposes, shall be paid over to the City or to its order.

Refunding bonds may be issued at any time without regard to whether an Event of Default exists.

To accomplish defeasance of the Series 2016 Bonds as provided in paragraph (c) above the City shall cause to be delivered (i) a report of an Independent Certified Public Accountant verifying the sufficiency of the escrow established to pay the Series 2016 Bonds in full on the maturity or earlier redemption date ("Verification"), (ii) an escrow deposit agreement, and (iii) an opinion of nationally recognized bond counsel to the effect that the Series 2016 Bonds are no longer "Outstanding" under this Indenture; each Verification and defeasance opinion shall be acceptable in form and substance, and addressed, to the City and the Trustee.

Notwithstanding anything herein to the contrary, in the event that the principal of and/ or interest on the Series 2016 Bonds shall be paid by the Municipal Bond Insurer pursuant to the Municipal Bond Insurance Policy, the Series 2016 Bonds shall remain Outstanding for all purposes, not be defeased or otherwise satisfied and not be considered paid by the City, and the assignment and pledge of the Net Revenues and all covenants, agreements and other obligations of the City to the registered owners shall continue to exist and shall run to the benefit of the Municipal Bond Insurer, and the Municipal Bond Insurer shall be subrogated to the rights of such registered owners.

SECTION 9.04. Content of Certificates. Every certificate with respect to compliance with a condition or covenant provided for in this Indenture shall include (a) a statement that the person or persons making or giving such certificate have read such covenant or condition and the definitions herein relating thereto; (b) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate are based; (c) a statement that, in the opinion of the signers, they have made or caused to be made such examination or investigation as is necessary to enable them to express an informed opinion as to whether or not such covenant or condition has been complied with; and (d) a statement as to whether, in the opinion of the signers, such condition or covenant has been complied with.

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

SECTION 9.05. Execution of Documents by Bond Owners. Any request, consent or other instrument required by this Indenture to be signed and executed by Series 2016 Bond Owners may be in any number of concurrent writings of substantially similar tenor and may be signed or executed by such Series 2016 Bond Owners in person or by agent or agents duly appointed in writing. Proof of the execution of any such request, consent or other instrument or of a writing appointing any such agent, shall be sufficient for any purpose of this Indenture and

shall be conclusive in favor of the Trustee and of the City if made in the manner provided in this Section 9.05.

The fact and date of the execution by any person of any such request, consent or other instrument or writing may be proved by the affidavit of a witness of such execution or by the certificate of any notary public or other officer of any jurisdiction, authorized by the laws thereof to take acknowledgments of deeds, certifying that the person signing such request, consent or other instrument or writing acknowledged to him the execution thereof.

The ownership of Bonds shall be provided by the Bond Registration Books.

Any request, consent or vote of the Owner of any Series 2016 Bond shall bind every future Owner of the same Series 2016 Bond and the Owner of any Series 2016 Bond issued in exchange therefor or in lieu thereof, in respect of anything done or suffered to be done by the Trustee or the City in pursuance of such request, consent or vote.

In determining whether the Owners of the requisite aggregate principal amount of Series 2016 Bonds have concurred in any demand, request, direction, consent or waiver under this Indenture, Series 2016 Bonds which are owned or held by or for the account of the City (but excluding Bonds held in any employees' retirement fund) shall be disregarded and deemed not to be Outstanding for the purpose of any such determination, provided, however, that for the purpose of determining whether the Trustee shall be protected in relying on any such demand, request, direction, consent or waiver, only Series 2016 Bonds which the Trustee actually knows to be so owned or held shall be disregarded, and if 100% of the Series 2016 Bonds are so owned, no such Series 2016 Bonds shall be disregarded and such Series 2016 Bonds shall be deemed outstanding.

In lieu of obtaining any demand, request, direction, consent or waiver in writing, the Trustee may call and hold a meeting of the Series 2016 Bond Owners upon such notice and in accordance with such rules and obligations as the Trustee considers fair and reasonable for the purpose of obtaining any such action.

SECTION 9.06. Waiver of Personal Liability. No officer, agent or employee of the City shall be individually or personally liable for the payment of the interest on or principal of the Series 2016 Bonds; but nothing herein contained shall relieve any such officer, agent or employee from the performance of any official duty provided by law.

SECTION 9.07. Partial Invalidity. If any one or more of the covenants or agreements, or portions thereof, provided in this Indenture on the part of the City (or of the Trustee) to be performed should be contrary to law, then such covenant or covenants, such agreement or agreements, or such portions thereof, shall be null and void and shall be deemed separable from the remaining covenants and agreements or portions thereof and shall in no way affect the validity of this Indenture or of the Series 2016 Bonds; but the Series 2016 Bond Owners shall retain all rights and benefits accorded to them under the Bond Law or any other applicable provisions of law. The City hereby declares that it would have entered into this Indenture and each and every other section, paragraph, subdivision, sentence, clause and phrase hereof and would have authorized the issuance of the Bonds pursuant hereto irrespective of the fact that any one or more sections, paragraphs, subdivisions, sentences, clauses or phrases of this Indenture or the application thereof to any person or circumstance may be held to be unconstitutional, unenforceable or invalid.

SECTION 9.08. Destruction of Cancelled Bonds. Whenever in this Indenture provision is made for the surrender to the City of any Series 2016 Bonds which have been paid or cancelled pursuant to the provisions of this Indenture, the Trustee shall destroy such Series 2016 Bonds and, upon request, furnish to the City a certificate of such destruction.

SECTION 9.09. Funds and Accounts. Any Fund or Account required by this Indenture to be established and maintained by the City or the Trustee may be established and maintained in the accounting records of the City or the Trustee, as the case may be, either as a Fund or an Account, and may, for the purpose of such records, any audits thereof and any reports or statements with respect thereto, be treated either as a Fund or as an Account. All such records with respect to all such Funds and Accounts held by the Trustee shall be at all times maintained in accordance with industry practices; in each case with due regard for the protection of the security of the Series 2016 Bonds and the rights of every Owner thereof.

SECTION 9.10. Notices. Any notice, request, complaint, demand, communication or other paper shall be sufficiently given and shall be deemed given when delivered by courier, overnight mail, fax, email or other electronic transmission or mailed by registered or certified mail, postage prepaid, addressed as follows:

City

City Hall
955 School Street
P.O. Box 660,
Napa, California 94559-0660
Attention: Finance Director
Fax: 707-257-9251
Email: rraper@cityofnapa.org

Trustee

The Bank of New York Mellon Trust
Company, N.A.
100 Pine Street, Suite 3200
San Francisco, CA 94111
Attention: Corporate Trust Department
Fax: 415-399-1647
Email: _____

Municipal Bond Insurer

The City and the Trustee may designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent.

SECTION 9.11. Unclaimed Moneys. Anything in this Indenture to the contrary notwithstanding, any moneys held by the Trustee in trust for the payment and discharge of any of the Series 2016 Bonds which remain unclaimed for one (1) year after the date when such Series 2016 Bonds have become due and payable, either at their stated maturity dates or by call for earlier redemption, if such moneys were held by the Trustee at such date, or for one (1) year after the date of deposit of such moneys if deposited with the Trustee after said date when such Series 2016 Bonds become due and payable, shall, at the Request of the City, be repaid by the Trustee to the City (without liability for interest), as its absolute property and free from trust, and the Trustee shall thereupon be released and discharged with respect thereto and the Series 2016 Bond Owners shall look only to the City for the payment of such Series 2016 Bonds; provided, however, that before being required to make any such payment to the City, the Trustee shall, at the expense and direction of the City, cause to be mailed to the Owners of all such Series 2016 Bonds, at their respective addresses appearing on the Bond Registration Books, a notice that said moneys remain unclaimed and that, after a date named in said notice, which date shall not be less than thirty (30) days after the date of mailing of such notice, the balance of such moneys then unclaimed will be returned to the City.

SECTION 9.12. Governing Law. This Indenture shall be governed by the laws of the State of California.

IN WITNESS WHEREOF, the CITY OF NAPA has caused this Indenture to be signed in its name by its City Manager and its seal to be affixed hereon and attested by its City Clerk, and The Bank of New York Mellon Trust Company, N.A., in token of its acceptance of the trust created hereunder, has caused this Indenture to be signed in its corporate name by its officer identified below, all as of the day and year first above written.

CITY OF NAPA

City Manager

ATTEST:

Deputy City Clerk

COUNTERSIGNED:

Deputy City Auditor

APPROVED AS TO FORM:

City Attorney

Budget Code: _____

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

By _____
Authorized Officer

EXHIBIT A

FORM OF SERIES 2016 BOND

UNITED STATES OF AMERICA
STATE OF CALIFORNIA
COUNTY OF NAPA

CITY OF NAPA
SOLID WASTE REVENUE BOND
Series 2016 (Federally Taxable)
Napa Materials Diversion Facility)
[(Green Bonds)]

NO. R-___ \$ _____

<u>INTEREST RATE</u>	<u>MATURITY DATE</u>	<u>DATED DATE</u>	<u>CUSIP</u>
----------------------	----------------------	-------------------	--------------

	August 1, _____	_____, 2016	
--	-----------------	-------------	--

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: *** _____ DOLLARS***

The CITY OF NAPA, a charter city and municipal corporation organized and existing under the Constitution and laws of the State of California (the "City"), for value received, will (subject to any right of prior redemption hereinafter provided for), on the Maturity Date specified above, pay to the Registered Owner named above, or registered assigns (the "Owner"), the Principal Amount stated above, in lawful money of the United States of America, and pay interest thereon in like lawful money from the Interest Payment Date (as hereinafter defined) next preceding the date of authentication of this Bond (unless (i) this Bond is authenticated on an Interest Payment Date, in which event it shall bear interest from such date of authentication, or (ii) this Bond is authenticated prior to January 15, 2017, in which event it shall bear interest from the Dated Date stated above; provided, however, that if at the time of authentication of this Bond, interest is in default on this Bond, this Bond shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment on this Bond) until payment of such Principal Amount in full, at the Interest Rate per annum stated above, payable on February 1 and August 1 in each year, commencing February 1, 2017 (each an "Interest Payment Date"), calculated on the basis of a 360-day year comprised of twelve 30-day months.

Principal hereof and premium, if any, upon early redemption hereof are payable at the corporate trust office of The Bank of New York Mellon Trust Company, N.A. (the "Trustee"), in San Francisco, California. Interest hereon (including the final interest payment upon maturity or earlier redemption) is payable by check or draft of the Trustee mailed by first class mail to the Owner at the Owner's address as it appears on the registration books maintained by the Trustee as of the close of business on the fifteenth (15th) day of the month next preceding such Interest Payment Date (the "Record Date"); provided, that at the option of any Owner of at least \$1,000,000 aggregate principal amount of the Bonds with respect to which written instructions have been filed with the Trustee prior to the Record Date, such interest may be paid by wire transfer.

This Bond is one of a duly authorized issue of Bonds of the City designated as its "Solid Waste Revenue Bonds, Series 2016" (the "Bonds") issued under an Indenture of Trust (the "Indenture") by and between the City and the Trustee, dated as of October 1, 2016, and approved by the City by Resolution No. _____, adopted by the Council of the City on September 20, 2016 (the "Resolution"). Copies of the Indenture are on file at the office of the City Clerk and at the above-mentioned office of the Trustee, and reference to the Indenture and any and all supplements thereto and modifications and amendments thereof and to the Bond Law is made for a description of the terms on which the Bonds are issued, the provisions with regard to the nature and extent of the Net Revenues, as that term is defined in the Indenture, and the rights of the Owners of the Bonds. All the terms of the Indenture and the Bond Law are hereby incorporated herein and constitute a contract between the City and the Owner from time to time of this Bond, and to all the provisions thereof the Owner of this Bond, by acceptance hereof, consents and agrees. Each taker and subsequent Owner hereof shall have recourse to all of the provisions of the Indenture and shall be bound by all of the terms and conditions thereof.

The Bonds are being issued for the purpose of (i) financing improvements to the City's Solid Waste System, (ii) funding a reserve fund for the Series 2016 Bonds, and (iii) paying certain costs of issuing the Series 2016 Bonds.

The Bonds are special obligations of the City and are secured by amounts held from time to time in the Debt Service Fund established and held by the Trustee under the Indenture and, subject to certain restrictions set forth in the Indenture, a pledge of and lien on certain Net Revenues (as defined in the Indenture).

Neither the general fund, the full faith and credit, nor the taxing power of the City, the State of California or any other political subdivision thereof is pledged to the payment of the Bonds. The Bonds are not secured by a legal or equitable pledge of or charge, lien or encumbrance upon any property of the City or any of its income or receipts except the Net Revenues.

The City covenants in the Indenture that it will fix, prescribe, revise and collect Charges (as defined in the Indenture) in each Fiscal Year which are sufficient to yield Gross Revenues that are sufficient to pay certain amounts specified in the Indenture.

The Series 2016 Bonds maturing on or after August 1, 20__, shall be subject to redemption prior to their respective maturity dates, as a whole or in part, in inverse order of maturity and by lot within a maturity, at the option of the City, on any date occurring on or after August 1, 2013, at the redemption price equal to the principal amount of the Series 2016 Bonds to be redeemed, plus accrued interest thereon to the date fixed for redemption, without premium.

City Agency shall be required to give the Trustee written notice of its intention to redeem Bonds under this subsection (a) and of the maturities selected for redemption at least forty (40) days prior to the date fixed for redemption (or such later date as shall be acceptable to the Trustee).

The Term Bonds maturing on August 1, 20__ are also subject to mandatory redemption in part, by lot, on August 1 in each year commencing August 1, ____, from sinking fund payments made by the City to the Debt Service Fund pursuant to the Indenture, at a redemption price equal to the principal amount thereof to be redeemed, without premium, in the aggregate respective principal amounts and on August 1 in the respective years as set forth in the following table.

Bonds Maturing August 1, ____

<u>Year</u>	<u>Principal</u>
-------------	------------------

The Bonds are subject to redemption as a whole or in part on any date, in any order selected by the City, and if the City fails to so order, pro rata among maturities, and by lot within a maturity, to the extent of the net proceeds of hazard insurance not used to repair or rebuild the Solid Waste System or the net proceeds of condemnation awards received with respect to the Solid Waste System to be used for such purpose pursuant to the Indenture, at a Redemption Price equal to the principal amount of the Bonds plus interest accrued thereon to the date fixed for redemption, without premium.

Any Parity Bonds issued pursuant to the Indenture may be made subject to redemption prior to maturity, as a whole or in part, at such time or times, and upon payment of the principal amount thereof and accrued interest thereon plus such premium or premiums, if any, as may be determined by the City in the applicable Parity Bonds Instrument.

Unless waived by any Owner of Bonds to be redeemed, notice of any redemption of Bonds shall be given, at the expense of the City, by the Trustee by mailing a copy of a redemption notice by first class mail at least 30 days and not more than 60 days prior to the date fixed for redemption to the Owner of the Bond or Bonds to be redeemed at the address shown on the Bond Registration Books; provided, that neither the failure to receive such notice nor any immaterial defect in any notice shall affect the sufficiency of the proceedings for the redemption of the Bonds. The written redemption notice of an optional redemption may be rescinded as provided in the Indenture.

If this Bond is called for redemption and payment is duly provided therefor as specified in the Indenture, interest shall cease to accrue hereon from and after the date fixed for redemption.

The Bonds are issuable as fully registered Bonds, without coupons, in denominations of \$5,000 or any integral multiple thereof. Subject to the limitations and conditions and upon payment of the charges, if any, as provided in the Indenture, Bonds may be exchanged for a like aggregate principal amount of Bonds of other authorized denominations and of the same maturity.

This Bond is transferable by the Owner hereof, in person, or by his attorney duly authorized in writing, at the designated corporate trust office of the Trustee, but only in the manner and subject to the limitations provided in the Indenture, and upon surrender and cancellation of this Bond. Upon registration of such transfer a new Bond or Bonds, of any authorized denomination or denominations, for the same aggregate principal amount and of the same maturity will be issued to the transferee in exchange herefor.

The City and the Trustee may treat the Owner hereof as the absolute Owner hereof for all purposes, and the City and the Trustee shall not be affected by any notice to the contrary.

The Indenture may be amended without the consent of the Owners of the Bonds to the extent set forth in the Indenture.

It is hereby certified that all of the things, conditions and acts required to exist, to have happened or to have been performed precedent to and in the issuance of this Bond do exist, have happened or have been performed in due and regular time and manner as required by the laws of the State of California and that the amount of this Bond, together with all other

indebtedness of the City, does not exceed any limit prescribed by any laws of the State of California, and is not in excess of the amount of Bonds permitted to be issued under the Indenture.

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

Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to the City or its agent for registration of transfer, exchange, or payment, and any certificate issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

IN WITNESS WHEREOF, the City of Napa has caused this Bond to be executed in its name and on its behalf with the facsimile signatures of its Mayor and its seal to be reproduced hereon and attested by the facsimile signature of its City Clerk, all as of the date specified below.

CITY OF NAPA

By _____
Mayor

ATTEST:

By _____

Date:

City Clerk

CERTIFICATE OF AUTHENTICATION

This is one of the Bonds described in the within-mentioned Indenture.

Dated: _____, 2016

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

By: _____
Authorized Signatory

ASSIGNMENT

For value received the undersigned hereby sells, assigns and transfers unto _____ whose address and social security or other tax identifying number is _____, the within-mentioned Bond and hereby irrevocably constitute(s) and appoint(s) _____ attorney, to transfer the same on the registration books of the Trustee with full power of substitution in the premises.

Dated: _____

Signature Guaranteed: _____

Note: Signature(s) must be guaranteed by an eligible guarantor institution (banks, stockbrokers, saving and loan associations and credit unions with membership in an approved signature medallion program) pursuant to Securities and Exchange Agency Rule 17Ad-15.

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

EXHIBIT B
REQUISITION FROM IMPROVEMENT FUND

CERTIFICATE OF THE CITY
REQUESTING DISBURSEMENT FROM IMPROVEMENT FUND
REQUISITION NO. _____

The undersigned hereby states and certifies that:

(i) I am the duly appointed, qualified and acting _____ of the City of Napa, a chartered city and municipal corporation duly organized and existing under the Constitution of the State of California (the "City") and as such, am familiar with the facts herein certified and am authorized to certify the same.

(ii) I am an "Authorized Official," as such term is defined in that certain Indenture of Trust, dated as of October 1, 2016 (the "Indenture"), by and between the City and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee").

(iii) Under Section 3.03 of the Indenture, the undersigned hereby requests and authorizes the Trustee to disburse from the Improvement Fund established under the Indenture to each payee designated on Schedule A attached hereto and by this reference incorporated herein, the amount set forth opposite such payee, for payment or reimbursement of previous payment of a Project Cost (as defined in the Indenture) as described on attached Schedule A. Payments shall be made by check or wire transfer in accordance with the payment instructions set forth on Schedule A (or the invoice attached thereto) and the Trustee shall rely on such payment instructions as though given by the City with no duty to investigate or inquire as to the authenticity of the invoice or the payment instructions contained therein or the authority under which they were given.

(iv) No portion of the amount herein requested to be disbursed was set forth in any City Certificate previously filed requesting disbursement.

Dated: _____

CITY OF NAPA

By: _____

Its: _____

SCHEDULE A

Payee Name and Address

Purpose of Obligation

Amount