

Received 7/20/65 Final Printed Form

This is a mortgage of chattels and trust indenture.

GARDEN GROVE-WILLOWICK RECREATIONAL
FACILITY, INC.

and

CROCKER-CITIZENS NATIONAL BANK
*A National Banking Association,
Trustee*

Indenture

Dated as of September 1, 1964

\$3,000,000

GARDEN GROVE-WILLOWICK RECREATIONAL
FACILITY, INC., BONDS

TABLE OF CONTENTS

| | Page |
|---|------|
| Parties | 1 |
| Preambles | 1 |
| Form of Serial Coupon Bond..... | 10 |
| Form of Interest Coupon..... | 15 |
| Form of Certificate of Registration..... | 15 |
| Form of Term Coupon Bond..... | 16 |
| Form of Fully Registered Serial Bond..... | 21 |
| Form of Fully Registered Term Bond..... | 25 |
| Form of Trustee's Certificate of Authentication..... | 29 |
| Form of Coupon Bond Reservation..... | 30 |
| Form of Assignment..... | 30 |
| Granting Clauses | 31 |
| Habendum | 32 |
| Declaration of Trust..... | 32 |
| Section | |
| <i>ARTICLE I—Definitions</i> | |
| 1.01. Definitions | 33 |
| 1.02. Content of Certificates and Opinions..... | 36 |
| <i>ARTICLE II—The Bonds</i> | |
| 2.01. Terms of Bonds..... | 37 |
| 2.02. Execution of Bonds..... | 40 |
| 2.03. Transfer and Registration of Coupon Bonds..... | 41 |
| 2.04. Transfer of Fully Registered Bonds..... | 42 |
| 2.05. Exchange of Bonds..... | 42 |
| 2.06. Bond Register | 43 |
| 2.07. Temporary Bonds | 43 |
| 2.08. Bonds Mutilated, Lost, Destroyed or Stolen..... | 43 |
| <i>ARTICLE III—Issue of Bonds</i> | |
| 3.01. Authentication and Delivery of Bonds..... | 44 |
| 3.02. Application of Proceeds of Bonds..... | 45 |
| 3.03. Additional Bonds | 45 |

TABLE OF CONTENTS

| Section | ARTICLE IV— <i>Redemption of Bonds</i> | Page |
|---------|---|------|
| 4.01. | Bonds Not Subject to Redemption..... | 46 |
| 4.02. | Redemption of Bonds from Minimum Sinking Fund Payments..... | 46 |
| 4.03. | Redemption of Bonds from Other Funds..... | 46 |
| 4.04. | Selection of Bonds for Redemption..... | 46 |
| 4.05. | Notice of Redemption..... | 47 |
| 4.06. | Partial Redemption of Registered Bond..... | 48 |
| 4.07. | Effect of Redemption..... | 49 |
| | ARTICLE V— <i>Revenues</i> | |
| 5.01. | Pledge of Revenues; Revenue Fund..... | 49 |
| 5.02. | Allocation of Moneys in Revenue Fund to Special Funds..... | 50 |
| | (a) Interest Fund | 50 |
| | (b) Sinking Fund | 50 |
| | (c) Corporate Operation Fund..... | 53 |
| | (d) Surplus Revenue Fund..... | 53 |
| 5.03. | Investment of Moneys in Special Funds..... | 54 |
| 5.04. | Assignment of Revenues to Trustee upon Default..... | 54 |
| | ARTICLE VI— <i>Covenants of the Corporation</i> | |
| 6.01. | Payment of Principal and Interest..... | 55 |
| 6.02. | Extension or Funding of Interest Coupons..... | 56 |
| 6.03. | Acquisition of Project..... | 56 |
| 6.04. | Insurance | 56 |
| 6.05. | Maintenance of Revenues..... | 57 |
| 6.06. | Accounting Records and Reports..... | 58 |
| 6.07. | Compliance with Indenture..... | 58 |
| 6.08. | Authorization for Bonds..... | 59 |
| 6.09. | Estate for Years..... | 59 |
| 6.10. | Observance of Laws and Regulations..... | 61 |
| 6.11. | Maintenance and Repair of Project..... | 61 |
| 6.12. | Other Liens | 61 |
| 6.13. | Compliance with Contracts..... | 62 |
| 6.14. | Prosecution and Defense of Suits..... | 62 |
| 6.15. | Election of Directors by Trustee..... | 63 |
| 6.16. | Miscellaneous Covenants | 63 |
| 6.17. | Eminent Domain | 64 |
| 6.18. | Assignment of Lease..... | 65 |
| 6.19. | Further Assurances | 66 |

TABLE OF CONTENTS

iii

| Section | ARTICLE VII— <i>Remedies on Default</i> | Page |
|----------------------------------|--|------|
| 7.01. | Events of Default; Acceleration; Waiver of Default..... | 66 |
| 7.02. | Power of Trustee to Enter and Take Possession of Trust Estate..... | 68 |
| 7.03. | Rights and Duties of Trustee upon Entry..... | 69 |
| 7.04. | Institution of Legal Proceedings by Trustee..... | 70 |
| 7.05. | Power of Sale..... | 71 |
| 7.06. | Acceleration upon Exercise of Power of Sale..... | 71 |
| 7.07. | Sale as Entirety or in Parcels..... | 72 |
| 7.08. | Adjournments of Sale..... | 72 |
| 7.09. | Transfer to Purchaser at Sale..... | 72 |
| 7.10. | Sale a Bar Against Corporation..... | 73 |
| 7.11. | Purchaser Not Liable for Application of Purchase Money..... | 73 |
| 7.12. | Application of Bonds to Purchase Price..... | 74 |
| 7.13. | Purchase by Trustee..... | 74 |
| 7.14. | Application of Proceeds of Sale..... | 74 |
| 7.15. | Effect of Delay or Omission to Pursue Remedy..... | 75 |
| 7.16. | Remedies Cumulative | 75 |
| 7.17. | Waiver by Corporation of Benefits of Laws for Protection of Debtors | 76 |
| 7.18. | Covenant to Pay Bonds in Event of Default, Etc..... | 76 |
| 7.19. | Rights of Trustee in Receivership Proceedings, Etc..... | 78 |
| 7.20. | Rights of Bondholders to Control Proceedings by Trustee..... | 78 |
| 7.21. | Limitation on Bondholders' Right to Sue..... | 79 |
| 7.22. | Absolute Obligation of Corporation..... | 79 |
| 7.23. | Waiver of Personal Liability of Individuals..... | 80 |
| ARTICLE VIII— <i>The Trustee</i> | | |
| 8.01. | Duties, Immunities and Liabilities of Trustee..... | 80 |
| 8.02. | Right of Trustee to Rely upon Documents, Etc..... | 82 |
| 8.03. | Trustee Not Responsible for Recitals..... | 82 |
| 8.04. | Right of Trustee to Acquire Bonds..... | 83 |
| 8.05. | Moneys Received by Trustee to Be Held in Trust..... | 83 |
| 8.06. | Compensation and Indemnification of Trustee..... | 83 |
| 8.07. | Qualifications of Trustee..... | 84 |
| 8.08. | Resignation and Removal of Trustee and Appointment of Successor Trustee | 84 |
| 8.09. | Acceptance of Trust by Successor Trustee..... | 86 |
| 8.10. | Merger or Consolidation of Trustee..... | 87 |
| 8.11. | Records of Trustee..... | 87 |

| Section | ARTICLE IX— <i>Modification of Indenture</i> | Page |
|---------|--|------|
| 9.01. | Modification without Consent of Bondholders..... | 87 |
| 9.02. | Modification with Consent of Bondholders..... | 88 |
| 9.03. | Effect of Supplemental Indenture..... | 89 |
| 9.04. | Opinion of Counsel as to Supplemental Indenture..... | 90 |
| 9.05. | Notation of Modification on Bonds; Preparation of New Bonds..... | 90 |
| | ARTICLE X— <i>Defeasance</i> | |
| 10.01. | Discharge of Indenture..... | 90 |
| 10.02. | Discharge of Liability on Bonds and Coupons..... | 91 |
| 10.03. | Payment of Bonds and Coupons after Discharge of Indenture..... | 92 |
| 10.04. | Deposit of Money with Trustee..... | 92 |
| | ARTICLE XI— <i>Miscellaneous</i> | |
| 11.01. | Successors of Corporation..... | 93 |
| 11.02. | Limitation of Rights to Parties and Bondholders..... | 93 |
| 11.03. | Waiver of Notice..... | 93 |
| 11.04. | Cremation of Bonds and Coupons..... | 93 |
| 11.05. | Separability of Invalid Provisions..... | 94 |
| 11.06. | Notice to Corporation and Trustee..... | 94 |
| 11.07. | Evidence of Rights of Bondholders..... | 94 |
| 11.08. | Execution in Several Counterparts..... | 96 |
| 11.09. | Article and Section Headings..... | 96 |
| | Execution | 96 |
| | Acknowledgments | 98 |

This is a mortgage of chattels and trust indenture.

This Indenture, made and entered into as of the first day of September, 1964, by and between GARDEN GROVE-WILLOWICK RECREATIONAL FACILITY, INC., a nonprofit corporation organized and existing under and by virtue of the laws of the State of California, and having its principal place of business in the City of Garden Grove, County of Orange in said State (herein called the "Corporation"), party of the first part, and CROCKER-CITIZENS NATIONAL BANK, a national banking association organized and existing under and by virtue of the laws of the United States of America, having a principal office in the County of Los Angeles, State of California, being qualified to accept and administer the trusts hereby created (herein together called the "Trustee"), party of the second part,

WITNESSETH:

WHEREAS, the City of Garden Grove (herein called the "City") has heretofore designated as a necessary and convenient site for the location of a municipal golf course the real property situate in the County of Orange, State of California, described as follows:

Parcel 1. The east half of the southeast quarter of the northwest quarter and the southwest quarter of the northeast quarter of section 10, Township 5 South, Range 10 West, in the Rancho Las Bolsas, partially in the city of Garden Grove, and partially in the city of Santa Ana, as shown on a map thereof recorded in book 51 page 12 of Miscellaneous Maps, records of said Orange County.

EXCEPT that portion thereof lying northeasterly of the southwesterly line of the land conveyed to Pacific Electric Railway Company, by deed dated January 28, 1905, and recorded in book 122 page 328, Deeds, records of said Orange County.

ALSO EXCEPT THEREFROM one-half of all oil, gas and other hydrocarbons in place or otherwise.

Parcel 2. The west 60 acres of the south half of the northwest quarter of section 10, Township 5 South, Range 10 West, in the Rancho Las Bolsas, in the city of Santa Ana, as shown on a map thereof recorded in book 51 page 12 of Miscellaneous Maps, records of said Orange County.

EXCEPT THEREFROM the west 45 acres.

Parcel 3. That portion of the northwest quarter of the southeast quarter of section 10, Township 5 South, Range 10 West, in the Rancho Las Bolsas, in the city of Santa Ana, as shown on a map thereof recorded in book 51 page 12 of Miscellaneous Maps, records of said Orange County, bounded and described as follows:

Beginning at the intersection of the one-half section line running East and West through said section 10 with the westerly line of the right of way of the Santa Ana River through the Newbert Protection District as conveyed by the First Street Land and Improvement Company, a corporation, to the Newbert Protection District, by deed recorded in book 194 page 169, Deeds, records of said Orange County, and running thence westerly along said one-half section line to the northwest corner of the east one-half of the northwest quarter of the northwest quarter of the southeast quarter of said section 10; thence South 10 chains to the southwest corner of said east one-half of the northwest quarter of the northwest quarter of the southeast quarter of said section 10; thence West 5 chains to the northwest corner of the southwest quarter of the northwest quarter of the southeast quarter of said section 10; thence South 20.00 feet; thence East, on a line parallel with and 20.00 feet south of the north line of the south one-half of the northwest quarter of the southeast quarter of said section 10, 251.04 feet; thence South 143.73 feet; thence East 79.00 feet; thence South to a line parallel with and 290.00 feet northerly measured at right angles, from the center line of 5th Street, 60.00 feet wide, as said street existed November 28, 1949; thence easterly along said parallel line, 78.96 feet; thence North to a line which is parallel with and 20.00 feet south of the north line of the south half of the northwest quarter of the southeast quarter of said section 10; thence easterly along said parallel line to the westerly line of said River right of way; thence northeasterly along said westerly line to the point of beginning.

EXCEPT therefrom that portion thereof described as follows:

Beginning at the southwest corner of the east half of the northwest quarter of the northwest quarter of the southeast quarter of

said section 10, and thence North $0^{\circ} 32' 50''$ West along the west line of said east half of the northwest quarter of the northwest quarter of the southeast quarter of section 10, 525.00 feet; thence North $89^{\circ} 31' 40''$ East 75.00 feet to the true point of beginning of the lot herein to be described; thence North $0^{\circ} 32' 50''$ west 30.00 feet; thence North $89^{\circ} 31' 40''$ East 30.00 feet; thence South $0^{\circ} 32' 50''$ East 30.00 feet; thence South $89^{\circ} 31' 40''$ West 30.00 feet to the true point of beginning.

Parcel 4. Beginning at a point 409.00 feet east from a point 20.00 feet south of the northwest corner of the southwest quarter of the northwest quarter of the southeast quarter of section 10, Township 5 South, Range 10 West, in the Rancho Las Bolsas, in the city of Santa Ana, as shown on a map thereof recorded in book 51 page 12 of Miscellaneous Maps, in the office of the county recorder of said county, and thence East 474.00 feet, more or less, to the westerly line of the right of way of the Santa Ana River through the Newbert Protection District; thence southwesterly along said westerly line to a line parallel with and 290.00 feet northerly measured at right angles, from the center line of 5th Street, 60.00 feet wide, as said street existed November 28, 1949; thence westerly along said parallel line to a point directly South of the point of beginning; thence North to the point of beginning.

EXCEPT THEREFROM all oil, gas, minerals and any other hydrocarbon substances, in, on or under the north 350.00 feet of said land.

Parcel 5. The northeast quarter of the southwest quarter of section 10, Township 5 South, Range 10 West, in the Rancho Las Bolsas, in the city of Santa Ana, as shown on a map recorded in book 51 page 12 of Miscellaneous Maps, records of said Orange County.

EXCEPT THEREFROM the south 170.00 feet.

ALSO EXCEPT THEREFROM the east 135.00 feet.

ALSO EXCEPT THEREFROM the following:

Beginning at a point on the north line of Tract No. 447, as shown on a map thereof recorded in book 17 page 12 of Miscellaneous Maps, in the office of the county recorder of said county, said point being 170.00 feet northerly and 135.00 feet westerly from the southeast corner of the northeast quarter of the south-

west quarter of section 10; thence northerly parallel with the east line of the northeast quarter of the southwest quarter of said section 10, 460.00 feet; thence westerly parallel with the south line of said section 10, 500.00 feet; thence southerly, parallel with the east line of the northeast quarter of the southwest quarter of said section 10, 183.00 feet to a point 447.00 feet north of the south line of the northeast quarter of the southwest quarter of said section 10; thence westerly parallel with the south line of the northeast quarter of the southwest quarter of said section 10, 685.00 feet to the west line of the northeast quarter of the southwest quarter of said section 10; thence southerly along said west line, 277.00 feet to the north line of said Tract No. 447; thence easterly along the north line of said Tract No. 447, 1185.00 feet to the point of beginning.

Parcel 6. The west 30.00 feet of the north 277.00 feet of the south 447.00 feet of the northeast quarter of the southwest quarter of section 10, Township 5 South, Range 10 West, in the Rancho Las Bolsas, in the city of Santa Ana, as shown on a map thereof recorded in book 51 page 12 of Miscellaneous Maps, records of said Orange County.

Parcel 7. That portion of section 10, Township 5 South, Range 10 West, in the Rancho Las Bolsas, in the city of Santa Ana, as shown on a map thereof recorded in book 51 page 12 of Miscellaneous Maps, records of said Orange County, described as follows:

Beginning at the point of intersection of a line which is parallel with and 30.00 feet, northerly, measured at right angles, from the south line of the northwest quarter of the southeast quarter of said section 10, with the westerly line of the right of way of the Santa Ana River through the Newbert Protection District, thence running West along said parallel line 120.00 feet; thence North 260.00 feet; thence East 255.00 feet to the said westerly line of the right of way of the Santa Ana River; thence southwesterly along right of way line of the Santa Ana River to the point of beginning.

EXCEPT THEREFROM that portion of said property described as follows:

Beginning at the point of intersection of a line which is parallel with and 30.00 feet northerly, measured at right angles from the south line of the northwest quarter of the southeast quarter of said section 10, with the westerly line of the right of way of the Santa Ana River through the Newbert Protection District, running thence West along said parallel line, 45.00 feet; thence North 150.00 feet; thence East, parallel to the south line of the said northwest quarter of the southeast quarter of said section 10, to the said westerly line of the right of way of the Santa Ana River; thence southwesterly along said right of way of the Santa Ana River to the point of beginning.

Parcel 8. The north 60.00 feet of the south 290.00 feet of the west 159.00 feet of the southwest quarter of the northwest quarter of the southeast quarter of section 10, Township 5 South, Range 10 West, in the Rancho Las Bolsas, in the city of Santa Ana, as shown on a map thereof, recorded in book 51 page 12 of Miscellaneous Maps, records of said Orange County.

Parcel 9. That portion of the northwest quarter of the southeast quarter of section 10, Township 5 South, Range 10 West, in the Rancho Las Bolsas, in the city of Santa Ana, as shown on a map thereof recorded in book 51 page 12 of Miscellaneous Maps, records of said Orange County, described as follows:

Beginning at a point 120.00 feet west of the point of intersection of a line which is parallel with and 30.00 feet northly, measured at right angles, from the south line of the northwest quarter of the southeast quarter of said section 10, with the westerly line of the right of way of the Santa Ana River through the Newbert Protection District; and running thence North 260.00 feet; thence West 100.00 feet; thence South 260.00 feet to said parallel line; thence East 100.00 feet to the point of beginning.

Parcel 10. That portion of the northwest quarter of the southeast quarter of section 10, Township 5 South, Range 10 West, in the Rancho Las Bolsas, in the city of Santa Ana, as shown on a map thereof recorded in book 51 page 12 of Miscellaneous Maps, records of said Orange County, described as follows:

Beginning at a point 220.00 feet west of the point of intersection of a line which is parallel with and 30.00 feet northerly, measured at right angles, from the south line of the northwest quarter of the southeast quarter of said section 10, with the westerly line of the right of way of the Santa Ana River through the Newbert Protection District; and running thence North 260.00 feet; thence West $69\frac{1}{2}$ feet; thence South 260.00 feet to said parallel line; thence East $69\frac{1}{2}$ feet to the point of beginning.

Parcel 11. The west 159.00 feet of the southwest quarter of the northwest quarter of the southeast quarter of section 10, Township 5 South, Range 10 West, in the Rancho Las Bolsas, in the city of Santa Ana, as shown on a map recorded in book 51 page 12 of Miscellaneous Maps, in the office of the county recorder of said county.

EXCEPT THEREFROM the north 20.00 feet thereof.

ALSO EXCEPT THEREFROM the south 290.00 feet thereof.

Parcel 12. The east 135.00 feet of the northeast quarter of the southwest quarter of section 10, Township 5 South, Range 10 West, in the Rancho Las Bolsas, city of Santa Ana, as shown on a map recorded in book 51 page 12 of Miscellaneous Maps, records of said Orange County.

EXCEPT THEREFROM the south 600.00 feet thereof.

Parcel 13. The west half of the northwest quarter of the northwest quarter of the southeast quarter of section 10, Township 5 South, Range 10 West, in the Rancho Las Bolsas, in the city of Santa Ana, as shown on a map recorded in book 51 page 12 of Miscellaneous Maps, records of said Orange County.

Parcel 14. The east 100.00 feet of the west 259.00 feet of the south 290.00 feet of the northwest quarter of the southeast quarter of section 10, Township 5 South, Range 10 West, in the Rancho Las Bolsas, in the city of Santa Ana, as shown on a map thereof recorded in book 51 page 12 of Miscellaneous Maps, in the office of the county recorder of said county.

Parcel 15. The west 159.00 feet of the south 230.00 feet of the northwest quarter of the southeast quarter of section 10, Township 5 South, Range 10 West, in the Rancho Las Bolsas, in the city of Santa

Ana, as shown on a map thereof recorded in book 51 page 12 of Miscellaneous Maps, records of said Orange County.

Parcel 16. That portion of lot 23 of Tract No. 1022, in the city of Santa Ana, as shown on a map thereof recorded in Book 34 pages 20 and 21 of Miscellaneous Maps, records of said Orange County, together with portions of streets adjoining, more particularly described as follows:

Beginning at the southeast corner of lot 20 of Tract No. 2073, as shown on a map thereof recorded in book 74 pages 19 and 20 of Miscellaneous Maps, records of said Orange County, and running thence North $0^{\circ} 28' 00''$ West, along the easterly boundary of said Tract No. 2073, and the northerly extension thereof, 630.41 feet to the center line of 11th Street, as shown on said map of Tract No. 1022; thence North $89^{\circ} 42' 30''$ East along said center line, 81.56 feet to the east boundary of said Tract No. 1022; thence South $0^{\circ} 28' 00''$ East along said east boundary, 660.41 feet to the center line of Hazard Avenue, as said center line is shown on said map of Tract No. 1022; thence South $89^{\circ} 42' 30''$ West along said center line, 154.45 feet; thence North $0^{\circ} 28' 00''$ West 30.00 feet to the south line of lot 20 of said Tract No. 2073; thence North $89^{\circ} 42' 30''$ East along said south line, 72.88 feet to the point of beginning.

Parcel 17. Lot 11 of Tract No. 447, in the city of Santa Ana, as shown on a map thereof recorded in book 17 page 12 of Miscellaneous Maps, records of said Orange County, together with that portion of the northeast quarter of the southwest quarter of section 10, Township 5 South, Range 10 West, in the Rancho Las Bolsas, as shown on a map thereof recorded in book 51 page 12 of Miscellaneous Maps, records of said Orange County, adjoining said lot 11 on the north, described as follows:

Beginning at the northeast corner of said lot 11; thence North parallel with the east line of said northeast quarter of the southwest quarter of said section 10, 460.00 feet; thence West parallel with the north line of said lot 11, 75.00 feet; thence South, parallel with said east line of the northeast quarter of the southwest quarter of said section 10, 460.00 feet to the northwest corner of said lot

11; thence East along the north line of said lot 11, 75.00 feet to the point of beginning.

Parcel 18. The east 90.00 feet of the following:

Beginning at a point in the north line of Tract No. 447, in the city of Santa Ana, as shown on a map thereof recorded in book 17 page 12 of Miscellaneous Maps, records of said Orange County, said point being 170.00 feet northerly and 635.00 feet westerly from the southeast corner of the northeast quarter of the southwest quarter of section 10, Township 5 South, Range 10 West, in the Rancho Las Bolsas, as shown on a map recorded in book 51 page 12 of Miscellaneous Maps, records of said Orange County; thence northerly parallel with the east line of the northeast quarter of the southwest quarter of said section 10, 250.00 feet; thence westerly parallel with the south line of the northeast quarter of the southwest quarter of said section 10, 655.00 feet to a point 30.00 feet east of the west line of the northeast quarter of the southwest quarter of said section 10; thence southerly parallel to the west line of the northeast quarter of the southwest quarter of said section 10, 250.00 feet to the north line of Tract No. 447; thence easterly along the north line of Tract No. 447, 655 feet to the point of beginning.

Parcel 19. Lot 14 of Tract No. 447, in the city of Santa Ana, as shown on a map thereof recorded in book 17 page 12 of Miscellaneous Maps, records of Orange County, together with that portion of the northeast quarter of the southwest quarter of section 10, Township 5 South, Range 10 West, in the Rancho Las Bolsas, as shown on a map thereof recorded in book 51 page 12 of Miscellaneous Maps, records of said Orange County, adjoining said lot 14 on the north, described as follows:

Beginning at the northeast corner of said lot 14; thence North 460.00 feet parallel with the east line of the northeast quarter of the southwest quarter of said section 10; thence West 75.00 feet parallel with the north line of said lot 14; thence South 460.00 feet parallel with the said east line to the northwest corner of said lot 14; thence East 75.00 feet to the point of beginning.

Parcel 20. That portion of the southwest quarter of the northwest quarter of the southeast quarter of section 10, Township 5 South, Range 10 West, in the Rancho Los Bolsas, in the city of Santa Ana, as shown on a map thereof recorded in book 51 page 12 of Miscellaneous Maps, records of said Orange County, described as follows:

Beginning at a point 159.00 feet east of a point 20.00 feet south of the northwest corner of said southwest quarter of the northwest quarter of the southeast quarter; thence East, parallel with and distant 20.00 feet southerly of the north line of said southwest quarter, 92.04 feet; thence South, parallel with the west line of said southwest quarter 143.73 feet; thence East, parallel with said north line 79.00 feet; thence South, parallel with said west line 6.27 feet; thence West, parallel with said north line 171.04 feet; thence North parallel with said west line 150.00 feet to the point of beginning.

and

WHEREAS, the Corporation has been formed for the purpose of rendering financial assistance to the City by acquiring and leasing to the City said golf course to be operated by the City as a municipal golf course (herein called the "Project" more fully defined hereinafter), and the Corporation has agreed to acquire and complete the Project; and

WHEREAS, the Corporation has not made, and does not intend to make, any profit by reason of any business or venture in which it may engage or by reason of the ownership or operation of the Project, and no part of the Corporation's net earnings, if any, will ever inure to the benefit of any person except the City; and

WHEREAS, the Corporation, being organized as a nonprofit corporation under the laws of the State of California, does not have capital stock but has issued membership certificates to the members of the Corporation, which have been transferred to Crocker-Citizens National Bank pursuant to a declaration of trust, dated as of December 1, 1964, by the terms of which said trustee has declared and acknowledged that it holds the title to all of the issued and outstanding membership certificates of the Corporation in trust for the City; and

WHEREAS, the Corporation has determined to borrow money for its corporate purposes and to that end has duly authorized the issuance of its bonds hereunder, and to secure the payment of the principal thereof and of the interest and premium (if any) thereon, and the observance of the covenants and conditions herein contained, has authorized the execution and delivery of this Indenture; and

WHEREAS, the Corporation has determined to issue bonds hereunder, designated "Garden Grove-Willowick Recreational Facility, Inc., Bonds" (herein called the "Bonds"), in the aggregate principal amount of three million dollars (\$3,000,000); and

WHEREAS, the coupon Bonds (serial and term), the interest coupons to be attached thereto, the form of registration endorsement to appear thereon, the fully registered Bonds (serial and term), the certificate of authentication of the Trustee to be executed on the Bonds, the coupon bond reservation, and the form of assignment, are to be in substantially the following forms, respectively, with necessary or appropriate variations, omissions and insertions, as permitted or required by this Indenture:

[FORM OF SERIAL COUPON BOND]

\$1,000

No.

**GARDEN GROVE-WILLOWICK
RECREATIONAL FACILITY, INC., BOND**

Garden Grove-Willowick Recreational Facility, Inc., a nonprofit corporation organized and existing under and by virtue of the laws of the State of California (herein called the "Corporation"), for value received, hereby promises to pay to the bearer hereof, or, if this Bond be registered, to the registered owner hereof, on 1, 19...., the principal sum of One Thousand Dollars (\$1,000) in lawful money of the United States of America; and to pay interest thereon in like money from the date hereof until payment of such principal sum, at the rate of four per cent (4%) per annum, payable semiannually on March 1 and September 1 in each year, but only, in the case of interest due on or before maturity, upon presentation and surrender, and according to the tenor, of the respective interest coupons hereto annexed as they

severally mature. Both the principal hereof and interest hereon are payable at the Los Angeles principal office of Crocker-Citizens National Bank (herein called the "Trustee"), in the City of Los Angeles, State of California.

This Bond is one of a duly authorized issue of bonds of the Corporation designated as the "Garden Grove-Willowick Recreational Facility, Inc., Bonds" (herein called the "Bonds"), of the aggregate principal amount of Three Million Dollars (\$3,000,000), all issued under and equally secured by an indenture (herein called the "Indenture"), dated as of September 1, 1964, between the Corporation and the Trustee. The Bonds are general obligations of the Corporation, additionally secured by a lien on the estate for years of the Corporation in certain real property, as set forth in the Indenture, and on the Revenues, as defined in the Indenture. Reference is hereby made to the Indenture and all indentures supplemental thereto for a description of the rights thereunder of the bearers and registered owners of the Bonds and the bearers of the appurtenant coupons, of the nature and extent of the security, of the rights, duties and immunities of the Trustee and of the rights and obligations of the Corporation thereunder, to all of the provisions of which Indenture the bearer or registered owner of this Bond, by acceptance hereof, assents and agrees.

The Indenture contains provisions permitting the Corporation and the Trustee, with the consent of the holders of not less than sixty-six and two-thirds per cent ($66\frac{2}{3}\%$) in aggregate principal amount of the Bonds at the time outstanding, evidenced as in the Indenture provided, to execute supplemental indentures adding any provisions to, or changing in any manner, or eliminating any of the provisions of, the Indenture; provided, however, that no such supplemental indenture shall (1) extend the fixed maturity of this Bond or reduce the rate of interest hereon or extend the time of payment of interest, or reduce the amount of the principal hereof, or reduce any premium payable on the redemption hereof, or change the provisions for redemption hereof without the consent of the holder hereof, or (2) reduce the aforesaid percentage of holders of Bonds whose consent is required for the execution of such supplemental indentures, or permit the creation of any lien on the trust estate prior to or on a parity with the lien of the

Indenture (except as expressly permitted therein) or deprive the holders of the Bonds of the lien created by the Indenture upon the trust estate, without the consent of the holders of all Bonds then outstanding.

Bonds maturing on or before September 1, 1979, are not subject to call or redemption prior to their stated maturities. Bonds maturing on or after March 1, 1980, are subject to redemption prior to their stated maturities, as a whole or in part by lot, from any source of available funds, on any interest payment date on or after September 1, 1979, at the principal amount thereof plus a premium of one quarter of one per cent ($\frac{1}{4}$ of 1%) of such principal amount for each year or portion thereof from the date fixed for redemption to the date of maturity, but not to exceed the principal amount plus a premium of two per cent (2%) thereof, together with interest accrued thereon to the date fixed for redemption.

As provided in the Indenture, notice of redemption shall be given by publication at least once in a financial newspaper or journal, printed in the English language and customarily published on each business day, of general circulation in Los Angeles, California, such publication to be not less than thirty nor more than sixty days before the redemption date. If any Bond called for redemption is registered as to principal, notice of redemption thereof shall also be mailed, not less than thirty nor more than sixty days prior to the redemption date, to the registered owner of such Bond, but neither failure to mail such notice nor any defect in the notice so mailed shall affect the sufficiency of the proceedings for redemption.

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, and coupons for such interest subsequently maturing shall be void.

If an event of default, as defined in the Indenture, shall occur, the principal of all Bonds may be declared due and payable upon the conditions, in the manner and with the effect provided in the Indenture. The Indenture provides that in certain events such declaration and its consequences may be rescinded by the holders of at least sixty-six and two-thirds per cent ($66\frac{2}{3}\%$) in aggregate principal amount of the Bonds then outstanding.

The Bonds are issuable as coupon Bonds, registrable as to principal only, in the denomination of \$1,000, and as fully registered Bonds without coupons in denominations of \$1,000 and any multiple thereof. Subject to the limitations and upon payment of the charges, if any, provided in the Indenture, fully registered Bonds may be exchanged for a like aggregate principal amount of coupon Bonds bearing all unmatured coupons (and any matured coupons in default) or for a like aggregate principal amount of fully registered Bonds of other authorized denominations, and coupon Bonds bearing all unmatured coupons (and any matured coupons in default) may be exchanged for a like aggregate principal amount of fully registered Bonds of authorized denominations.

This Bond is negotiable and transferable by delivery unless registered as to principal in the name of the holder. Upon payment of any taxes or other governmental charges which may be required to be paid with respect thereto, this Bond may from time to time be registered as to principal in the name of the holder on a register of the Corporation to be kept for that purpose at said office of the Trustee, and such registration shall be noted hereon. After such registration no transfer hereof shall be valid unless made on said register at the request of the registered owner hereof or by his duly authorized attorney and similarly noted hereon, but this Bond may be discharged from registration by being in like manner transferred to bearer, whereupon negotiability and transferability by delivery shall be restored. This Bond may again and from time to time be registered or discharged from registration in the same manner. Such registration, however, shall not affect the negotiability of the coupons hereto appertaining, which shall continue to be negotiable and transferable by delivery and always to be payable to bearer, and payment to the bearer thereof shall fully discharge the Corporation and the Trustee in respect of the interest therein mentioned, whether or not this Bond at the time be registered as to principal. The Corporation, the Trustee and any paying agent may treat the bearer hereof, or, if this Bond be registered as to principal, the registered owner hereof, and may treat the bearer of any coupon appertaining hereto, whether or not this Bond shall be registered as to principal, as the absolute owner hereof or of such coupon, as the case may be, for

all purposes, whether or not this Bond or such coupon shall be overdue, and the Corporation, the Trustee and any paying agent shall not be affected by any notice to the contrary.

No recourse shall be had for the payment of the principal of or the interest on this Bond or for any claim based hereon or otherwise in respect hereof, or based on or in respect of the Indenture or any indenture supplemental thereto, against any incorporator, member, director or officer, as such, past, present or future, of the Corporation or of any predecessor or successor corporation, either directly or through the Corporation or otherwise, whether by virtue of any constitution, statute or rule of law, or by the enforcement of any assessment or penalty, or otherwise, all such liability being by the acceptance hereof and as part of the consideration for the issue hereof expressly waived and released, as provided in the Indenture.

Neither this Bond nor any coupons appertaining hereto shall be entitled to any benefit under the Indenture, or become valid or obligatory for any purpose, until the certificate of authentication hereon endorsed shall have been signed by the Trustee.

IN WITNESS WHEREOF, Garden Grove-Willowick Recreational Facility, Inc. has caused this Bond to be signed on its behalf by its President or a Vice President, and its corporate seal to be reproduced hereon and attested by its Secretary or an Assistant Secretary, and has caused coupons for interest bearing the facsimile signature of its Treasurer to be attached hereto, all as of September 1, 1964.

GARDEN GROVE-WILLOWICK RECREATIONAL
FACILITY, INC.

By
President

(Seal)

Attest:

.....
Secretary

[FORM OF INTEREST COUPON]

GARDEN GROVE-WILLOWICK RECREATIONAL FACILITY, INC., on 19....,
 unless the Bond herein mentioned shall have been called for previous redemption and payment thereof made or duly provided for, will pay to bearer at the Los Angeles principal office of Crocker-Citizens National Bank in Los ANGELES, CALIFORNIA, upon surrender hereof, the sum set forth herein in lawful money of the United States of America, being interest then due upon its Garden Grove-Willowick Recreational Facility, Inc., Bond, dated as of September 1, \$.....
 1964 No.
 Treasurer Coupon No.

[FORM OF CERTIFICATE OF REGISTRATION]

It is hereby certified that, at the request of the holder of the within Bond, the Trustee has this day registered it as to principal in the name of such holder, as indicated in the registration blank below, on the books kept by the Trustee for such purpose. The principal of this Bond shall be payable only to the registered owner hereof named in the registration blank below, or his legal representative, and this Bond shall be transferable only on the books of the Trustee and by an appropriate notation in such registration blank. If the last transfer recorded on the books of the Trustee, and in the registration blank below, shall be to bearer, the principal of this Bond shall be payable to bearer and it shall be in all respects negotiable. In no case shall negotiability of the coupons attached hereto be affected by any registration as to principal.

[Note: There must be no writing in the space below except by the Trustee.]

| <i>Date of Registration</i> | <i>Name of Registered Owner</i> | <i>Signature of Trustee</i> |
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[FORM OF TERM COUPON BOND]

\$1,000

No.....

GARDEN GROVE-WILLOWICK RECREATIONAL
FACILITY, INC., BOND

Garden Grove-Willowick Recreational Facility, Inc., a nonprofit corporation organized and existing under and by virtue of the laws of the State of California (herein called the "Corporation"), for value received, hereby promises to pay to the bearer hereof, or, if this Bond be registered, to the registered owner hereof, on March 1, 1990, the principal sum of One Thousand Dollars (\$1,000) in lawful money of the United States of America; and to pay interest thereon in like money from the date hereof until payment of such principal sum, at the rate of four per cent (4%) per annum, payable semiannually on March 1 and September 1 in each year, but only, in the case of interest due on or before maturity, upon presentation and surrender, and according to the tenor, of the respective interest coupons hereto annexed as they severally mature. Both the principal hereof and interest hereon are payable at the Los Angeles principal office of Crocker-Citizens National Bank (herein called the "Trustee"), in the City of Los Angeles, State of California.

This Bond is one of a duly authorized issue of bonds of the Corporation designated as the "Garden Grove-Willowick Recreational Facility, Inc., Bonds" (herein called the "Bonds"), of the aggregate principal amount of Three Million Dollars (\$3,000,000), all issued under and equally secured by an indenture (herein called the "Inden-

ture”), dated as of September 1, 1964, between the Corporation and the Trustee. The Bonds are general obligations of the Corporation, additionally secured by a lien on the leasehold interest of the Corporation in certain real property, as set forth in the Indenture, and on the Revenues, as defined in the Indenture. Reference is hereby made to the Indenture and all indentures supplemental thereto for a description of the rights thereunder of the bearers and registered owners of the Bonds and the bearers of the appurtenant coupons, of the nature and extent of the security, of the rights, duties and immunities of the Trustee and of the rights and obligations of the Corporation thereunder, to all of the provisions of which Indenture the bearer or registered owner of this Bond, by acceptance hereof, assents and agrees.

The Indenture contains provisions permitting the Corporation and the Trustee, with the consent of the holders of not less than sixty-six and two-thirds per cent ($66\frac{2}{3}\%$) in aggregate principal amount of the Bonds at the time outstanding, evidenced as in the Indenture provided, to execute supplemental indentures adding any provisions to, or changing in any manner, or eliminating any of the provisions of, the Indenture; provided, however, that no such supplemental indenture shall (1) extend the fixed maturity of this Bond or reduce the rate of interest hereon or extend the time of payment of interest, or reduce the amount of the principal hereof, or reduce any premium payable on the redemption hereof, or change the provisions for redemption thereof, without the consent of the holder hereof, or (2) reduce the aforesaid percentage of holders of Bonds whose consent is required for the execution of such supplemental indentures, or permit the creation of any lien on the trust estate prior to or on a parity with the lien of the Indenture (except as expressly permitted therein) or deprive the holders of the Bonds of the lien created by the Indenture upon the trust estate, without the consent of the holders of all Bonds then outstanding.

Bonds maturing on March 1, 1990, are subject to redemption prior to their stated maturity, in part, from minimum sinking fund payments deposited in the Sinking Fund provided for in the Indenture, on any interest payment date after March 1, 1965, at the principal amount thereof, together with interest accrued thereon to the date fixed for

redemption. Bonds maturing on March 1, 1990, along with Bonds maturing on or after March 1, 1980, are also subject to redemption prior to their stated maturities, as a whole or in part by lot, from any source of available funds, on any interest payment date on or after September 1, 1979, at the principal amount thereof plus a premium of one quarter of one per cent ($\frac{1}{4}$ of 1%) of such principal amount for each year or portion thereof from the date fixed for redemption to the date of maturity, but not to exceed the principal amount plus a premium of two per cent (2%) thereof, together with interest accrued thereon to the date fixed for redemption.

As provided in the Indenture, notice of redemption shall be given by publication at least once in a financial newspaper or journal, printed in the English language and customarily published on each business day, of general circulation in Chicago, Illinois, such publication to be not less than thirty nor more than sixty days before the redemption date. If any Bond called for redemption is registered as to principal, notice of redemption thereof shall also be mailed, not less than thirty nor more than sixty days prior to the redemption date, to the registered owner of such Bond, but neither failure to mail such notice nor any defect in the notice so mailed shall affect the sufficiency of the proceedings for redemption.

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, and coupons for such interest subsequently maturing shall be void.

If an event of default, as defined in the Indenture, shall occur, the principal of all Bonds may be declared due and payable upon the conditions, in the manner and with the effect provided in the Indenture. The Indenture provides that in certain events such declaration and its consequences may be rescinded by the holders of at least sixty-six and two-thirds per cent ($66\frac{2}{3}\%$) in aggregate principal amount of the Bonds then outstanding.

The Bonds are issuable as coupon Bonds, registrable as to principal only, in the denomination of \$1,000, and as fully registered Bonds without coupons in denominations of \$1,000 and any multiple thereof. Subject to the limitations and upon payment of the charges, if any,

provided in the Indenture, fully registered Bonds may be exchanged for a like aggregate principal amount of coupon Bonds bearing all unmatured coupons (and any matured coupons in default) or for a like aggregate principal amount of fully registered Bonds of other authorized denominations, and coupon Bonds bearing all unmatured coupons (and any matured coupons in default) may be exchanged for a like aggregate principal amount of fully registered Bonds of authorized denominations.

This Bond is negotiable and transferable by delivery unless registered as to principal in the name of the holder. Upon payment of any taxes or other governmental charges which may be required to be paid with respect thereto, this Bond may from time to time be registered as to principal in the name of the holder on a register of the Corporation to be kept for that purpose at said office of the Trustee, and such registration shall be noted hereon. After such registration no transfer hereof shall be valid unless made on said register at the request of the registered owner hereof or by his duly authorized attorney and similarly noted hereon, but this Bond may be discharged from registration by being in like manner transferred to bearer, whereupon negotiability and transferability by delivery shall be restored. This Bond may again and from time to time be registered or discharged from registration in the same manner. Such registration, however, shall not affect the negotiability of the coupons hereto appertaining, which shall continue to be negotiable and transferable by delivery and always to be payable to bearer, and payment to the bearer thereof shall fully discharge the Corporation and the Trustee in respect of the interest therein mentioned, whether or not this Bond at the time be registered as to principal. The Corporation, the Trustee and any paying agent may treat the bearer hereof, or, if this Bond be registered as to principal, the registered owner hereof, and may treat the bearer of any coupon appertaining hereto, whether or not this Bond shall be registered as to principal, as the absolute owner hereof or of such coupon, as the case may be, for all purposes, whether or not this Bond or such coupon shall be overdue, and the Corporation, the Trustee and any paying agent shall not be affected by any notice to the contrary.

No recourse shall be had for the payment of the principal of or the interest on this Bond or for any claim based hereon or otherwise in respect hereof, or based on or in respect of the Indenture or any indenture supplemental thereto, against any incorporator, member, director or officer, as such, past, present or future, of the Corporation or of any predecessor or successor corporation, either directly or through the Corporation or otherwise, whether by virtue of any constitution, statute or rule of law, or by the enforcement of any assessment or penalty, or otherwise, all such liability being by the acceptance hereof and as part of the consideration for the issue hereof expressly waived and released, as provided in the Indenture.

Neither this Bond nor any coupons appertaining hereto shall be entitled to any benefit under the Indenture, or become valid or obligatory for any purpose, until the certificate of authentication hereon endorsed shall have been signed by the Trustee.

IN WITNESS WHEREOF, Garden Grove-Willowick Recreational Facility, Inc. has caused this Bond to be signed on its behalf by its President or a Vice President, and its corporate seal to be reproduced hereon and attested by its Secretary or an Assistant Secretary, and has caused coupons for interest bearing the facsimile signature of its Treasurer to be attached hereto, all as of September 1, 1964.

GARDEN GROVE-

WILLOWICK RECREATIONAL FACILITY, INC.

By
President

(Seal)

Attest:

.....
Secretary

[FORM OF FULLY REGISTERED SERIAL BOND]

\$.....

No. R

GARDEN GROVE-WILLOWICK
RECREATIONAL FACILITY, INC., BOND

GARDEN GROVE-WILLOWICK RECREATIONAL FACILITY, INC., a nonprofit corporation organized and existing under and by virtue of the laws of the State of California (herein called the "Corporation"), for value received, hereby promises to pay to, or registered assigns, the principal sum of Dollars (\$.....) on the first day of the months and in the years and installments as follows:

| <i>Year</i> | <i>Month</i> | <i>Principal Amount</i> | <i>Year</i> | <i>Month</i> | <i>Principal Amount</i> |
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in lawful money of the United States of America; and to pay interest on said principal sum in like money at the rate of four per cent (4%) per annum from the interest payment date next preceding the date of this Bond to which interest has been paid (unless this Bond is dated on an interest payment date, in which event it shall bear interest from the date hereof, or unless this Bond is dated prior to March 1, 1965, in which event it shall bear interest from September 1, 1964), payable semiannually on March 1 and September 1 in each year, until payment of such principal sum. Both the principal of and interest on this Bond are payable at the Los Angeles principal office of Crocker-Citizens National Bank (herein called the "Trustee") in the City of Los Angeles, State of California.

This Bond is one of a duly authorized issue of bonds of the Corporation designated as the "Garden Grove-Willowick Recreational Facility, Inc., Bonds" (herein called the "Bonds"), of the aggregate principal amount of Three Million Dollars (\$3,000,000), all issued under and equally secured by an indenture (herein called the "Indenture"), dated as of September 1, 1964, between the Corporation and the Trustee. The Bonds are general obligations of the Corporation, additionally secured by a lien on the estate for years of the Corporation in certain real property, as set forth in the Indenture, and on the Revenues, as defined in the Indenture. Reference is hereby made to the Indenture and all indentures supplemental thereto for a description of the rights thereunder of the bearers and registered owners of the Bonds and the bearers of the appurtenant coupons, of the nature and extent of the security, of the rights, duties and immunities of the Trustee and of the rights and obligations of the Corporation thereunder, to all of the provisions of which Indenture the registered owner of this Bond, by acceptance hereof, assents and agrees.

The Indenture contains provisions permitting the Corporation and the Trustee, with the consent of the holders of not less than sixty-six and two-thirds per cent (66⅔%) in aggregate principal amount of the Bonds at the time outstanding, evidenced as in the Indenture provided, to execute supplemental indentures adding any provisions to, or changing in any manner, or eliminating any of the provisions of, the Indenture; provided, however, that no such supplemental indenture shall (1) extend the fixed maturity of this Bond or reduce the rate of interest hereon or extend the time of payment of interest, or reduce the amount of the principal hereof, or reduce any premium payable on the redemption hereof, or change the provisions for redemption thereof, without the consent of the holder hereof, or (2) reduce the aforesaid percentage of holders of Bonds whose consent is required for the execution of such supplemental indentures, or permit the creation of any lien on the trust estate prior to or on a parity with the lien of the Indenture (except as expressly permitted therein) or deprive the holders of the Bonds of the lien created by the Indenture upon the trust estate, without the consent of the holders of all Bonds then outstanding.

Bonds maturing on or before September 1, 1979, are not subject to call or redemption prior to their stated maturities. Bonds maturing on or after March 1, 1980, are subject to redemption prior to their stated maturity, as a whole or in part by lot, from any source of available funds, on any interest payment date on or after September 1, 1979, at the principal amount thereof plus a premium of one quarter of one per cent ($\frac{1}{4}$ of 1%) of such principal amount for each year or portion thereof from the date fixed for redemption to the date of maturity, but not to exceed the principal amount plus a premium of two per cent (2%) thereof, together with interest accrued thereon to the date fixed for redemption.

As provided in the Indenture, notice of redemption shall be given by publication at least once in a financial newspaper or journal, printed in the English language and customarily published on each business day, of general circulation in Los Angeles, California, such publication to be not less than thirty nor more than sixty days before the redemption date. Notice of redemption hereof shall also be mailed, not less than thirty nor more than sixty days prior to the redemption date, to the registered owner of this Bond, but neither failure to mail such notice nor any defect in the notice so mailed shall affect the sufficiency of the proceedings for redemption.

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.

If an event of default, as defined in the Indenture, shall occur, the principal of all Bonds may be declared due and payable upon the conditions, in the manner and with the effect provided in the Indenture. The Indenture provides that in certain events such declaration and its consequences may be rescinded by the holders of at least sixty-six and two-thirds per cent ($66\frac{2}{3}\%$) in aggregate principal amount of the Bonds then outstanding.

The Bonds are issuable as coupon Bonds, registrable as to principal only, in the denomination of \$1,000, and as fully registered Bonds without coupons in denominations of \$1,000 and any multiple thereof. Subject to the limitations and upon payment of the charges, if any, provided in the Indenture, fully registered Bonds may be exchanged for

a like aggregate principal amount of coupon Bonds bearing all unmatured coupons (and any matured coupons in default) or for a like aggregate principal amount of fully registered Bonds of other authorized denominations, and coupon Bonds bearing all unmatured coupons (and any matured coupons in default) may be exchanged for a like aggregate principal amount of fully registered Bonds of authorized denominations.

This Bond is transferable by the registered owner hereof, in person or by his attorney duly authorized in writing, at said office of the Trustee, but only in the manner, subject to the limitations and upon payment of the charges provided in the Indenture, and upon surrender and cancellation of this Bond. Upon such transfer a new fully registered Bond or Bonds without coupons, of authorized denomination or denominations, for the same aggregate principal amount will be issued to the transferee in exchange herefor.

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

No recourse shall be had for the payment of the principal of or the interest on this Bond or for any claim based hereon or otherwise in respect hereof, or based on or in respect of the Indenture or any indenture supplemental thereto, against any incorporator, member, director or officer, as such, past, present or future, of the Corporation or of any predecessor or successor corporation, either directly or through the Corporation or otherwise, whether by virtue of any constitution, statute or rule of law, or by the enforcement of any assessment or penalty, or otherwise, all such liability being by the acceptance hereof and as part of the consideration for the issue hereof expressly waived and released, as provided in the Indenture.

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

IN WITNESS WHEREOF, Garden Grove-Willowick Recreational Facility, Inc. has caused this Bond to be signed on its behalf by its President or a Vice President, and its corporate seal to be reproduced hereon and

attested by its Secretary or an Assistant Secretary, all as of the
day of, 19.....

GARDEN GROVE-WILLOWICK RECREATIONAL
FACILITY, INC.

By
President

(Seal)

Attest:

.....
Secretary

[FORM OF FULLY REGISTERED TERM BOND]

\$..... No. R.....

GARDEN GROVE-WILLOWICK RECREATIONAL
FACILITY, INC., BOND

Garden Grove-Willowick Recreational Facility, Inc., a nonprofit corporation organized and existing under and by virtue of the laws of the State of California (herein called the "Corporation"), for value received, hereby promises to pay to or registered assigns, on March 1, 1990, the principal sum of Dollars (\$.....) in lawful money of the United States of America; and to pay interest thereon in like money from the interest payment date next preceding the date of this Bond to which interest has been paid (unless this Bond is dated on an interest payment date, in which event it shall bear interest from the date hereof, or unless this Bond is dated prior to March 1, 1965, in which event it shall bear interest from September 1, 1964) until payment of such principal sum, at the rate of four per cent (4%) per annum, payable semiannually on March 1 and September 1 in each year. Both the principal hereof and interest hereon are payable at the Los Angeles principal office of

Crocker-Citizens National Bank (herein called the "Trustee"), in the City of Los Angeles, State of California.

This Bond is one of a duly authorized issue of bonds of the Corporation designated as the "Garden Grove-Willowick Recreational Facility, Inc., Bonds" (herein called the "Bonds"), of the aggregate principal amount of Three Million Dollars (\$3,000,000), all issued under and equally secured by an indenture (herein called the "Indenture"), dated as of September 1, 1964, between the Corporation and the Trustee. The Bonds are general obligations of the Corporation, additionally secured by a lien on the leasehold interest of the Corporation in certain real property, as set forth in the Indenture, and on the Revenues, as defined in the Indenture. Reference is hereby made to the Indenture and all indentures supplemental thereto for a description of the rights thereunder of the bearers and registered owners of the Bonds and the bearers of the appurtenant coupons, of the nature and extent of the security, of the rights, duties and immunities of the Trustee and of the rights and obligations of the Corporation thereunder, to all of the provisions of which Indenture the registered owner of this Bond, by acceptance hereof, assents and agrees.

The Indenture contains provisions permitting the Corporation and the Trustee, with the consent of the holders of not less than sixty-six and two-thirds per cent (66 $\frac{2}{3}$ %) in aggregate principal amount of the Bonds at the time outstanding, evidenced as in the Indenture provided, to execute supplemental indentures adding any provisions to, or changing in any manner, or eliminating any of the provisions of, the Indenture; provided, however, that no such supplemental indenture shall (1) extend the fixed maturity of this Bond or reduce the rate of interest hereon or extend the time of payment of interest, or reduce the amount of the principal hereof, or reduce any premium payable on the redemption hereof, or change the provisions for redemption thereof, without the consent of the holder hereof, or (2) reduce the aforesaid percentage of holders of Bonds whose consent is required for the execution of such supplemental indentures, or permit the creation of any lien on the trust estate prior to or on a parity with the lien of the Indenture (except as expressly permitted therein) or deprive the

holders of the Bonds of the lien created by the Indenture upon the trust estate, without the consent of the holders of all Bonds then outstanding.

Bonds maturing on March 1, 1990, are subject to redemption prior to their stated maturity, in part, from minimum sinking fund payments deposited in the Sinking Fund provided for in the Indenture, on any interest payment date after March 1, 1965, at the principal amount thereof, together with interest accrued thereon to the date fixed for redemption. Bonds maturing on March 1, 1990, along with Bonds maturing on or after March 1, 1980, are also subject to redemption prior to their stated maturities, as a whole or in part by lot, from any source of available funds, on any interest payment date on or after September 1, 1979, at the principal amount thereof plus a premium of one quarter of one per cent ($\frac{1}{4}$ of 1%) of such principal amount for each year or portion thereof from the date fixed for redemption to the date of maturity, but not to exceed the principal amount plus a premium of two per cent (2%) thereof, together with interest accrued thereon to the date fixed for redemption.

As provided in the Indenture, notice of redemption shall be given by publication at least once in a financial newspaper or journal, printed in the English language and customarily published on each business day, of general circulation in Los Angeles, California, such publication to be not less than thirty nor more than sixty days before the redemption date. Notice of redemption hereof shall also be mailed, not less than thirty nor more than sixty days prior to the redemption date, to the registered owner of this Bond, but neither failure to mail such notice nor any defect in the notice so mailed shall affect the sufficiency of the proceedings for redemption.

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.

If an event of default, as defined in the Indenture, shall occur, the principal of all Bonds may be declared due and payable upon the conditions, in the manner and with the effect provided in the Indenture. The Indenture provides that in certain events such declaration and its consequences may be rescinded by the holders of at least sixty-six and

two-thirds per cent ($66\frac{2}{3}\%$) in aggregate principal amount of the Bonds then outstanding.

The Bonds are issuable as coupon Bonds, registrable as to principal only, in the denomination of \$1,000, and as fully registered Bonds without coupons in denominations of \$1,000 and any multiple thereof. Subject to the limitations and upon payment of the charges, if any, provided in the Indenture, fully registered Bonds may be exchanged for a like aggregate principal amount of coupon Bonds bearing all unmatured coupons (and any matured coupons in default) or for a like aggregate principal amount of fully registered Bonds of other authorized denominations, and coupon Bonds bearing all unmatured coupons (and any matured coupons in default) may be exchanged for a like aggregate principal amount of fully registered Bonds of authorized denominations.

This Bond is transferable by the registered owner hereof, in person or by his attorney duly authorized in writing, at said office of the Trustee, but only in the manner, subject to the limitations and upon payment of the charges provided in the Indenture, and upon surrender and cancellation of this Bond. Upon such transfer a new fully registered Bond or Bonds without coupons, of authorized denomination or denominations, for the same aggregate principal amount will be issued to the transferee in exchange herefor.

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

No recourse shall be had for the payment of the principal of or the interest on this Bond or for any claim based hereon or otherwise in respect hereof, or based on or in respect of the Indenture or any indenture supplemental thereto, against any incorporator, member, director or officer, as such, past, present or future, of the Corporation or of any predecessor or successor corporation, either directly or through the Corporation or otherwise, whether by virtue of any constitution, statute or rule of law, or by the enforcement of any assessment or penalty, or otherwise, all such liability being by the acceptance hereof and as part of the consideration for the issue hereof expressly waived and released, as provided in the Indenture.

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

IN WITNESS WHEREOF, Garden Grove-Willowick Recreational Facility, Inc. has caused this Bond to be signed on its behalf by its President or a Vice President, and its corporate seal to be reproduced hereon and attested by its Secretary or an Assistant Secretary, all as of the day of, 19.....

GARDEN GROVE-WILLOWICK RECREATIONAL
FACILITY, INC.

By
President

(Seal)

Attest:

.....
Secretary

[FORM OF TRUSTEE'S CERTIFICATE OF AUTHENTICATION]

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

CROCKER-CITIZENS NATIONAL BANK,
as Trustee

By
Authorized Officer

[COUPON BOND RESERVATION]

Notice: No writing below except by the Trustee.

This Registered Bond is issued in lieu of or in exchange for Coupon Bond(s) of this interest rate and maturity, numbered

in the denomination of \$1000 each not contemporaneously outstanding aggregating the face value hereof; and Coupon Bond(s) of the same interest rate and maturity aggregating the face value hereof [and bearing the above serial number(s) which has (have) been reserved for such Coupon Bond(s)] will be issued in exchange for this Registered Bond and upon surrender and cancellation thereof and upon payment of charges, all as provided in the within-mentioned Indenture.

[FORM OF ASSIGNMENT]

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned registered owner thereof hereby sells, assigns and transfers the within Bond unto

DATED :

In the presence of :

and

WHEREAS, all acts and proceedings required by law and by the articles of incorporation and by-laws of the Corporation, including all action requisite on the part of its directors and officers, necessary to make the Bonds, when executed by the Corporation, authenticated and delivered by the Trustee and duly issued, the valid, binding and legal general obligations of the Corporation, 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;

NOW, THEREFORE, THIS INDENTURE WITNESSETH, that in order to secure the payment of the principal of, and the interest and premium, if any, on, all Bonds at any time issued and outstanding under this Indenture, according to their tenor, and to secure the performance and observance of all the covenants and conditions therein and herein set forth, and 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 purchase and acceptance of the Bonds by the holders thereof, and for other valuable considerations, the receipt whereof is hereby acknowledged, the Corporation, party of the first part, does hereby grant, bargain, sell, warrant, convey, confirm, assign, transfer in trust, pledge and set over unto the Trustee, party of the second part, and to its successors in the trusts hereby created, all and singular the property of the Corporation, real and personal, hereinafter described (said property being herein sometimes referred to as the "trust estate"):

1. The estate for years reserved by the Corporation by deed of gift to the City, as grantee, in and to the real property situate in the County of Orange, State of California, hereinbefore particularly described, which was recorded in the office of the County Recorder of the County of Orange on DEC 2, 1964, under Recorder's Serial No. 1168, which said real property was granted to the Corporation by deed, dated Nov 16, 1964, from George K. Thompson, grantor, to the Corporation, grantee, which was recorded in the office of the County Recorder of the County of Orange, on DEC 2, 1964, under Recorder's Serial No. 1167, and by deed, dated Nov 16, 1964, from George K. Thompson, as Executor of the Will of Alma M. Thompson, deceased, grantor, to the Corporation, grantee, which was recorded in the office of the County Recorder of the County of Orange, on DEC 2, 1964, under Recorder's Serial No. 1166.

2. All of the right, title and interest of the Corporation in, to and under the lease dated as of Nov 25, 1964, between the Corporation, as lessor, and the City, as lessee, which was recorded in the office

of the County Recorder of the County of Orange, on DEC 2, 1964, under Recorder's Serial Number 1169.

3. All Revenues received by the Corporation.

4. All property which is by the express provisions of this Indenture required to be subjected to the lien hereof; and any additional property that may, from time to time hereafter, by delivery or by writing of any kind, be subjected to the lien hereof, by the Corporation or by anyone in its behalf, and the Trustee is hereby authorized to receive the same at any time as additional security hereunder.

TO HAVE AND TO HOLD, all and singular, the trust estate, including any and all additional property that by virtue of any provision hereof or of any indenture supplemental hereto shall hereafter become subject to this Indenture and to the trusts hereby created, unto the Trustee and its successors in the trusts hereby created forever;

IN TRUST, NEVERTHELESS, for the equal and proportionate benefit and security of the holders from time to time of the Bonds (and their appurtenant coupons) authenticated and delivered hereunder and issued by the Corporation and outstanding, and for the enforcement of the payment of the Bonds and of the interest (and any premium) thereon when payable according to their tenor, purport and effect and to secure the performance of and compliance with the covenants and conditions of this Indenture, without preference, priority or distinction as to lien or otherwise of any one Bond over any other Bond by reason of priority in the issue, sale or negotiation thereof, or of any other cause, so that each Bond shall have the same rights, privileges and lien under and by virtue of this Indenture, and so that the principal of and interest (and any premium) on every Bond shall, subject to the terms hereof, be equally and proportionately secured hereby, as if all had been duly issued and sold and negotiated simultaneously with the execution and delivery of this Indenture; and conditioned, however, that if the Corporation shall well and truly pay or cause to be paid fully and promptly when due all indebtedness, liabilities, obligations and sums at any time secured hereby, including interest and attorneys' fees, and shall promptly, faithfully and strictly keep, perform and observe or cause to be kept, performed and observed all of its covenants, warranties and agreements contained herein, then and in such event this Indenture

shall be and become void and of no further force and effect; otherwise the same shall remain in full force and effect.

And it is hereby covenanted that the Bonds and any coupons for interest thereon shall be issued, authenticated and delivered, and that the trust estate shall be held by the Trustee, subject to the further covenants, conditions, uses and trusts hereinafter set forth, and the Corporation agrees and covenants with the Trustee and with the holders from time to time of the Bonds and their appurtenant coupons, as follows:

ARTICLE I.

DEFINITIONS

SECTION 1.01. *Definitions.* Unless the context otherwise requires, the terms defined in this Section 1.01 shall for all purposes of this Indenture and of any indenture supplemental hereto, have the meanings herein specified, the following definitions to be equally applicable to both the singular and plural forms of any of the terms herein defined:

The term "Corporation" shall mean the party of the first part hereto, Garden Grove-Willowick Recreational Facility, Inc., a nonprofit corporation organized and existing under and by virtue of the laws of the State of California.

The term "Trustee" shall mean the party of the second part hereto, Crocker-Citizens National Bank, a national banking association organized and existing under and by virtue of the laws of the United States of America, having a principal office in the City of Los Angeles, State of California, or its successor for the time being as Trustee hereunder.

The term "person" shall mean an individual, a corporation, a partnership, a trust, an unincorporated organization or a government or any agency or political subdivision thereof.

The term "City" shall mean the existing municipal corporation known as the City of Garden Grove, a general law city duly organized and existing under the laws of the State of California.

The term "Indenture" shall mean this Indenture, as originally executed or as it may from time to time be supplemented, modified or

amended by any supplemental indenture entered into pursuant to the provisions hereof.

The term "supplemental indenture" or "indenture supplemental hereto" shall mean any indenture hereafter duly authorized and entered into between the Corporation and the Trustee in accordance with the provisions of this Indenture.

All references herein 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.

The term "Bonds" shall mean the Garden Grove-Willowick Recreational Facility, Inc., Bonds authorized under and secured by this Indenture.

The term "outstanding," when used as of any particular time with reference to Bonds, shall (subject to the provisions of Section 11.07 (d)) mean all Bonds theretofore authenticated and delivered by the Trustee under this Indenture except—

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

(b) Bonds for the payment or redemption of which funds in the necessary amount shall have theretofore been deposited with the Trustee (whether upon or prior to the maturity or the redemption date of such Bonds), provided that, if such Bonds are to be redeemed prior to the maturity thereof, notice of such redemption shall have been given as in Article IV provided or provision satisfactory to the Trustee shall have been made for the giving of such notice; and

(c) Bonds in lieu of, or in substitution for, which other Bonds shall have been authenticated and delivered by the Trustee pursuant to the terms of Section 2.08.

The term "holder" or "Bondholder," whenever employed herein with respect to a Bond which shall be registered as to principal other than to bearer, shall mean the person in whose name such Bond shall be registered, and whenever employed herein with respect to a Bond

which shall not be registered as to principal, or a Bond registered to bearer, or a coupon, shall mean the bearer of such Bond or coupon.

The term "trust estate" shall mean all of the property described in the granting clauses of this Indenture.

The term "Lease" shall mean the lease referred to in paragraph 2 of the granting clauses hereof.

The term "Project" shall mean the real property hereinbefore described and all improvements thereon.

The term "Revenues" shall mean all rentals received by the Corporation pursuant to the Lease, and all other revenues, proceeds, charges, income, rents, receipts, profits and benefits derived by the Corporation from the ownership, use or operation of the trust estate, including any interest or other income derived from the investment of any of the funds herein provided for.

"Term Bonds" shall mean bonds redeemable at or before their specified maturity dates, from minimum sinking fund payments established for that purpose by Section 5.02(b) and calculated to retire such bonds on or before their specified maturity dates.

"Serial Bonds" shall mean bonds falling due by their terms in specified years prior to 1990, for which no minimum sinking fund payment is provided.

"Agreement of Sale" shall mean that certain agreement between George K. Thompson, Richard C. Thompson, and George K. Thompson, as Executor of the Will of Alma M. Thompson, deceased, and the corporation, providing for the sale of shares of stock as set forth therein.

"Escrow Instructions" shall mean those certain instructions providing for the transfer of the real property hereinabove described, from George K. Thompson, individually and as Executor of the Will of Alma M. Thompson, deceased, as grantors, to the corporation, as grantee.

The terms "Written Order of the Corporation," "Written Request of the Corporation," "Written Requisition of the Corporation" and "Written Consent of the Corporation" shall mean, respectively, a written order, request, requisition or consent signed by or on behalf of the Corporation by its President or a Vice President and by its Treasurer or an Assistant Treasurer or its Secretary or an Assistant Secretary

or by any two persons (whether or not officers of the Corporation) who are specifically authorized by resolution of the Board of Directors of the Corporation to sign or execute such a document on its behalf.

The term "Certified Resolution" shall mean a copy of a resolution of the Board of Directors of the Corporation certified by the Secretary or an Assistant Secretary of the Corporation to have been duly adopted by said Board and to be in full force and effect on the date of such certification.

The term "Certificate of the Corporation" shall mean a certificate signed by the President or a Vice President of the Corporation and by the Treasurer or an Assistant Treasurer or the Secretary or an Assistant Secretary of the Corporation. If and to the extent required by the provisions of Section 1.02, each Certificate of the Corporation shall include the statements provided for in Section 1.02.

The term "Opinion of Counsel" shall mean a written opinion of counsel (who may be counsel for the Corporation) appointed by the Corporation and acceptable to the Trustee. If and to the extent required by the provisions of Section 1.02, each Opinion of Counsel shall include the statements provided for in Section 1.02.

The term "responsible officer" of the Trustee shall mean and include the chairman of the board of directors, the president, every vice president, every assistant vice president, the cashier, every assistant cashier, every trust officer, and every officer and assistant officer, of the Trustee, other than those specifically above mentioned, to whom any corporate trust matter is referred because of his knowledge of, and familiarity with, a particular subject.

The term "event of default" shall have the meaning specified in Section 7.01.

The term "financial newspaper or journal" shall include "*The Wall Street Journal*" and "*The Daily Bond Buyer*," and any other newspaper or journal devoted to financial news and selected by the Trustee, whose decision shall be final and conclusive.

SECTION 1.02. *Content of Certificates and Opinions.* Every certificate or opinion 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 or opinion have

read such covenant or condition and the definitions herein relating thereto; (b) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate or opinion 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 or opinion made or given by an officer of the Corporation may be based, in so far 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 or opinion 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 made or given by counsel may be based, in so far as it relates to factual matters with respect to which information is in the possession of the Corporation, upon the certificate or opinion of or representations by an officer or officers of the Corporation, unless such counsel knows that the certificate or opinion or representations with respect to the matters upon which his opinion may be based as aforesaid are erroneous, or in the exercise of reasonable care should have known that the same were erroneous.

ARTICLE II.

THE BONDS

SECTION 2.01. *Terms of Bonds.* Except as provided in Section 3.04, the aggregate principal amount of Bonds which may be issued and outstanding under this Indenture shall not exceed three million dollars (\$3,000,000). The Bonds shall be known as the "Garden Grove-Willowick Recreational Facility, Inc., Bonds"; shall bear interest at the rate of four per cent (4%) per annum, payable semiannually on the first day of March and the first day of September; and shall mature in consecutive numerical order from lower to higher, as set forth in the following schedule:

| Maturity Date | | Principal Amount | Bond Numbers |
|-------------------------|------|---------------------|-----------------|
| Month (First Day of) | Year | | |
| September | 1965 | \$ 10,000 | 1- 10 |
| March | 1966 | 10,000 | 11- 20 |
| September | 1966 | 10,000 | 21- 30 |
| March | 1967 | 10,000 | 31- 40 |
| September | 1967 | 10,000 | 41- 50 |
| March | 1968 | 11,000 | 51- 61 |
| September | 1968 | 15,000 | 62- 76 |
| March | 1969 | 15,000 | 77- 91 |
| September | 1969 | 15,000 | 92- 106 |
| March | 1970 | 15,000 | 107- 121 |
| September | 1970 | 15,000 | 122- 136 |
| March | 1971 | 15,000 | 137- 151 |
| September | 1971 | 15,000 | 152- 166 |
| March | 1972 | 15,000 | 167- 181 |
| September | 1972 | 15,000 | 182- 196 |
| March | 1973 | 15,000 | 197- 211 |
| September | 1973 | 15,000 | 212- 226 |
| March | 1974 | 15,000 | 227- 241 |
| September | 1974 | 14,000 | 242- 255 |
| March | 1975 | 15,000 | 256- 270 |
| September | 1975 | 15,000 | 271- 285 |
| March | 1976 | 15,000 | 286- 300 |
| September | 1976 | 15,000 | 301- 315 |
| March | 1977 | 15,000 | 316- 330 |
| September | 1977 | 19,000 | 331- 349 |
| March | 1978 | 20,000 | 350- 369 |
| September | 1978 | 20,000 | 370- 389 |
| March | 1979 | 20,000 | 390- 409 |
| September | 1979 | 20,000 | 410- 429 |
| March | 1980 | 20,000 | 430- 449 |
| September | 1980 | 20,000 | 450- 469 |
| March | 1981 | 20,000 | 470- 489 |
| September | 1981 | 20,000 | 490- 509 |
| March | 1982 | 23,000 | 510- 532 |
| September | 1982 | 24,000 | 533- 556 |
| March | 1983 | 24,000 | 557- 580 |
| September | 1983 | 25,000 | 581- 605 |
| March | 1984 | 25,000 | 606- 630 |
| September | 1984 | 25,000 | 631- 655 |

| Maturity Date | | Principal Amount | Bond Numbers |
|-------------------------|------|---------------------|-----------------|
| Month (First Day of) | Year | | |
| March | 1985 | \$ 25,000 | 656- 680 |
| September | 1985 | 30,000 | 681- 710 |
| March | 1986 | 30,000 | 711- 740 |
| September | 1986 | 30,000 | 741- 770 |
| March | 1987 | 30,000 | 771- 800 |
| September | 1987 | 30,000 | 801- 830 |
| March | 1988 | 30,000 | 831- 860 |
| September | 1988 | 30,000 | 861- 890 |
| March | 1989 | 30,000 | 891- 920 |
| September | 1989 | 30,000 | 921- 950 |
| March | 1990 | 2,050,000 | 951-3000 |

The Bonds may be issued as coupon Bonds in the denomination of \$1,000 or as fully registered Bonds without coupons in the denominations of \$1,000 or any multiple thereof. The fully registered Bonds, the coupon Bonds and the interest coupons appertaining thereto shall be substantially in the forms hereinbefore set forth.

Both the principal of and interest on the Bonds shall be payable in lawful money of the United States of America at the Los Angeles principal office of the Trustee, in Los Angeles, California.

The coupon Bonds shall be dated as of September 1, 1964, shall be numbered 1 to 3000, inclusive, and shall bear interest from September 1, 1964. Payment of interest on the coupon Bonds due on or before maturity of such Bonds shall be made only upon presentation and surrender of the coupons representing such interest as the same respectively falls due.

The fully registered Bonds shall be dated as of the date of their authentication by the Trustee, and shall bear interest from the interest payment date next preceding the date thereof unless such date of authentication is an interest payment date, in which event they shall bear interest from such date, or unless such date of authentication is prior to March 1, 1965, in which event they shall bear interest from September 1, 1964; provided, however, that if, at the time of authentication of any fully registered Bond, interest is in default on outstanding Bonds, such fully registered Bond shall bear interest from the interest

payment date to which interest has previously been paid or made available for payment on the outstanding Bonds. Payment of the interest on any fully registered Bond shall be made to the person appearing on the bond registration books of the Trustee as the registered owner thereof, such interest to be paid by check or draft mailed to the registered owner at his address as it appears on such registration books or at such address as he may have filed with the Trustee for that purpose.

The Bonds shall be subject to redemption as provided in Article IV.

SECTION 2.02. *Execution of Bonds.* The Bonds shall be signed on behalf of the Corporation in its corporate name with the manual or facsimile signature of its President or Vice President, under its corporate seal attested by the manual or facsimile signature of its Secretary or an Assistant Secretary. Such seal may be in the form of a facsimile of the Corporation's seal and may be imprinted or impressed upon the Bonds. The Bonds shall then be delivered to the Trustee for authentication by it. In case any of the officers who shall have signed or attested any of the Bonds shall cease to be such officer or officers of the Corporation before the Bonds so signed or attested shall have been authenticated or delivered by the Trustee or issued by the Corporation, such Bonds may nevertheless be authenticated, delivered and issued and, upon such authentication, delivery and issue, shall be as binding upon the Corporation as though those who signed and attested the same had continued to be such officers of the Corporation, and also any Bond may be signed and attested on behalf of the Corporation by such persons as at the actual date of the execution of such Bond shall be the proper officers of the Corporation although at the nominal date of such Bond any such person shall not have been such officer of the Corporation.

Only such of the Bonds as shall bear thereon a certificate of authentication in the form hereinbefore recited, 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 Bonds so authenticated have been duly authenticated and delivered hereunder and are entitled to the benefits of this Indenture.

The coupons to be annexed to the Bonds shall bear the facsimile signature of the present Treasurer of the Corporation or the facsimile signature of any future Treasurer thereof, and the Corporation may use for that purpose the facsimile signature of any person who shall have been such Treasurer, notwithstanding the fact that he may have ceased to be such at the time when any of the Bonds shall be authenticated, delivered or issued.

The Trustee shall, prior to the authentication and delivery by it of each coupon Bond, detach and cancel all coupons thereto appertaining then matured and shall deliver the same to or upon the order of the Corporation.

SECTION 2.03. *Transfer and Registration of Coupon Bonds.* All coupon Bonds shall be negotiable and transferable by delivery, unless registered as to principal in the manner hereinafter provided. The holder of any coupon Bond may have the ownership of the principal thereof registered on the books required to be kept pursuant to the provisions of Section 2.06, and such registration shall be noted on the Bond. After such registration no transfer shall be valid unless made on said books at the request of the registered owner or by his duly authorized attorney and similarly noted on the Bond; but such Bond may be discharged from registration by being in like manner transferred to bearer and thereupon negotiability and transferability by delivery shall be restored; and such Bond may again and from time to time be registered or transferred to bearer, as before. Such registration, however, shall not affect the negotiability of the coupons, and every such coupon shall continue to be negotiable and transferable by delivery merely and shall remain payable to bearer, and payment thereof to bearer shall fully discharge the Corporation and the Trustee in respect of the interest therein mentioned, whether or not the Bond therein mentioned be at the time registered as to principal.

All transfers, registrations and discharges from registration of coupon Bonds pursuant to this Section shall be made under such reasonable regulations as the Trustee may prescribe and shall be made at the expense of the holder of the Bonds.

As to any coupon Bond registered as to principal, the person in whose name the same shall be registered shall be deemed the owner

thereof for all purposes of this Indenture and payment of or on account of the principal of such Bond shall be made only to or upon the order in writing of such registered owner, but such registration may be changed as hereinbefore provided. All such payments shall be valid and effectual to satisfy and discharge liability upon such Bond to the extent of the sum or sums so paid. The Corporation, the Trustee and any paying agent may treat the bearer of any Bond which shall not at the time be registered as to principal, whether or not such Bond shall be overdue, and the bearer of any coupon, whether or not the Bond to which such coupon shall appertain shall at the time be registered and whether or not such coupon shall be overdue, as the absolute owner of such Bond or coupon for the purpose of receiving payment thereof and for all other purposes whatsoever, and the Corporation, the Trustee and any paying agent shall not be affected by any notice to the contrary.

SECTION 2.04. *Transfer of Fully Registered Bonds.* Any fully registered Bond without coupons may, in accordance with its terms, be transferred, upon the books required to be kept pursuant to the provisions of Section 2.06, by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such fully registered Bond for cancellation, accompanied by delivery of a written instrument of transfer in a form approved by the Trustee, duly executed.

Whenever any fully registered Bond or Bonds without coupons shall be surrendered for transfer, the Corporation shall execute and the Trustee shall authenticate and deliver a new fully registered Bond or Bonds, for like aggregate principal amount, which shall have endorsed thereon the same coupon Bond serial number or numbers, if any, so reserved.

No transfer of fully registered Bonds shall be required to be made during the 15 days next preceding each interest payment date.

SECTION 2.05. *Exchange of Bonds.* Fully registered Bonds initially issued to purchasers may be exchanged once at the principal office of the Trustee in Los Angeles, California, for a like aggregate principal amount of coupon Bonds (or for a like aggregate principal amount of fully registered Bonds of other authorized denominations)

without charge except that the Trustee may require the payment by the Bondholder requesting such exchange of any tax or other governmental charge required to be paid with respect to such exchange.

SECTION 2.06. *Bond Register.* The Trustee will keep or cause to be kept, at its principal office in Los Angeles, California, sufficient books for the registration and transfer of the Bonds, which shall at all times be open to inspection by the Corporation; 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, Bonds as hereinbefore provided.

SECTION 2.07. *Temporary Bonds.* The Bonds may be initially issued in temporary form exchangeable for definitive Bonds when ready for delivery. The temporary Bonds may be printed, lithographed or typewritten, shall be of such denominations as may be determined by the Corporation, shall be without coupons and may contain such reference to any of the provisions of this Indenture as may be appropriate. Every temporary Bond shall be executed by the Corporation and be authenticated by the Trustee upon the same conditions and in substantially the same manner as the definitive Bonds. If the Corporation issues temporary Bonds it will execute and furnish definitive Bonds without delay, and thereupon the temporary Bonds may be surrendered, for cancellation, in exchange therefor at the principal office of the Trustee in Los Angeles, California, and the Trustee shall authenticate and deliver in exchange for such temporary Bonds an equal aggregate principal amount of definitive coupon Bonds or definitive fully registered Bonds of authorized denominations. Until so exchanged, the temporary Bonds shall be entitled to the same benefits under this Indenture as definitive Bonds authenticated and delivered hereunder.

SECTION 2.08. *Bonds Mutilated, Lost, Destroyed or Stolen.* If any Bond shall become mutilated, the Corporation, at the expense of the owner of said Bond, shall execute, and the Trustee shall thereupon authenticate and deliver, a new Bond of like tenor and number (having annexed appropriate coupons corresponding to those, if any, annexed to the mutilated Bond) in exchange and substitution for the Bond so mutilated, but only upon surrender to the Trustee of the Bond so mutilated together with any unpaid coupons thereto appertaining.

Every mutilated Bond so surrendered to the Trustee shall be cancelled by it and delivered to, or upon the order of, the Corporation. If any Bond shall be lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the Corporation and the Trustee and, if such evidence be satisfactory to both and indemnity satisfactory to them shall be given, the Corporation, at the expense of the owner, shall execute, and the Trustee shall thereupon authenticate and deliver, a new Bond of like tenor and number (having annexed appropriate coupons corresponding to those, if any, annexed to the lost, destroyed or stolen Bond) in lieu of and in substitution for the Bond so lost, destroyed or stolen. The Corporation may require payment of the expenses which may be incurred by the Corporation and the Trustee in the premises. Any Bond or coupon issued under the provisions of this Section in lieu of any Bond or coupon alleged to be lost, destroyed or stolen shall constitute an original additional contractual obligation on the part of the Corporation whether or not the Bond or coupon so 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 Bonds and coupons secured by this Indenture.

ARTICLE III.

ISSUE OF BONDS

SECTION 3.01. *Authentication and Delivery of Bonds.* The Trustee, forthwith upon the execution and delivery of this Indenture or from time to time thereafter, upon the execution and delivery to it by the Corporation of the Bonds, as hereinabove provided, and without any further action on the part of the Corporation, shall authenticate Bonds in an aggregate principal amount not exceeding two million nine hundred fifty thousand dollars (\$2,950,000), and shall deliver them to or upon the Written Order of the Corporation.

Upon the execution and delivery to it by the Corporation of Bonds numbered 2951 through 3000, both inclusive, the Trustee shall authenticate and deliver said Bonds upon the Written Order of the Corporation, provided, however, that the Corporation has complied with the provisions of Sections 3.03(a) and (c) and 6.08 hereof, and delivers to the Trustee satisfactory evidence of such compliance.

SECTION 3.02. *Application of Proceeds of Bonds and Other Sums.* Proceeds received by the Corporation on the sale of the Bonds and the other sums hereinafter referred to shall be forthwith applied as follows:

(a) From the proceeds, the sum of \$297,957, as adjusted pursuant to the Agreement of Sale, will be delivered to Title Insurance and Trust Company, as set forth in the Agreement of Sale, and said Company will thereupon deliver the capital stock of Willowick Golf Course, referred to in the Agreement of Sale, to the Corporation, and the Treasurer of said Willowick Golf Course will deliver a check for \$270,000.00 to the Corporation.

(b) The City will deliver to the Corporation a check for \$32,000.00, as its first rental payment under the Lease.

(c) The Corporation will deliver to Title Insurance and Trust Company, as provided in the Escrow Instructions, the sum of \$2,877,838.00 from the proceeds and the sums delivered to the Corporation under paragraphs (a) and (b) above, and, as set forth in the Escrow Instructions, title to the real property hereinbefore described will thereupon be transferred to the Corporation.

(d) The remainder of the proceeds and of said other sums shall be deposited by the Corporation with the Trustee, who shall forthwith set aside the same in the following respective funds:

(1) The Trustee shall set aside in the Interest Fund (established pursuant to Section 5.02(a)) all accrued interest received upon the sale of the Bonds.

(2) The Trustee shall set aside the remainder in the Corporate Operation Fund (established pursuant to Section 5.02(c)).

A certificate of the Corporation, and Title Insurance and Trust Company, to the effect that the payments hereinbefore set forth have been made, shall be delivered to the Trustee at the time of the sale of the Bonds and the Trustee shall be entitled to rely upon such certificate for all purposes under this Indenture.

SECTION 3.03. *Additional Bonds.* So long as any of the Bonds remain outstanding, the Corporation will not issue any additional bonds or obligations payable from Revenues or having a lien upon the trust estate unless the following conditions precedent exist:

(a) The Corporation shall not be in default under this Indenture.

(b) The proceeds from the issuance of such additional bonds or obligations are to be expended for the purpose of constructing additions, extensions or improvements to the Project.

(c) The holders of all of the Bonds then outstanding shall have consented in writing to the issuance of such additional bonds or obligations.

Nothing contained in this Indenture shall be construed as preventing the Corporation from issuing bonds or obligations which are not payable from, or secured by, the Revenues and which are not secured by any lien upon the trust estate.

ARTICLE IV.

SECTION 4.01. *Bonds Not Subject to Redemption.* Bonds numbered from 1 to 429, both inclusive, shall not be subject to call or redemption prior to their stated maturities.

SECTION 4.02. *Redemption of Bonds from Minimum Sinking Fund Payments.* Bonds numbered from 951 to 3000, both inclusive, shall be subject to redemption prior to their stated maturity, in part, from minimum sinking fund payments deposited in the Sinking Fund (established pursuant to Section 5.02), on any interest payment date, upon payment of the principal amount thereof (without premium), together with interest accrued thereon to the date fixed for redemption.

SECTION 4.03. *Redemption of Bonds from Other Funds.* Bonds numbered from 430 to 3000, both inclusive, shall also be subject to redemption prior to their stated maturities, at the option of the Corporation, as a whole or in part by lot, from any source of available funds, on any interest payment date on or after September 1, 1979, at the principal amount thereof plus a premium of one-quarter of one per cent ($\frac{1}{4}$ of 1%) of such principal amount for each year or portion thereof from the date fixed for redemption to the date of maturity, but not to exceed the principal amount plus a premium of two per cent (2%) thereof, together with interest accrued thereon to the date fixed for redemption.

SECTION 4.04. *Selection of Bonds for Redemption.* If less than all of the Bonds are called for redemption, the Trustee shall select the

Bonds to be redeemed, from the outstanding Bonds not previously called for redemption, by lot in any manner deemed proper by the Trustee provided that selection of Bonds to be redeemed from minimum Sinking Fund payments shall comply with the requirements of Section 5.02. For the purpose of such selection the Trustee shall assign a separate number for each \$1,000 principal amount of each fully registered Bond without coupons of a denomination of more than \$1,000. The Trustee shall promptly notify the Corporation in writing of the numbers of the Bonds selected for redemption.

SECTION 4.05. *Notice of Redemption.* Notice of redemption (except as provided below) shall be given by publication at least once prior to the redemption date in a financial newspaper or journal, printed in the English language and customarily published on each business day, of general circulation in Los Angeles, California, such publication to be not less than thirty nor more than sixty days before such redemption date. If any Bond called for redemption is fully registered, or is registered as to principal, notice of redemption thereof shall also be mailed, not less than thirty nor more than sixty days prior to the redemption date, to each registered owner of such Bond, but neither failure to mail such notice nor any defect in any notice so mailed shall affect the sufficiency of the proceedings for the redemption of any of the Bonds. Each notice of redemption shall state the redemption date, the place of redemption, the source of the funds to be used for such redemption, the principal amount and, if less than all, the distinctive numbers of the Bonds to be redeemed, and shall also state that the interest on the Bonds in such notice designated for redemption shall cease to accrue from and after such redemption date and that on said date there will become due and payable on each of said Bonds the principal amount thereof to be redeemed, interest accrued thereon to the redemption date and the premium, if any, thereon (such premium to be specified). If at the time of giving notice of redemption no Bonds are outstanding except Bonds registered as to principal, or fully registered, publication of such notice shall be deemed to have been waived if such notice shall have been mailed to each registered owner of such Bonds at his address as it appears on the registration books or at such address as he may have filed with the Trustee for that purpose.

Notice of redemption of Bonds shall be given by the Corporation or, at the request of the Corporation, by the Trustee for and on behalf of the Corporation.

SECTION 4.06. *Partial Redemption of Registered Bond.* Upon surrender of any fully registered Bond redeemed in part only, the Corporation shall execute and the Trustee shall authenticate and deliver to the registered owner thereof, at the expense of the Corporation, a new Bond or Bonds of authorized denominations equal in aggregate principal amount to the unredeemed portion of the Bond surrendered, which new Bond or Bonds may be, at the option of the registered owner, either a coupon Bond or Bonds with all unmatured coupons appertaining thereto or a fully registered Bond or Bonds. The registered owner of any fully registered Bond may, in lieu of surrendering such Bond for a new Bond, endorse on a payment record attached to such Bond a notation of such partial redemption, in such form as may be satisfactory to the Corporation and the Trustee and under such conditions as the Trustee may approve; provided, that with respect to any such fully registered Bond registered in the name of State Farm Mutual Automobile Insurance Company, Allstate Insurance Company, Provident Life and Accident Insurance Company, Country Life Insurance Company, or United Insurance Company of America (or any name hereafter adopted by any of said companies or any successors thereto by statutory merger or consolidation), such endorsement of such partial redemption may be in substantially the following form:

PAYMENTS ON ACCOUNT OF PRINCIPAL

| Date Fixed for Partial Redemption | Amount of Principal Paid | Balance of Principal Unpaid | Signature |
|--------------------------------------|-----------------------------|--------------------------------|-----------|
| | | | |
| | | | |

Such partial redemption shall be valid upon payment of the amount thereby required to be paid to such registered owner, and the Corporation and the Trustee shall be released and discharged from all liability to the extent of such payment, irrespective of whether such endorsement shall or shall not have been made upon the payment record attached to such fully registered Bond by such registered owner and irrespective of any error or omission in such endorsement.

SECTION 4.07. *Effect of Redemption.* Notice of redemption having been duly given as aforesaid, and moneys for payment of the redemption price being held by the Trustee, the Bonds so called for redemption shall, on the redemption date designated in such notice, become due and payable at the redemption price specified in such notice, interest on the Bonds so called for redemption shall cease to accrue, the coupons for interest thereon maturing subsequent to the redemption date shall be void, said Bonds shall cease to be entitled to any lien, benefit or security under this Indenture, and the holders of said Bonds shall have no rights in respect thereof except to receive payment of the redemption price thereof.

All unpaid interest installments represented by coupons which shall have matured on or prior to the date of redemption designated in such notice shall continue to be payable to the bearers severally and respectively upon the presentation and surrender of such coupons.

All Bonds fully redeemed pursuant to the provisions of this Article IV and the appurtenant coupons, if any, shall be cancelled upon surrender thereof and delivered to the Corporation.

ARTICLE V.

REVENUES

SECTION 5.01. *Pledge of Revenues; Revenue Fund.* All of the Revenues are hereby irrevocably pledged to the punctual payment of the principal of and interest on the Bonds, and Revenues shall not be used for any other purpose while any of the Bonds remain outstanding, except that out of Revenues there may be apportioned and paid such sums, for such purposes, as are expressly permitted by Section 5.02. Said pledge shall constitute a first and exclusive lien on the Revenues for the payment of the Bonds in accordance with the terms thereof.

All Revenues shall be deposited by the Corporation with the Trustee within three business days after the receipt thereof, and the Trustee shall credit said moneys to a special fund, designated as the "Revenue Fund," which the Trustee shall establish and maintain. All moneys at any time deposited in the Revenue Fund shall be held in trust for the benefit of the holders from time to time of the Bonds and the coupons appertaining thereto, but shall nevertheless be disbursed,

allocated and applied solely for the uses and purposes hereinafter in this Article V set forth.

SECTION 5.02. *Allocation of Moneys in Revenue Fund to Special Funds.* At least once in each calendar month, the Trustee shall transfer all moneys at the time on hand in the Revenue Fund to one or more of the following respective funds, each of which the Trustee shall establish and maintain and hold in trust, and each of which shall be disbursed and applied only as hereinafter authorized. Such moneys shall be so transferred to the following respective funds in the following order of priority, the requirements of each such fund at the time of transfer to be satisfied before any transfer is made to any fund subsequent in priority:

(a) *Interest Fund.* The Trustee, on or before each February 15 and each August 15, commencing on or before February 15, 1965, shall deposit in the Interest Fund (which Fund is hereby created) an amount equal to the aggregate half-yearly amount of interest becoming due and payable on the outstanding Bonds on the next succeeding interest payment date.

No payment need be made into the Interest Fund if the amount contained therein is at least equal to the interest to become due in the next ensuing six months upon all of the Bonds then outstanding. Moneys in the Interest Fund shall be used and withdrawn by the Trustee solely for the purpose of paying the interest on the Bonds as it shall become due and payable (including accrued interest on any Bonds purchased or redeemed prior to maturity pursuant to this Indenture).

(b) *Retirement Fund.* The Trustee shall deposit in the Retirement Fund (which Fund is hereby created) on or before each February 15 and each August 15, commencing on or before August 15, 1965, an amount at least equal to the sum of the aggregate semiannual amount of principal becoming due and payable on the outstanding Serial Bonds on the next March 1 or September 1, as set forth in Section 2.01 hereof, and the minimum sinking fund payment required on the next minimum sinking fund payment date as hereinafter provided, and shall apply the funds so deposited to the retirement of outstanding Serial Bonds, as set forth in said Section 2.01, and to the redemption of the principal amount of Term Bonds as hereinafter set forth. The Trustee shall deposit in the Sinking Fund (which Fund is hereby created

within the Retirement Fund) on or before each February 15 and each August 15, commencing on or before August 15, 1965, the minimum sinking fund payment required on the next minimum sinking fund payment date, and shall apply the funds so deposited to the redemption of the principal amount of bonds from stated numbers, or bonds representing stated numbers, as such payments, dates, principal amount of bonds, and stated numbers are set forth in the following table:

| Minimum Sinking Fund Payment Date | | | Principal Amount of Bonds from Stated Numbers as Follows: | | | | |
|--------------------------------------|------|----------|--|----------------|----------------|----------------|----------------|
| Month (First Day of) | Year | Payment | 951 - 1200 | 1201 - 1700 | 1701 - 2700 | 2701 - 2950 | 2951 - 3000 |
| September | 1965 | \$25,000 | \$2,000 | \$ 7,000 | \$12,000 | \$3,000 | \$1,000 |
| March | 1966 | 26,000 | 3,000 | 7,000 | 13,000 | 3,000 | 0 |
| September | 1966 | 27,000 | 3,000 | 7,000 | 13,000 | 3,000 | 1,000 |
| March | 1967 | 28,000 | 4,000 | 7,000 | 14,000 | 3,000 | 0 |
| September | 1967 | 28,000 | 3,000 | 7,000 | 14,000 | 3,000 | 1,000 |
| March | 1968 | 28,000 | 4,000 | 6,000 | 14,000 | 4,000 | 0 |
| September | 1968 | 25,000 | 3,000 | 6,000 | 12,000 | 3,000 | 1,000 |
| March | 1969 | 26,000 | 3,000 | 7,000 | 13,000 | 3,000 | 0 |
| September | 1969 | 27,000 | 3,000 | 6,000 | 13,000 | 4,000 | 1,000 |
| March | 1970 | 27,000 | 4,000 | 7,000 | 13,000 | 3,000 | 0 |
| September | 1970 | 28,000 | 3,000 | 6,000 | 13,000 | 4,000 | 1,000 |
| March | 1971 | 29,000 | 4,000 | 7,000 | 15,000 | 3,000 | 0 |
| September | 1971 | 30,000 | 4,000 | 7,000 | 14,000 | 4,000 | 1,000 |
| March | 1972 | 31,000 | 4,000 | 8,000 | 16,000 | 3,000 | 0 |
| September | 1972 | 32,000 | 4,000 | 7,000 | 14,000 | 4,000 | 3,000 |
| March | 1973 | 33,000 | 4,000 | 8,000 | 17,000 | 4,000 | 0 |
| September | 1973 | 34,000 | 4,000 | 9,000 | 16,000 | 4,000 | 1,000 |
| March | 1974 | 35,000 | 5,000 | 8,000 | 18,000 | 4,000 | 0 |
| September | 1974 | 37,000 | 4,000 | 8,000 | 18,000 | 4,000 | 3,000 |
| March | 1975 | 37,000 | 5,000 | 9,000 | 18,000 | 5,000 | 0 |
| September | 1975 | 38,000 | 4,000 | 10,000 | 18,000 | 5,000 | 1,000 |
| March | 1976 | 39,000 | 5,000 | 10,000 | 19,000 | 5,000 | 0 |
| September | 1976 | 40,000 | 5,000 | 9,000 | 19,000 | 4,000 | 3,000 |
| March | 1977 | 41,000 | 5,000 | 9,000 | 21,000 | 6,000 | 0 |
| September | 1977 | 38,000 | 5,000 | 9,000 | 18,000 | 5,000 | 1,000 |
| March | 1978 | 38,000 | 5,000 | 10,000 | 18,000 | 5,000 | 0 |
| September | 1978 | 39,000 | 5,000 | 9,000 | 18,000 | 4,000 | 3,000 |
| March | 1979 | 41,000 | 5,000 | 10,000 | 21,000 | 5,000 | 0 |
| September | 1979 | 42,000 | 5,000 | 10,000 | 20,000 | 6,000 | 1,000 |
| March | 1980 | 43,000 | 5,000 | 11,000 | 22,000 | 5,000 | 0 |
| September | 1980 | 44,000 | 5,000 | 10,000 | 20,000 | 6,000 | 3,000 |

| Minimum Sinking Fund Payment Date | | | Principal Amount of Bonds from Stated Numbers as Follows: | | | | |
|--------------------------------------|------|----------|--|----------------|----------------|----------------|----------------|
| Month (First Day of) | Year | Payment | 951 - 1200 | 1201 - 1700 | 1701 - 2700 | 2701 - 2950 | 2951 - 3000 |
| March | 1981 | \$46,000 | \$ 5,000 | \$12,000 | \$23,000 | \$ 6,000 | \$ 0 |
| September | 1981 | 47,000 | 6,000 | 11,000 | 23,000 | 6,000 | 1,000 |
| March | 1982 | 45,000 | 5,000 | 12,000 | 22,000 | 6,000 | 0 |
| September | 1982 | 46,000 | 6,000 | 11,000 | 21,000 | 5,000 | 3,000 |
| March | 1983 | 47,000 | 5,000 | 12,000 | 24,000 | 6,000 | 0 |
| September | 1983 | 47,000 | 6,000 | 11,000 | 23,000 | 6,000 | 1,000 |
| March | 1984 | 49,000 | 6,000 | 12,000 | 25,000 | 6,000 | 0 |
| September | 1984 | 50,000 | 6,000 | 12,000 | 24,000 | 5,000 | 3,000 |
| March | 1985 | 52,000 | 7,000 | 13,000 | 26,000 | 6,000 | 0 |
| September | 1985 | 48,000 | 6,000 | 12,000 | 23,000 | 6,000 | 1,000 |
| March | 1986 | 50,000 | 6,000 | 13,000 | 25,000 | 6,000 | 0 |
| September | 1986 | 52,000 | 6,000 | 12,000 | 25,000 | 6,000 | 3,000 |
| March | 1987 | 53,000 | 6,000 | 13,000 | 26,000 | 7,000 | 1,000 |
| September | 1987 | 55,000 | 7,000 | 13,000 | 26,000 | 6,000 | 3,000 |
| March | 1988 | 57,000 | 8,000 | 14,000 | 28,000 | 7,000 | 0 |
| September | 1988 | 58,000 | 6,000 | 14,000 | 28,000 | 7,000 | 3,000 |
| March | 1989 | 60,000 | 8,000 | 15,000 | 30,000 | 7,000 | 0 |
| September | 1989 | 61,000 | 7,000 | 15,000 | 29,000 | 8,000 | 2,000 |
| March | 1990 | 91,000 | 11,000 | 22,000 | 45,000 | 11,000 | 2,000 |

The Trustee shall apply all moneys so deposited in the Sinking Fund (to the extent sufficient for the redemption of \$1,000 principal amount of Bonds, or multiples thereof) to the redemption of Bonds on the next succeeding interest payment date, upon the notice and in the manner provided in Article IV. If the Trustee has insufficient funds to satisfy the requirements for retirement and redemption, the funds available shall be applied to each such purpose in the proportion that funds required under Section 2.01 and under this Section, respectively, bear to the total such funds required. Any balance of such moneys remaining in the Sinking Fund after any interest payment date shall be held by the Trustee until the next ensuing minimum sinking fund payment date and shall be added to the sum to be applied by the Trustee on said next ensuing minimum sinking fund payment date for the redemption of Bonds. The Corporation shall have the right to surrender for cancellation Bonds in lieu of Bonds to be redeemed.

If any holder of any of the Bonds designated by stated numbers as set forth above shall sell any of said Bonds, then the Trustee shall

redeem bonds from within those stated numbers in accordance with any agreement between such holder and the purchaser or purchasers from him, so long as said agreement can be complied with without violating any provisions of this Indenture; provided, that if there is no such agreement, or until the Trustee is provided with evidence thereof satisfactory to it, the Trustee may redeem bonds from such stated numbers in any way deemed fair by it.

(c) *Corporate Operation Fund.* The Trustee shall deposit in the Corporate Operation Fund (the initial payment into which is provided for in Section 3.02) such amounts as may be necessary in order to maintain a balance of five thousand dollars (\$5,000) in said fund. The moneys in the Corporate Operation Fund shall be disbursed by the Trustee upon the Written Request of the Corporation, approved by the City Administrator of the City, for the payment of expenses of acquisition or operation of the Project or incident thereto or to the issuance of the Bonds.

For the purposes of this subsection (c), the term "expenses of operation of the Project" shall mean all expenses incurred by the Corporation, including any taxes levied against the Corporation, fees of accountants, attorneys, the Trustee and the paying agent, insurance premiums, and all other expenses of the Corporation required to maintain its corporate existence or to comply with the terms of this Indenture, but excluding the interest on the Bonds.

All moneys in the Corporate Operation Fund at any time on or after February 1, 1965, in excess of \$15,000, shall, upon Written Request of the Corporation, approved by the City Administrator of the City, be transferred to any other Fund provided for in this Section 5.02.

(d) *Surplus Revenue Fund.* After meeting the requirements of the foregoing subsections (a) through (c), inclusive, the Trustee, on or before each February 15 and each August 15, shall deposit any moneys remaining in the Revenue Fund in the Surplus Revenue Fund. Moneys in the Surplus Revenue Fund may be used for the redemption of Bonds in the manner provided in Article IV, or for transfer to the Corporate Operation Fund. The Trustee shall apply moneys in the Surplus Revenue Fund for such purpose or purposes upon the Written Request of the Corporation.

SECTION 5.03. *Investment of Moneys in Special Funds.* Any moneys in any of the funds to be established by the Trustee pursuant to Sections 3.02 and 5.02 may be invested, and, upon the Written Request of the Corporation, shall be invested, by the Trustee in time deposits (including certificates of deposit) in banks (including the Trustee), direct obligations of the United States of America, obligations the principal of and interest on which are guaranteed by the United States of America, obligations issued by federal land banks or federal intermediate credit banks established under the Federal Farm Loan Act, as amended, bonds or debentures of the Federal Home Loan Bank Board or of any federal home loan bank established under the Federal Home Loan Bank Act, obligations of the Federal National Mortgage Association established under the National Housing Act, as amended, and debentures and consolidated debentures issued by the Central Bank for Cooperatives and banks for cooperatives established under the Farm Credit Act of 1933, as amended.

Moneys in the Interest Fund and the Sinking Fund may be invested in obligations which will, as nearly as practicable, mature on or before the respective semiannual interest payment dates or minimum sinking fund payment dates on which such moneys will be needed for the payment of interest or the redemption of Bonds. Moneys in the Corporate Operation Fund may be invested in obligations which will mature within six months.

Any interest, profit or loss on such investments shall be credited or charged to the respective funds from which such investments are made. The Trustee may sell or present for redemption any obligations so purchased whenever it shall be necessary in order to provide moneys to meet any payment, and the Trustee shall not be liable or responsible for any loss resulting from such investment.

SECTION 5.04. *Assignment of Revenues to Trustee upon Default.* The Corporation hereby transfers, assigns and sets over to the Trustee, effective forthwith upon the happening of any default by the Corporation in the performance or observance of any of the covenants, agreements or conditions in this Indenture or in the Bonds contained (whether or not such default shall have resulted in the happening of an "event of default" as defined in Section 7.01), all of the Revenues.

Upon the happening of any such default the Trustee shall be entitled to collect and receive all of the Revenues, including those accrued prior to the happening of such default as well as those accruing subsequent thereto; and all of the Revenues in the possession of the Corporation at the time of the happening of such default or thereafter collected or received by the Corporation shall be deemed to be held, and to have been collected or received, by the Corporation as the agent of the Trustee, and shall forthwith be paid by the Corporation to the Trustee. The right of the Trustee so to collect and receive the Revenues shall continue only so long as there shall exist any default by the Corporation in the performance or observance of any of the covenants, agreements or conditions in this Indenture or in the Bonds contained; but the assignment of the Revenues to the Trustee shall become effective from time to time whenever and so often as any such default shall occur. All Revenues so collected or received by the Trustee shall be applied in the same manner as is provided in Section 5.02.

It is expressly understood and agreed that the assignment of Revenues to the Trustee under this Section 5.04 shall become effective forthwith upon the happening of any such default by the Corporation; that the effectiveness of such assignment shall not be dependent upon the taking of possession of the trust estate by the Trustee or the collection or receipt of Revenues by the Trustee; that the assignment made by this Section 5.04 shall be in addition to the pledge under Section 5.01; and that the rights of the Trustee by reason of such assignment shall be in addition to all other rights of the Trustee arising under any other provision of this Indenture.

ARTICLE VI.

COVENANTS OF THE CORPORATION

The Corporation covenants that it will do and perform all of the acts hereinafter set forth in this Article VI.

SECTION 6.01. *Payment of Principal and Interest.* The Corporation will punctually pay the principal and the interest (and premium, if any) to become due in respect of every Bond issued hereunder at the times and places and in the manner provided herein and in the

Bonds and in the coupons thereto appertaining, according to the true intent and meaning thereof. When and as paid in full, all Bonds and all coupons appurtenant thereto, if any, shall be delivered to the Trustee, shall forthwith be cancelled and shall thereafter be redelivered to, or upon the order of, the Corporation.

SECTION 6.02. *Extension or Funding of Interest Coupons.* In order to prevent any accumulation of coupons after maturity, the Corporation will not, directly or indirectly, extend or assent to the extension of the time for the payment of any coupon or any claim for interest on any of the Bonds, and will not, directly or indirectly, be a party to or approve any such arrangement by purchasing or funding such coupons or claims or in any other manner. In case any such coupon or claim for interest shall be extended or funded, whether or not with the consent of the Corporation, such coupon or claim for interest so extended or funded shall not be entitled, in case of default hereunder, to the benefits of this Indenture, except subject to the prior payment in full of the principal of all of the Bonds then outstanding and of all coupons and claims for interest which shall not have been so extended or funded.

SECTION 6.03. *Acquisition of Project.* The Corporation will forthwith acquire the Project in conformity with the Agreement of Sale and Escrow Instructions filed with the Trustee prior to the issuance of the Bonds and in conformity with the Lease and with law and all requirements of all governmental authorities having jurisdiction thereover.

SECTION 6.04. *Insurance.* The Corporation will at all times cause the City to carry at its own expense, either separately or as a part of the comprehensive insurance otherwise carried by the City, a policy or policies of insurance, against the risks insured under the Standard California form of fire and extended coverage insurance, on the Project, in the amount required by the Lease, with responsible insurers for the use and benefit of the trust estate. The Corporation will cause such policy to be endorsed with the Lender's Loss Payable Endorsement, in form as approved by the Board of Fire Underwriters of the Pacific and the California Bankers' Association, as provided in the Lease. The Corporation covenants to apply, or cause to be applied, the proceeds

of such fire and extended coverage to the reconstruction, repair or replacement of any property damaged or destroyed by the perils insured against by such insurance or for the retirement of Bonds, all as provided in the Lease. The Trustee may determine in its discretion the use to which such proceeds shall be put, and its determination shall be conclusive.

The Corporation will also at all times cause the City to keep at its own expense, either separately or as a part of the comprehensive insurance otherwise carried by the City, a liability insurance policy satisfactory in form and substance to the Trustee, insuring the City, the Corporation, its successors or assigns, and its members, officers, agents, servants and employees, against any loss from liability imposed by law for personal injury or property damage of whatever kind or character resulting from the operation of the Project, with minimum liability limits of \$200,000 for personal injury to or death of each person and \$2,000,000 personal injury or death of two or more persons in each accident or event, and in a minimum amount of \$50,000 for damage to property resulting from each accident or event.

The Corporation will also provide at its own expense, upon the execution of this Indenture, a Title Insurance Policy with endorsement so as to be payable to the Trustee for the use and benefit of the trust estate. Such policy shall be in form satisfactory to the Trustee, in the amount of \$2,950,000, and shall insure title in the Corporation or the City to the real property described in the Lease. All proceeds received by the Trustee under said policy shall be applied and disbursed by the Trustee in the same order and priority and for the same purposes as are provided in Section 6.17 relating to proceeds received in eminent domain proceedings except that the term "eminent domain proceedings" as used in Section 6.17 shall be read as "proceedings affecting the title of the City."

The Corporation will also at all times cause the City to carry at its own expense an insurance policy satisfactory in form and substance to the Trustee, insuring the Corporation against loss of rental, in the amount and in the form required by the Lease.

SECTION 6.05. *Maintenance of Revenues.* The Corporation will promptly collect all rents and charges due for the occupancy or use of

the Project as the same become due, and will promptly and vigorously enforce its rights against any tenant or other person who does not pay such rents or charges as they become due. The Corporation will at all times maintain and vigorously enforce all of its rights under the Lease.

SECTION 6.06. *Accounting Records and Reports.* The Corporation shall keep (or cause to be kept) proper books of record and account in which complete and correct entries shall be made of all transactions relating to the receipts, disbursements, allocation and application of the Revenues, and such books shall be available for inspection by the Trustee and by any holder of Bonds, or his agent or representative, at reasonable hours and under reasonable conditions. On or before March 30, and on or before September 30, in each year the Trustee shall furnish to the Corporation and to those companies named in Section 4.06 who shall then be the holder of any Bonds, a semiannual statement of the balances in all funds held by the Trustee pursuant to this Indenture and of all transactions relating to the application and allocation of the Revenues during the period of six months ending on the immediately preceding March 1 or September 1. Not more than two months after the close of each fiscal year of the Corporation, the Corporation shall furnish, to such holder of Bonds at its request and to any other Bondholder who may so request, a complete financial statement covering receipts, disbursements, allocation and application of Revenues for such fiscal year, and including a profit and loss statement and balance sheet, accompanied by an audit report and opinion of an independent firm of certified public accountants to be employed by the Corporation, or, if so requested in writing by the holders of all of the Bonds then outstanding, certified by an independent firm of certified public accountants of their selection. Such financial statement shall also be filed with the Trustee.

SECTION 6.07. *Compliance with Indenture.* The Corporation will not issue, or permit to be issued, any Bonds in any manner other than in accordance with the provisions of this Indenture, and will not suffer or permit any default to occur under this Indenture, but will faithfully observe and perform all the covenants, conditions and requirements hereof.

In the month of January in each year, the Corporation will furnish to the Trustee a Certificate of the Corporation stating that the Corporation has complied in all respects with the covenants, conditions and requirements of this Indenture during the preceding calendar year, or, if such is not the case, specifying the respects in which the Corporation has failed so to comply.

SECTION 6.08. *Authorization for Bonds.* The Corporation is duly authorized under the laws of the State of California, and any other applicable provisions of law, to create and issue the Bonds and to execute this Indenture; all corporate action on its part required for the lawful creation and issue of the Bonds and the execution of this Indenture has been duly and effectively taken; and the Bonds, upon the issue thereof, will be valid and enforceable obligations of the Corporation in accordance with their terms.

SECTION 6.09. *Estate for Years.* The Corporation is, at the date of the execution and delivery of this Indenture, the owner and lawfully possessed of the estate for years described in paragraph 1 of the granting clauses hereof. The Lease is at the date of the execution and delivery of this Indenture a valid subsisting demise for the term therein set forth of the property which it purports to demise.* At the time of executing the Lease the Corporation was the owner of an estate greater than that created by the Lease in the premises described therein, and the Lease was lawfully made by said Corporation. The covenants contained in the Lease on the part of the Corporation are valid and binding, and this Indenture is executed in conformity therewith. At the time of the delivery of this Indenture there is no interest or estate in said premises which is superior and prior in right of possession to said estate for years hereby transferred in trust and conveyed; the Corporation has good right, full power and lawful authority to grant, bargain, sell, assign, transfer in trust, convey and pledge the trust estate, including, among other things, said estate, in the manner and form herein provided; and the Corporation will forever warrant and defend the title to the same to the Trustee against the claims of all persons whomsoever. Without the written consent of the Trustee, the Corporation will not alter, modify or cancel, or agree or consent to alter, modify or cancel, the Lease; but, with the written consent of the Trustee, the

*And this Indenture is subject to said Lease.

Corporation may consent to alterations or modifications thereof. The Trustee shall give such written consent only (i) if, in the opinion of the Trustee, such alterations or modifications will not result in any impairment of the trust estate or of the security hereby given or intended to be given for the payment of the Bonds, or (ii) if the Trustee first obtains the written consent of the holders of all of the Bonds then outstanding to such alterations or modifications.

Without allowance for any days of grace which may or might exist or be allowed by law or granted pursuant to any terms or conditions of the Lease, the Corporation will in all respects promptly and faithfully keep, perform and comply with all the terms, provisions, covenants, conditions and agreements of the Lease to be kept, performed and complied with by it. The Corporation will not do or permit anything to be done, or omit or refrain from doing anything, in any case where any such act done or permitted to be done, or any such omission of or refraining from action, would or might be a ground for cancellation or termination of the Lease by the lessee thereunder. Upon request of the Trustee, the Corporation will promptly deposit with the Trustee (to be held by the Trustee until the title and rights of the Trustee under this Indenture shall be released or reconveyed) any and all documentary evidence received by it showing compliance with the provisions of the Lease to be performed by it. The Corporation, immediately upon its receiving or giving any notice, communication or other document in any way relating to or affecting the Lease, or the leasehold estate thereby created, which may or can in any manner affect the estate of the lessee or of the Corporation in or under the Lease, or any portion of the trust estate, will deliver the same, or a copy thereof, to the Trustee.

The Corporation will pay or cause to be paid all taxes, assessments and other charges, if any, that may be levied, assessed or charged upon the trust estate, or any part thereof, promptly as and when the same shall become due and payable; and the Corporation will, upon request of the Trustee, from time to time keep the Trustee advised of such payments, and deliver such evidence thereof as the Trustee may reasonably require. The Corporation will not suffer said estate hereby conveyed and transferred in trust, or any part thereof, to be sold for any taxes, assessments or other charges whatsoever, or to be forfeited therefor;

nor do or permit to be done, in, upon or about said estate, or any part thereof, anything that might in anywise weaken, diminish or impair the security intended to be given by this Indenture.

SECTION 6.10. *Observance of Laws and Regulations.* The Corporation will well and truly keep, observe and perform all valid and lawful obligations or regulations now or hereafter imposed on it by contract, or prescribed by any law of the United States, or of the State of California, or by any officer, board or commission having jurisdiction or control, as a condition of the continued enjoyment of any and every right, privilege or franchise now owned or hereafter acquired by the Corporation, including its right to exist and carry on business as a corporation, to the end that such contracts, rights and franchises shall be maintained and preserved, and shall not become abandoned, forfeited or in any manner impaired.

SECTION 6.11. *Maintenance and Repair of Project.* The Corporation shall maintain or cause to be maintained in good condition and keep in good repair the Project and all buildings, facilities and equipment now or hereafter constituting a part of the trust estate, shall not commit or allow any waste with respect to any of the trust estate, and shall not remove any personal property at any time constituting a part of the trust estate except as expressly provided in this Indenture.

SECTION 6.12. *Other Liens.* The Corporation shall keep the trust estate and all parts thereof free from judgments, mechanics' and materialmen's liens and free from all other liens, claims, demands and encumbrances of whatsoever prior nature or character, to the end that the priority of the lien of this Indenture may at all times be maintained and preserved, and free from any claim or liability which, in the judgment of the Trustee (and its determination thereof shall be final), might embarrass or hamper the Corporation in conducting its business or operating the trust estate, and the Trustee at its option (after first giving the Corporation ten days' written notice to comply therewith and failure of the Corporation to so comply within said ten-day period) may defend against any and all actions or proceedings in which the validity of this Indenture or its priority is or might be questioned, or pay or compromise any claim or demand asserted in any such actions or proceedings; provided, however, that, in defending against such

actions or proceedings or in paying or compromising such claims or demands, the Trustee shall not in any event be deemed to have waived or released the Corporation from liability for or on account of any of its covenants and warranties contained herein, or from its liability hereunder to defend the validity and priority of this Indenture and the lien thereof and to perform such covenants and warranties.

So long as any Bonds are outstanding, the Corporation will not create or suffer to be created any mortgage, pledge, lien or charge upon all or any part of the trust estate, the Project or the Revenues, other than the lien of this Indenture.

SECTION 6.13. *Compliance with Contracts.* The Corporation shall comply with the terms, covenants and provisions, express or implied, of all contracts for the use of the trust estate by the Corporation, and all other contracts and agreements affecting or involving the trust estate or the business of the Corporation.

SECTION 6.14. *Prosecution and Defense of Suits.* The Corporation shall promptly, upon request of the Trustee or any Bondholder, from time to time take such action as may be necessary or proper to remedy or cure any defect in or cloud upon the title to the trust estate or any part thereof, whether now existing or hereafter developing, shall prosecute all such suits, actions and other proceedings as may be appropriate for such purpose and shall indemnify and save the Trustee and every Bondholder harmless from all loss, cost, damage and expense, including attorneys' fees, which they or either of them may incur by reason of any such defect, cloud, suit, action or proceeding.

The Corporation shall defend against every suit, action or proceeding at any time brought against the Trustee or any Bondholder upon any claim arising out of the receipt, application or disbursement of any of the Revenues or involving the rights of the Trustee or any Bondholder under this Indenture; provided, that the Trustee or any Bondholder at its or his election may appear in and defend any such suit, action or proceeding. The Corporation shall indemnify and hold harmless the Trustee and the Bondholders against any and all liability claimed or asserted by any person, arising out of such receipt, application or disbursement, and shall indemnify and hold harmless the Bond-

holders against any attorneys' fees or other expenses which any of them may incur in connection with any litigation to which any of them may become a party by reason of his ownership of Bonds. The Corporation shall promptly reimburse any Bondholder in the full amount of any attorneys' fees or other expenses which he may incur in litigation or otherwise in order to enforce his rights under this Indenture or the Bonds, regardless of whether any such litigation shall be concluded favorably or unfavorably to such Bondholder's contentions therein, compromised, dismissed or abandoned. Notwithstanding any contrary provision hereof, this covenant shall remain in full force and effect, even though all indebtedness and obligations secured hereby may have been fully paid and satisfied and this Indenture may have been released and discharged.

SECTION 6.15. *Election of Directors by Trustee.* So long as any of the Bonds are outstanding the Trustee shall have and be entitled to exercise the voting rights, privileges and powers vested in it by the Declaration of Trust executed by the Trustee, the Corporation, and the members thereof on Dec 1, 1964.

SECTION 6.16. *Miscellaneous Covenants.* The Corporation covenants that, so long as any of the Bonds remain outstanding—

(a) the Corporation will not make any distribution upon any of its Membership Certificates, or purchase, redeem or otherwise acquire for value any of its Membership Certificates;

(b) the Corporation will not create any subsidiary corporation or acquire or own any capital stock of any corporation except as required by the Agreement of Sale;

(c) the Corporation will not borrow any money from any bank or from any other person, except as expressly permitted so to do by Section 3.03;

(d) the Corporation will not merge or consolidate with any other corporation; and

(e) the Corporation will not assume or guarantee, or otherwise obligate itself for or become liable for the payment of, or contingently agree to purchase, any debt of any person other than the Corporation.

SECTION 6.17. *Eminent Domain.* If all or any part of the trust estate shall be taken by eminent domain proceedings (or sold to a government threatening to exercise the power of eminent domain), the proceeds therefrom shall be deposited with the Trustee in a special fund in trust and shall be applied and disbursed by the Trustee as follows:

(a) (1) If the Trustee determines that such eminent domain proceedings have not materially affected the operation of the Project or the ability of the Corporation to meet any of its obligations hereunder, and if the Trustee determines that such proceeds are not needed for repair or rehabilitation of the Project, the Trustee shall deposit such proceeds in the Revenue Fund and shall apply such proceeds as provided in Section 5.02.

(2) If the Trustee determines that such eminent domain proceedings have not materially affected the operation of the Project or the ability of the Corporation to meet any of its obligations hereunder, and if the Trustee determines that such proceeds are needed for repair or rehabilitation of the Project, the Trustee shall pay to the Corporation, or to its order, from said proceeds such amounts as the Corporation may expend for such repair or rehabilitation, upon the filing with the Trustee of such requisitions of the Corporation, certificates of architects or engineers and other documents as the Trustee may at its discretion request.

(3) In making any such determination (including the determination mentioned in the following subsection (b)) the Trustee may obtain, but shall not be required to obtain, at the expense of the Corporation, the report of an independent engineer or other independent professional consultant. Any such determination by the Trustee shall be final.

(b) If less than all of the Project shall have been taken in such eminent domain proceedings, and if the Trustee determines that such eminent domain proceedings have materially affected the operation of the Project or the ability of the Corporation to meet any of its obligations hereunder, the Trustee shall deposit such proceeds in the Retirement Fund and apply them (a) to the payment at maturity of Serial Bonds and (b) to the redemption

from the Sinking Fund of Term Bonds as provided in Section 5.02(b), pro rata as between such payment and redemption in the proportion required by Section 5.02(b).

(c) (1) If all of the Project shall have been taken in such eminent domain proceedings and if such proceeds, together with any other moneys then available to the Trustee for the purpose, are sufficient to provide for the payment of the entire amount of principal then due or to become due upon the Bonds, together with the interest thereon and any redemption premiums thereon, so as to enable the Corporation to retire all of the Bonds then outstanding, whether by call and redemption at the then current redemption prices or by payment at maturity or partly by payment at maturity and partly by call and redemption, the Trustee shall apply such proceeds to such retirement.

(2) If all of the Project shall have been taken in such eminent domain proceedings and if such proceeds, together with any other moneys then available to the Trustee for the purpose, are insufficient to provide moneys for the purposes specified in paragraph (1) of this subsection (c), the Trustee shall apply such proceeds in accordance with the provisions of paragraph (b) of this Section so far as the same may be applicable.

(d) After all of the Bonds have been retired and the entire amount of principal due or to become due upon the Bonds, together with the interest thereon and any redemption premiums thereon, have been paid in full, the Trustee shall pay the remainder of such proceeds to the City and the Corporation in accordance with their respective interests.

SECTION 6.18. *Assignment of Lease.* The Corporation will not alter or modify, or agree or consent to alter or modify, the Lease, dated as of November 25, 1964, from the Corporation to the City, which was recorded as set forth in paragraph 2 of the granting clauses hereof, except with the written consent of the holders of all of the Bonds at the time outstanding, and the Corporation will maintain and enforce all of its rights under said Lease for the benefit of the holders of the Bonds.

SECTION 6.19. *Further Assurances.* Whenever and so often as requested so to do by the Trustee or any Bondholder, the Corporation will promptly execute and deliver or cause to be executed and delivered all such other and further instruments, documents or assurances, and promptly do or cause to be done all such other and further things, as may be necessary or reasonably required in order to further and more fully vest in the Trustee and the Bondholders all rights, interest, powers, benefits, privileges and advantages conferred or intended to be conferred upon them by this Indenture.

ARTICLE VII

REMEDIES ON DEFAULT

SECTION 7.01. *Event of Default; Acceleration; Waiver of Default.* If one or more of the following events (herein called "events of default") shall happen, that is to say—

(a) If default shall be made in the due and punctual payment of the principal of, or premium (if any) on, 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) if default shall be made by the Corporation in the observance of the covenants on its part contained in Section 6.09;

(c) if default shall be made 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;

(d) if default shall be made in the due and punctual satisfaction of any minimum sinking fund payment obligation, when and as such obligation shall become due and payable as in Section 5.02 provided, and such default shall have continued for a period of thirty (30) days;

(e) if default shall be made by the Corporation in the performance or observance of any other of the covenants, agreements or conditions on its part in this Indenture or in the Bonds contained, and such default shall have continued for a period of sixty (60) days after written notice thereof, specifying such default and

requiring the same to be remedied, shall have been given to the Corporation by the Trustee, or to the Corporation and the Trustee by the holders of not less than twenty-five per cent (25%) in aggregate principal amount of the Bonds at the time outstanding;

(f) if the term of the corporate existence of the Corporation shall expire;

(g) if the Corporation shall (1) admit in writing its inability to pay its debts generally as they become due, (2) file a petition in bankruptcy or to take advantage of any insolvency act, (3) make an assignment for the benefit of its creditors, (4) consent to the appointment of a receiver of itself or of the whole or any substantial part of its property, or (5) on a petition in bankruptcy filed against the Corporation, be adjudicated a bankrupt;

(h) if the Corporation shall file a petition or answer seeking reorganization or arrangement under the federal bankruptcy laws or any other applicable law of the United States of America or any State thereof;

(i) if a court of competent jurisdiction shall enter an order, judgment or decree appointing, without the consent of the Corporation, a receiver of the Corporation, or of the whole or any substantial part of its property, or approving a petition filed against the Corporation seeking reorganization of the Corporation under the federal bankruptcy laws or any other applicable law of the United States of America or any State thereof, and such order, judgment or decree shall not be vacated or set aside or stayed within sixty (60) days from the date of the entry thereof; or

(j) 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 Corporation or of the whole or any substantial part of its property, and such custody or control shall not be terminated or stayed within sixty (60) days from the date of assumption of such custody or control;

then and in each and every such case during the continuance of such event of default, unless the principal of all the Bonds shall have already become due and payable, the Trustee, by notice in writing to the Corpo-

ration, may, and upon the written request of the holders of not less than sixty-six and two-thirds per cent ($66\frac{2}{3}\%$) in aggregate principal amount of the Bonds at the time outstanding, shall, declare the principal of all the Bonds then outstanding, and the interest accrued thereon, to be due and payable immediately, and upon any such declaration the same shall become and shall be immediately due and payable, anything in this Indenture or in the Bonds contained to the contrary notwithstanding.

This provision, however, is subject to the condition that if, at any time after the principal of the Bonds shall have been so declared due and payable, and before any judgment or decree for the payment of the moneys due shall have been obtained or entered as hereinafter provided, the Corporation shall deposit with the Trustee a sum sufficient to pay all principal on the Bonds matured prior to such declaration and all matured installments of interest (if any) upon all the Bonds, with interest at the rate of six per cent (6%) per annum on such overdue installments of principal from the date on which such overdue installment became due and payable to the date of such deposit, and the reasonable expenses of the Trustee, and any and all other defaults known to the Trustee (other than in the payment of principal of and interest on the Bonds due and payable solely by reason of such declaration) shall have been made good or cured to the satisfaction of the Trustee or provision deemed by the Trustee to be adequate shall have been made therefor, then, and in every such case, the holders of at least sixty-six and two-thirds per cent ($66\frac{2}{3}\%$) in aggregate principal amount of the Bonds then outstanding, by written notice to the Corporation and to the Trustee, may, on behalf of the holders of all of the Bonds, rescind and annul such declaration and its consequences and waive such default; but no such rescission and annulment shall extend to or shall affect any subsequent default, or shall impair or exhaust any right or power consequent thereon.

SECTION 7.02. *Power of Trustee to Enter and Take Possession of Trust Estate.* If one or more of the events of default shall happen and be continuing, then and in each and every such case the Trustee, either personally or by its agents or attorneys, may, in its discretion, and upon the written request of the holders of not less than sixty-six

and two-thirds per cent ($66\frac{2}{3}\%$) in principal amount of the Bonds then outstanding, and upon being indemnified to its satisfaction, forthwith shall, enter into and upon and take and hold possession of the trust estate, and may exclude the Corporation and its agents and servants and all other persons or corporations wholly therefrom and may use, manage and control the trust estate and conduct the business of the Corporation with respect thereto in such manner as in its discretion it shall deem to be to the best advantage of the holders of the Bonds.

In aid of the exercise of the power of entry conferred upon the Trustee under the foregoing provisions of this Section, the Trustee in its discretion and without notice or demand upon the Corporation, such notice and demand being hereby expressly waived, shall be entitled to the appointment of a receiver by any court of competent jurisdiction and such receiver so appointed shall be entitled to exercise all the powers hereby conferred upon the Trustee under the provisions of this Article VII in the management and operation of the trust estate.

SECTION 7.03. *Rights and Duties of Trustee upon Entry.* Upon every such entry the Trustee from time to time, and at the expense of the trust estate, may maintain and restore and insure and keep insured the trust estate and make all necessary repairs, renewals, replacements, alterations, additions, betterments and improvements, as it may deem judicious. The Trustee in case of such entry shall have the right to manage the trust estate and to carry on the business of the Corporation with respect thereto and to exercise all the rights and powers of the Corporation either in the name of the Corporation or otherwise, as the Trustee shall deem best, and shall be entitled to collect, take and receive all earnings, income, rents, issues and profits of the trust estate.

After deducting the expenses of operating the trust estate and of conducting the business thereof, and of all repairs, maintenance, renewals, replacements, alterations, additions, betterments and improvements, and all payments or reserves that may be made or set up in the Trustee's discretion, for taxes, assessments, insurance and prior or other proper charges upon or in connection with the operation of the trust estate or any part thereof, as well as just and reasonable compensation for its own services and for the services of counsel, agents and employees by

it properly engaged and employed, and after making reimbursement to itself for advances made pursuant to the provisions of this Indenture with interest on all such advances at the rate of six per cent (6%) per annum, the Trustee shall apply moneys received by it pursuant to this Section 7.03 as follows:

First: In case the principal of none of the Bonds shall have become due and remain unpaid, to the payment of interest in default in the order of the maturity thereof, such payments to be made ratably to the persons entitled thereto without discrimination or preference, except as specified in Section 6.02.

Second: In case the principal of any of the Bonds shall have become due by declaration or otherwise and remain unpaid, first to the payment of interest in default in the order of maturity thereof, then to the payment of the principal of all Bonds then due and unpaid and the premium thereon, if any, with interest on the overdue principal at the rate of four per cent (4%) per annum; in each instance such payment to be made ratably to the persons entitled thereto without discrimination or preference, except as specified in Section 6.02.

Upon the payment in full of all amounts due for such principal or interest, or payable for other purposes, the trust estate (except any money required to be held by the Trustee under any other section of this Indenture) shall be returned to the possession of the Corporation, its successors or assigns, or to whosoever may be lawfully entitled thereto.

SECTION 7.04. *Institution of Legal Proceedings by Trustee.* If one or more of the events of default shall happen and be continuing, the Trustee in its discretion may, and upon the written request of the holders of not less than sixty-six and two-thirds per cent (66⅔%) in principal amount of the Bonds then outstanding, and upon being indemnified to its satisfaction therefor, shall, proceed to protect or enforce its rights or the rights of the holders of Bonds under this Indenture by a suit in equity or action at law, either for the specific performance of any covenant or agreement contained herein, or in aid of the execution of any power herein granted, or for the foreclosure of this Indenture,

or for the enforcement of any other appropriate legal or equitable remedy as the Trustee shall deem most effectual in support of any of its rights or duties hereunder; and upon instituting such proceeding, or in order to take possession of the trust estate as hereinabove provided, the Trustee shall be entitled as of right to the appointment of a receiver of the trust estate, without notice or demand to or upon the Corporation, which notice and demand are hereby expressly waived.

SECTION 7.05. *Power of Sale.* If one or more of the events of default shall happen and be continuing, the Trustee, without entry, personally or by attorney, in its discretion may, and upon the written request of the holders of not less than sixty-six and two-thirds per cent ($66\frac{2}{3}\%$) in principal amount of the Bonds then outstanding, and upon being indemnified to its satisfaction therefor, shall, proceed to sell to the highest and best bidder all and singular the trust estate (except any money then held by the Trustee under any provision of this Indenture) and all rights, title, interest, claim and demand therein and thereto of the Corporation. Such sale shall be made at public auction and at such place or places in the County of Orange, and at such time or times and upon such notice as the Trustee may be advised by counsel to be consistent with the laws, if any, applicable thereto, and upon such terms as the Trustee may fix. Notice of any sale pursuant to any provision of this Indenture shall state the time and place when and where the same is to be made, shall contain a brief general description of the property to be sold, shall briefly state the terms of the sale and shall be sufficiently given if published once a week for four successive weeks prior to such sale in a newspaper of general circulation printed in the English language and published in the County of Orange. If in the opinion of counsel for the Trustee such notice given in such manner is not sufficient to comply with the then applicable requirements of law, notice of sale shall be given in such manner as will in the opinion of such counsel be sufficient to comply with such requirements of law.

SECTION 7.06. *Acceleration upon Exercise of Power of Sale.* In the event of any sale of the trust estate made under the power of sale hereby granted and conferred, or under or by virtue of judicial proceedings, or of any judgment or decree of foreclosure and sale, the principal of all Bonds, if not previously due, immediately shall become

and be due and payable, anything in said Bonds or in this Indenture to the contrary notwithstanding.

SECTION 7.07. *Sale as Entirety or in Parcels.* Should any such sale be made pursuant to judicial proceedings, such sale shall be made either as an entirety or in such parcels as may be directed by the court, or should such sale be made by the Trustee under the power of sale hereby granted, such sale shall be made either as an entirety or in such parcels as the Trustee in its sole discretion may determine.

The Corporation, for itself and all persons and corporations hereafter claiming through or under it, or who may at any time hereafter become holders of liens junior to the lien of this Indenture, hereby expressly waives and releases all right to have the properties and rights comprised in the trust estate marshaled upon any foreclosure or other enforcement hereof, and the Trustee or any court in which the foreclosure of this Indenture or administration of the trusts hereby created is sought shall have the right as aforesaid to sell the entire property of every description comprised in or subject to the trusts created by this Indenture as a whole in a single parcel.

SECTION 7.08. *Adjournments of Sale.* The Trustee from time to time may adjourn any such sale to be made by it by announcement at the time and place appointed for such sale or for such adjourned sale or sales, and without further notice or publication it may make such sale at the time to which the same shall be so adjourned, but in the event of such adjournment or adjournments, sale shall be made within six months from the date of sale fixed in the advertisement, unless notice of sale on some later date shall be given again in the manner provided in Section 7.05.

SECTION 7.09. *Transfer to Purchaser at Sale.* Upon completion of any such sale or sales, the Trustee shall execute and deliver to the accepted purchaser or purchasers a good and sufficient deed or assignment of the property or properties sold, or shall execute and deliver, in conjunction with the deed or assignment of the court officer conducting such sale, a proper release of such properties. The Trustee is hereby irrevocably appointed the true and lawful attorney of the Corporation, in its name and stead to make all necessary deeds and assignments of such properties thus sold; and for that purpose the Trustee may exe-

ecute all necessary instruments of conveyance, assignment and transfer, and may substitute one or more persons or corporations with like power; and the Corporation hereby ratifies and confirms all that its said attorney or attorneys, or such substitute or substitutes, shall lawfully do by virtue hereof. Nevertheless, the Corporation, if so requested by the Trustee, shall execute and deliver to the purchaser or purchasers such deeds, assignments, transfers and releases as may be designated in such request.

In the event of a sale of said trust estate, or any part thereof, and the execution of a deed or assignment thereof under these trusts, the recital therein of default, publication of notice of sale, demand that such sale be made, postponement of sale, terms of sale, sale, purchaser, payment of purchase money and any other fact affecting the regularity or validity of such sale shall be effectual and conclusive proof of the facts recited therein as against the Corporation, its successors and assigns, and all other persons.

SECTION 7.10. *Sale a Bar Against Corporation.* Any such sale shall divest all right, title, interest, claim and demand whatsoever, either at law or in equity, of the Corporation, its successors and assigns, of, in and to the property and premises sold, and shall be a perpetual bar, both at law and in equity, against the Corporation, its successors and assigns, and against any and all persons claiming or who may claim the property sold or any part thereof, from, through or under the Corporation, its successors or assigns.

SECTION 7.11. *Purchaser Not Liable for Application of Purchase Money.* The receipt of the Trustee or of the court officer conducting such sale shall be a sufficient discharge for the purchase money of any purchaser of the property or any part thereof, sold as aforesaid, and no purchaser or representatives, grantees or assigns of any purchaser, after paying such purchase money and receiving such receipt, shall be bound to see to the application of such purchase money upon or for any trust or purpose of this Indenture, or in any manner whatsoever be answerable for any loss, misapplication or non-application of such purchase money or any part thereof or be bound to inquire as to the authorization, necessity, expediency or regularity of any such sale.

SECTION 7.12. *Application of Bonds to Purchase Price.* In case of any such sale, for the purpose of making settlement or payment for the property purchased, the purchaser shall be entitled to turn in or apply toward the payment of the purchase price any Bonds and any matured and unpaid coupons appertaining thereto (subject, however, to the provisions of Section 6.02) and to be credited therefor, to the extent of the value of or amount which would be payable upon such Bonds and coupons upon a distribution among the holders of Bonds and coupons of the net proceeds of such sale, after making the deductions allowable under the terms hereof for the costs and expenses of the sale and otherwise; but such Bonds and coupons so applied in payment by the purchaser shall be deemed to be paid only to the extent so applied.

SECTION 7.13. *Purchase by Trustee.* At any such sale the Trustee or any holder of Bonds may bid for and purchase such property and may make payment on account thereof as aforesaid, and upon compliance with the terms of sale may hold, retain and dispose of such property without further accountability therefor.

SECTION 7.14. *Application of Proceeds of Sale.* The purchase money, proceeds and avails of any such sale, together with any sums which may then be held by the Trustee or be payable to and received by it under any of the provisions of this Indenture as part of the trust estate or of the proceeds thereof, shall be applied as follows:

First: To the payment of the costs, expenses, fees and other charges of such sale, a reasonable compensation to the Trustee, its agents and attorneys, all expenses and liabilities incurred and advances made by the Trustee in managing and maintaining the property, instituting, defending or carrying on litigation and administering its trusts hereunder, with interest on all such advances at the rate of six per cent (6%) per annum, and all taxes, assessments, water rates or liens thereon prior to the lien of this Indenture, except any taxes, assessments, water rates or other superior liens subject to which such sale shall have been made.

Second: Any surplus then remaining to the payment of the whole amount owing and unpaid (for the payment of which other moneys are not then held by the Trustee) upon the principal of

and premium, if any, and interest on the Bonds, with interest at the rate of six per cent (6%) per annum on overdue principal, and in case such proceeds shall be insufficient to pay in full the whole amount so due and unpaid, then to the payment thereof ratably, without preference of priority of principal and premium over interest or of interest over principal and premium, or of any installments of principal over any other installments of principal, or of any installments of interest over any other installments of interest, except as specified in Section 6.02.

Third: Any surplus then remaining to the Corporation, its successors and assigns, or to whosoever may be lawfully entitled to receive the same, upon lawful demand being made therefor.

SECTION 7.15. *Effect of Delay or Omission to Pursue Remedy.* No delay or omission of the Trustee or of any holder of Bonds to exercise any right or power arising from any default shall impair any such right or power or shall be construed to be a waiver of any such default or acquiescence therein; and every power and remedy given by this Article VII to the Trustee or to the holders of Bonds may be exercised from time to time, and as often as shall be deemed expedient. In case the Trustee shall have proceeded to enforce any right under this Indenture by entry, foreclosure or otherwise, and such proceedings shall have been discontinued or abandoned because of waiver or for any other reasons, or shall have been determined adversely to the Trustee, then and in every such case the Corporation and the Trustee, and the holders of the Bonds, severally and respectively, shall be restored to their former positions and rights hereunder in respect to the trust estate; and all remedies, rights and powers of the Corporation, the Trustee and the holders of the Bonds shall continue as though no such proceedings had been taken.

SECTION 7.16. *Remedies Cumulative.* No remedy herein conferred upon or reserved to the Trustee or to any holder of the Bonds is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder.

SECTION 7.17. *Waiver by Corporation of Benefits of Laws for Protection of Debtors.* The Corporation will not, at any time, claim, take or insist upon any benefit or advantage from any law now or hereafter in force providing for the valuation or appraisement of the trust property, or any part thereof, prior to any sale thereof to be made pursuant to any provision herein contained, or pursuant to the decree, judgment or order of any court of competent jurisdiction; nor, after any such sale, will it claim or exercise any right, under any statute now or hereafter enacted, to redeem the property so sold, or any part thereof; and the Corporation hereby expressly waives all benefit and advantage of any such law and covenants that it will not invoke or utilize any such law in order to hinder, delay or impede the execution of any power herein granted and delegated to the Trustee, but will suffer and permit the execution of every such power as though no such law had been enacted.

SECTION 7.18. *Covenant to Pay Bonds in Event of Default, Etc.* The Corporation covenants that, upon the happening of any event of default, the Corporation will pay to the Trustee, upon demand, for the benefit of the holders of the Bonds and coupons appertaining thereto, the whole amount then due and payable thereon (by declaration or otherwise) for interest or for principal and premium, or both, as the case may be, and all other sums which may be due hereunder or secured hereby (with interest at the rate of six per cent (6%) per annum on overdue principal), including reasonable compensation to the Trustee, its agents, attorneys and counsel, and any expenses or liabilities incurred by the Trustee hereunder. In case the Corporation shall fail to pay the same forthwith upon such demand, the Trustee, in its own name and as trustee of an express trust, shall be entitled to institute proceedings or file a claim in any proceedings at law or in equity or in bankruptcy in any court of competent jurisdiction to recover judgment for the whole amount due and unpaid, together with costs and reasonable attorneys' fees. The Trustee shall be entitled to file claim and to recover judgment as aforesaid, either before or after or during the pendency of any trustee's sale proceedings or any proceedings for the enforcement of the lien of this Indenture upon the trust estate, and the right of the Trustee to file such a claim or to recover such judgment

shall not be affected by any entry or sale, or by the exercise of any other right, power or remedy for the enforcement of the provisions of this Indenture or for the foreclosure of the lien hereof; and, in case of a sale of the trust estate, or any portion thereof, and of the application of the proceeds of sale to the payment of said indebtedness, the Trustee, in its own name and as trustee of an express trust, shall be entitled to enforce payment of and to receive all amounts then remaining due and unpaid upon the Bonds and coupons then outstanding, for the benefit of the holders thereof, and shall be entitled to recover judgment for any portion of said indebtedness remaining unpaid, with interest. No recovery of any judgment by the Trustee and no levy of any execution under any such judgment upon property subject to the lien of this Indenture or upon any other property shall in any manner or to any extent affect or impair the lien of this Indenture upon the trust estate or any part thereof or any rights, powers or remedies of the Trustee hereunder or any rights, powers or remedies of the holders of the Bonds, but such lien, rights, powers and remedies shall continue unaffected and unimpaired as before. Any moneys collected by the Trustee upon any such judgment shall be applied by it in accordance with the provisions of Section 7.14 so far as the same may be applicable.

Notwithstanding the foregoing provisions of this Section 7.18, the powers hereby granted to the Trustee are strictly subject to the limitation that if by the commencement of any action at law to recover judgment for any amount due and unpaid hereunder or upon the Bonds or by the exercise of any other remedy prior to or concurrently with trustee's sale proceedings or proceedings to enforce the lien of this Indenture upon the trust estate, the security hereby provided for would, despite the foregoing provisions of this Section 7.18, be surrendered, impaired, waived or lost, the Trustee shall have no power to commence such action at law or to exercise such power or remedy; but in case any statute now in force providing in terms or effect that the commencement of an action to recover a debt secured by mortgage shall be deemed a waiver of the security thereof, or prohibiting the exercise of any other remedy prior to or concurrently with trustee's sale proceedings or proceedings to enforce the lien of a mortgage upon the premises mortgaged, or any statute which now impairs or suspends the virtue

of the foregoing provisions of this Section 7.18 and of which the Corporation might take advantage, despite the said provisions, shall hereafter be repealed or cease to be in force, such statute shall not be deemed to have become or to be a part of the contract contained in this Indenture.

SECTION 7.19. *Rights of Trustee in Receivership Proceedings, Etc.* In the event of any receivership, insolvency, reorganization or bankruptcy proceedings affecting the Corporation or the trust estate, the Trustee, without prejudice to or waiver of the lien and security of this Indenture or of any right conferred hereby, shall be entitled, without being the holder of any Bonds, to file and prove a claim for the entire amount then due and payable by the Corporation under this Indenture without regard to or deduction for the value of the trust estate or the security of this Indenture or for any amount which may thereafter be collected, received or realized by the Trustee from the trust estate or any part thereof, and the Trustee is hereby appointed the agent and attorney of the holders of all Bonds outstanding hereunder for such purpose.

SECTION 7.20. *Rights of Bondholders to Control Proceedings by Trustee.* The holders of sixty-six and two-thirds per cent ($66\frac{2}{3}\%$) in aggregate principal amount of the Bonds at the time outstanding shall have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred on the Trustee, under this Indenture. In the event that the Trustee, upon the happening of an event of default, shall have taken some action, by judicial proceedings or otherwise, pursuant to its duties hereunder, whether upon its own discretion or upon the request of the holders of the above-specified principal amount of Bonds then outstanding, it shall have full power, in the exercise of its discretion for the best interests of the holders of the 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 hereunder, 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 holders of at least sixty-six and two-thirds per cent ($66\frac{2}{3}\%$) in aggregate principal amount of the Bonds at the time outstanding opposing such discontinuance, withdrawal, compromise, settlement or other disposal of such litigation.

SECTION 7.21. *Limitation on Bondholders' Right to Sue.* No holder of any Bond or coupon issued hereunder shall have the right to institute any suit, action or proceeding at law or in equity, for the execution of any trust or power of this Indenture or for any other remedy under or upon this Indenture, unless (a) such holder shall have previously given to the Trustee written notice of the occurrence of an event of default hereunder; (b) the holders of at least twenty-five per cent (25%) in aggregate principal amount of the Bonds then outstanding shall have made written request to the Trustee to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in its own name; (c) such holder or said holders shall have tendered to the Trustee reasonable indemnity against the costs, expenses and liabilities to be incurred in compliance with such request; and (d) the Trustee shall have refused or omitted to comply with such request for a period of sixty (60) days after such 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 holder of Bonds of any remedy hereunder; it being understood and intended that no one or more holders of Bonds or coupons 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 holders of the outstanding Bonds and coupons (subject to the provisions of Section 6.02).

SECTION 7.22. *Absolute Obligation of Corporation.* Nothing in Section 7.21 or in any other provision of this Indenture or in the Bonds or in the coupons contained shall affect or impair the obligation of the Corporation, which is absolute and unconditional, to pay the principal

of, premium, if any, and interest on the Bonds to the respective holders of the Bonds and coupons at their respective dates of maturity or upon call for redemption as herein provided and at the place in such Bonds and coupons expressed.

SECTION 7.23. *Waiver of Personal Liability of Individuals.* No recourse shall be had for the payment of the principal of or interest on the Bonds or for any claim based thereon or otherwise in respect thereof or based on or in respect of this Indenture or any indenture supplemental hereto, against any incorporator, member, director or officer, as such, past, present or future, of the Corporation or of any predecessor or successor corporation, either directly or through the Corporation or otherwise, whether by virtue of any constitution, statute or rule of law, or by the enforcement of any assessment or penalty, or otherwise; it being expressly understood that the Bonds and the coupons and all obligations of the Corporation under this Indenture are solely corporate obligations and that all such personal liability of such incorporators, members, directors and officers is hereby expressly waived and released as a condition of, and as a consideration for, the execution of this Indenture and the issue of the Bonds.

ARTICLE VIII

THE TRUSTEE

SECTION 8.01. *Duties, Immunities and Liabilities of Trustee.* The Trustee shall, prior to an event of default, and after the curing of all events of default which may have occurred, perform such duties and only such duties as are specifically set forth in this Indenture. The Trustee shall, during the existence of any event of default (which has not been cured), exercise such of the rights and powers vested in it by this Indenture, and 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.

No provision of this Indenture shall be construed to relieve the Trustee from liability for its own negligent action or its own negligent failure to act, except that—

(a) prior to such an event of default hereunder and after the curing of all events of default which may have occurred—

(1) the duties and obligations of the Trustee shall be determined solely by the express provisions of this Indenture, the Trustee shall not be liable except for the performance of such duties and obligations as are specifically set forth in this Indenture, and no implied covenants or obligations shall be read into this Indenture against the Trustee; and

(2) in the absence of bad faith on the part of the Trustee, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon any certificate or opinion furnished to the Trustee conforming to the requirements of this Indenture; but in the case of any such certificate or opinion which by any provision hereof is specifically required to be furnished to the Trustee, the Trustee shall be under a duty to examine the same to determine whether or not it conforms to the requirements of this Indenture; and

(b) at all times, regardless of whether or not any event of default shall exist—

(1) the Trustee shall not be liable for any error of judgment made in good faith by a responsible officer or officers of the Trustee unless it shall be proved that the Trustee was negligent in ascertaining the pertinent facts; and

(2) the Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the holders of not less than sixty-six and two-thirds per cent ($66\frac{2}{3}\%$) in aggregate principal amount of the Bonds at the time outstanding relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee under this Indenture.

None of the provisions contained in this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur individual financial liability in the performance of any of its duties or in the exercise of any of its rights or powers.

SECTION 8.02. *Right of Trustee to Rely upon Documents, Etc.* Except as otherwise provided in Section 8.01—

(a) the Trustee may rely and shall be protected in acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, order, Bond, coupon or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties;

(b) any notice, request, direction, election, order or demand of the Corporation mentioned herein shall be sufficiently evidenced by an instrument signed in the name of the Corporation by its President or a Vice President and by its Secretary or an Assistant Secretary or its Treasurer (unless other evidence in respect thereof be herein specifically prescribed); and any resolution of the Board of Directors of the Corporation may be evidenced to the Trustee by a Certified Resolution;

(c) the Trustee may consult with counsel (who may be counsel for the Corporation) and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance with the opinion of such counsel; and

(d) whenever in the administration of the trusts of this Indenture the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may, in the absence of negligence or bad faith on the part of the Trustee, be deemed to be conclusively proved and established by a Certificate of the Corporation; and such Certificate of the Corporation shall, in the absence of negligence or bad faith on the part of the Trustee, be full warrant to the Trustee for any action taken or suffered by it under the provisions of this Indenture upon the faith thereof.

SECTION 8.03. *Trustee Not Responsible for Recitals.* The recitals contained herein and in the Bonds shall be taken as the statements of the Corporation, and the Trustee assumes no responsibility for the correctness of the same. The Trustee makes no representations as to the validity or sufficiency of this Indenture or of the Bonds or coupons. The Trustee shall not be accountable for the use or application by the

Corporation of any of the Bonds authenticated or delivered hereunder or of the proceeds of such Bonds.

SECTION 8.04. *Right of Trustee to Acquire Bonds.* The Trustee and its officers and directors may acquire and hold, or become the pledgee of, Bonds and coupons and otherwise deal with the Corporation in the manner and to the same extent and with like effect as though it were not Trustee hereunder.

SECTION 8.05. *Moneys Received by Trustee to Be Held in Trust.* Subject to the provisions of Section 10.03, all moneys received by the Trustee shall, until used or applied 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 be under no liability for interest on any moneys received by it hereunder except such as it may agree with the Corporation to pay thereon. Any interest allowed on any such moneys shall be deposited in the fund to which such moneys are credited.

SECTION 8.06. *Compensation and Indemnification of Trustee.* The Corporation covenants to pay to the Trustee from time to time, and the Trustee shall be entitled to, reasonable compensation for all services rendered by it in the execution of the trusts hereby created and in the exercise and performance of any of the powers and duties hereunder of the Trustee, which compensation shall not be limited by any provision of law in regard to the compensation of a trustee of an express trust, and the Corporation will pay or reimburse the Trustee upon its request for all expenses, disbursements and advances incurred or made by the Trustee in accordance with any of the provisions of this Indenture (including the reasonable compensation and the expenses and disbursements of its counsel and of all persons not regularly in its employ) except any such expense, disbursement or advance as may arise from its negligence or bad faith. If any property, other than cash, shall at any time be held by the Trustee subject to this Indenture, or any supplemental indenture, as security for the Bonds, the Trustee, if and to the extent authorized by a receivership, bankruptcy or other court of competent jurisdiction or by the instrument subjecting such property to the provisions of this Indenture as such security for the Bonds, shall be entitled to make advances for the purpose of preserving such property

or of discharging tax liens or other prior liens or encumbrances thereon. The Corporation also covenants to indemnify the Trustee for, and to hold it harmless against, any loss, liability, expense or advance incurred or made without negligence or bad faith on the part of the Trustee, arising out of or in connection with the acceptance or administration of this trust, including the costs and expenses of defending itself against any claim of liability in the premises. The obligations of the Corporation under this Section 8.06 to compensate the Trustee for services and to pay or reimburse the Trustee for expenses, disbursements, liabilities and advances shall constitute additional indebtedness hereunder. Such additional indebtedness shall have priority over the Bonds in respect of all property and funds held or collected by the Trustee as such, except funds held in trust by the Trustee for the benefit of the holders of particular Bonds or coupons.

SECTION 8.07. *Qualifications of Trustee.* There shall at all times be a trustee hereunder which shall be a corporation organized and doing business under the laws of the United States or the State of California authorized under such laws to exercise corporate trust powers, having 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. If such corporation publishes reports of condition at least annually, pursuant to law or to the requirements of any supervising or examining authority above referred to, then for the purposes of this Section 8.07 the combined capital and surplus of such corporation shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. In case at any time such corporation shall cease to be eligible in accordance with the provisions of this Section 8.07, such corporation shall resign immediately in the manner and with the effect specified in Section 8.08.

SECTION 8.08. *Resignation and Removal of Trustee and Appointment of Successor Trustee.* (a) The Trustee may at any time resign by giving written notice to the Corporation and by giving to the Bondholders notice by publication of such resignation, which notice shall be published at least once in a financial newspaper or journal, printed in the English language and customarily published on each business day, of general circulation in Los Angeles, California. Upon receiving

such notice of resignation, the Corporation shall promptly appoint a successor trustee by an instrument in writing executed by order of its Board of Directors. No appointment of a successor or substitute trustee shall take effect until the Corporation has notified the Commissioner of Corporations of the State of California of such appointment in writing. Such appointment shall be subject to disapproval by said Commissioner of Corporations and in the event of such disapproval the Corporation covenants to appoint another trustee satisfactory to said Commissioner of Corporations. If no successor trustee shall have been so appointed and have accepted appointment within thirty days after the publication of such notice of resignation, the resigning trustee may petition any court of competent jurisdiction for the appointment of a successor trustee, or any Bondholder who has been a bona fide holder of a Bond for at least six months may, on behalf of himself and others similarly situated, petition any such court for the appointment of a successor trustee. Such court may thereupon, after such notice, if any, as it may deem proper and prescribe, appoint a successor trustee.

(b) In case at any time any of the following shall occur—

(1) the Trustee shall cease to be eligible in accordance with the provisions of Section 8.07 and shall fail to resign after written request therefor by the Corporation or by any Bondholder who has been a bona fide holder of a Bond for at least six months, or

(2) the Trustee shall become incapable of acting, or shall be adjudged a bankrupt or insolvent, or a receiver of the Trustee or of its property shall be appointed, or any public officer shall take charge or control of the Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation,

then, in any such case, the Corporation may remove the Trustee and appoint a successor trustee by an instrument in writing executed by order of its Board of Directors, or any such Bondholder may, on behalf of himself and all others similarly situated, petition any court of competent jurisdiction for the removal of the Trustee and the appointment of a successor trustee. Such court may thereupon, after such notice, if any, as it may deem proper and prescribe, remove the Trustee and appoint a successor trustee.

(c) The holders of sixty-six and two-thirds per cent ($66\frac{2}{3}\%$) in aggregate principal amount of the Bonds at the time outstanding may at any time remove the Trustee and appoint a successor trustee by an instrument or concurrent instruments in writing signed by such Bondholders.

(d) Any resignation or removal of the Trustee and appointment of a successor trustee pursuant to any of the provisions of this Section 8.08 shall become effective upon acceptance of appointment by the successor trustee as provided in Section 8.09.

SECTION 8.09. *Acceptance of Trust by Successor Trustee.* Any successor trustee appointed as provided in Section 8.08 shall execute, acknowledge and deliver to the Corporation and to its predecessor trustee an instrument accepting such appointment hereunder, and thereupon the resignation or removal of the predecessor trustee shall become effective and such successor trustee, without any further act, deed or conveyance, shall become vested with all the rights, powers, trusts, duties and obligations of its predecessor in the trusts hereunder, with like effect as if originally named as Trustee herein; but, nevertheless, on the Written Request of the Corporation or the request of the successor trustee, the trustee ceasing to act shall execute and deliver an instrument transferring to such successor trustee, upon the trusts herein expressed, all the rights, powers and trusts of the trustee so ceasing to act. Upon request of any such successor trustee, the Corporation shall execute any and all instruments in writing necessary or desirable for more fully and certainly vesting in and confirming to such successor trustee all such rights, powers and duties. Any trustee ceasing to act shall, nevertheless, retain a lien upon all property or funds held or collected by such trustee to secure the amounts due it as compensation, reimbursement, expenses and indemnity afforded to it by Section 8.06.

No successor trustee shall accept appointment as provided in this Section 8.09 unless at the time of such acceptance such successor trustee shall be eligible under the provisions of Section 8.07.

Upon acceptance of appointment by a successor trustee as provided in this Section 8.09, the Corporation shall publish notice of the succession of such trustee to the trusts hereunder at least once in a financial newspaper or journal, printed in the English language and customarily

published on each business day, of general circulation in Los Angeles, California. If the Corporation fails to publish such notice within ten days after acceptance of appointment by the successor trustee, the successor trustee shall cause such notice to be published at the expense of the Corporation.

SECTION 8.10. *Merger or Consolidation of Trustee.* Any corporation into which the Trustee may be merged or with which it may be consolidated, or any corporation resulting from any merger or consolidation to which the Trustee shall be a party, or any corporation succeeding to the business of the Trustee, shall be the successor of the Trustee hereunder without the execution or filing of any paper or any further act on the part of any of the parties hereto, anything herein to the contrary notwithstanding, provided that such successor trustee shall be eligible under the provisions of Section 8.07.

SECTION 8.11. *Records of Trustee.* The Trustee shall retain all financial statements furnished to it by the Corporation pursuant to Section 6.06, so long as any of the Bonds shall be outstanding. The records of the Trustee relating to the trust hereby created shall at all times be available to and open for inspection by the Commissioner of Corporations of the State of California.

ARTICLE IX.

MODIFICATION OF INDENTURE

SECTION 9.01. *Modification without Consent of Bondholders.* The Corporation, when authorized by resolution of its Board of Directors, and the Trustee, from time to time and at any time, subject to the conditions and restrictions in this Indenture contained, may enter into an indenture or indentures supplemental hereto, which indenture or indentures thereafter shall form a part hereof, for any one or more or all of the following purposes—

(a) to add to the covenants and agreements of the Corporation in this Indenture contained, other covenants and agreements thereafter to be observed, or to surrender any right or power herein reserved to or conferred upon the Corporation, provided, that no such covenant, agreement or surrender shall adversely affect the interests of the holders of the Bonds;

(b) to evidence the succession of another corporation to the Corporation, or successive successions and the assumption by a successor corporation of the covenants and obligations of the Corporation in the Bonds and in this Indenture contained;

(c) 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 regard to matters or questions arising under this Indenture, as the Corporation may deem necessary or desirable and not inconsistent with this Indenture and which shall not adversely affect the interests of the holders of the Bonds; or

(d) to modify, amend or supplement this Indenture or any indenture supplemental hereto in such manner as to permit the qualification hereof and thereof under the Trust Indenture Act of 1939 or any similar federal statute hereafter in effect, and, if they so determine, to add to this Indenture or any indenture supplemental hereto such other terms, conditions and provisions as may be permitted by said Trust Indenture Act of 1939 or similar federal statute, and which shall not adversely affect the interests of the holders of the Bonds.

Any supplemental indenture authorized by the provisions of this Section 9.01 may be executed by the Corporation and the Trustee without the consent of the holders of any of the Bonds at the time outstanding, notwithstanding any of the provisions of Section 9.02, but the Trustee shall not be obligated to enter into any such supplemental indenture which affects the Trustee's own rights, duties or immunities under this Indenture or otherwise.

SECTION 9.02. *Modification with Consent of Bondholders.* With the consent (evidenced as provided in Section 11.07) of the holders of not less than sixty-six and two-thirds per cent ($66\frac{2}{3}\%$) in aggregate principal amount of the Bonds at the time outstanding, the Corporation, when authorized by a resolution of its Board of Directors, and the Trustee may from time to time and at any time enter into an indenture or indentures supplemental hereto for the purpose of adding any provisions to or changing in any manner or eliminating any of the provi-

sions of this Indenture or of any supplemental indenture; *provided, however,* that no such supplemental indenture shall (1) extend the fixed maturity of the Bonds or reduce the rate of interest thereon or extend the time of payment of interest, or reduce the amount of the principal thereof, or reduce any premium payable on the redemption thereof, or change the provisions for redemption thereof without the consent of the holder of each Bond so affected, or (2) reduce the aforesaid percentage of holders of Bonds required to approve any such supplemental indenture, or permit the creation of any lien on the trust estate prior to or on a parity with the lien of this Indenture (except as expressly permitted by Section 3.04) or deprive the holders of the Bonds of the lien created by this Indenture upon the trust estate, without the consent of the holders of all the Bonds then outstanding. Upon receipt by the Trustee of a Certified Resolution authorizing the execution of any such supplemental indenture, and upon the filing with the Trustee of evidence of the consent of Bondholders, as aforesaid, the Trustee shall join with the Corporation in the execution of such supplemental indenture unless such supplemental indenture affects the Trustee's own rights, duties or immunities under this Indenture or otherwise, in which case the Trustee may in its discretion, but shall not be obligated to, enter into such supplemental indenture.

It shall not be necessary for the consent of the Bondholders under this Section 9.02 to approve the particular form of any proposed supplemental indenture, but it shall be sufficient if such consent shall approve the substance thereof.

Promptly after the execution by the Corporation and the Trustee of any supplemental indenture pursuant to the provisions of this Section 9.02, the Corporation shall publish a notice, setting forth in general terms the substance of such supplemental indenture, at least once in a financial newspaper or journal, printed in the English language and customarily published on each business day, of general circulation in Los Angeles, California. Any failure of the Corporation to give such notice, or any defect therein, shall not, however, in any way impair or affect the validity of any such supplemental indenture.

SECTION 9.03. *Effect of Supplemental Indenture.* Upon the execution of any supplemental indenture pursuant to the provisions of

this Article IX this Indenture shall be and be deemed to be modified and amended in accordance therewith and the respective rights, duties and obligations under this Indenture of the Corporation, the Trustee and all holders of outstanding Bonds shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modification and amendments, and all the terms and conditions of any such supplemental indenture shall be and be deemed to be part of the terms and conditions of this Indenture for any and all purposes.

SECTION 9.04. *Opinion of Counsel as to Supplemental Indenture.* Subject to the provisions of Section 8.01, the Trustee may receive an Opinion of Counsel as conclusive evidence that any supplemental indenture executed pursuant to the provisions of this Article IX complies with the requirements of this Article IX.

SECTION 9.05. *Notation of Modification on Bonds; Preparation of New Bonds.* Bonds authenticated and delivered after the execution of any supplemental indenture pursuant to the provisions of this Article IX may bear a notation, in form approved by the Trustee, as to any matter provided for in such supplemental indenture, and if such supplemental indenture shall so provide, new Bonds, so modified as to conform, in the opinion of the Trustee and the Board of Directors of the Corporation, to any modification of this Indenture contained in any such supplemental indenture, may be prepared by the Corporation, authenticated by the Trustee and delivered without cost to the holders of the Bonds then outstanding, upon surrender for cancellation of such Bonds with all unmatured coupons and all matured coupons not fully paid, in equal aggregate principal amounts.

ARTICLE X.

DEFEASANCE

SECTION 10.01. *Discharge of Indenture.* If the Corporation shall pay and discharge the entire indebtedness on all Bonds outstanding in any one or more of the following ways—

- (a) by well and truly paying or causing to be paid the principal of (including redemption premium, if any) and interest on

Bonds outstanding, as and when the same become due and payable;

(b) by depositing with the Trustee, in trust, at or before maturity, money in the necessary amount to pay or redeem Bonds outstanding; and

(c) by delivering to the Trustee, for cancellation by it, Bonds outstanding, together with all unpaid coupons thereto belonging;

and if the Corporation shall also pay or cause to be paid all other sums payable hereunder by the Corporation, then and in that case this Indenture shall cease, determine, and become null and void, and thereupon the Trustee shall, upon Written Request of the Corporation, and upon receipt by the Trustee of a Certificate of the Corporation and an Opinion of Counsel, each stating that in the opinion of the signers all conditions precedent to the satisfaction and discharge of this Indenture have been complied with, forthwith execute proper instruments acknowledging satisfaction of and discharging this Indenture. The satisfaction and discharge of this Indenture shall be without prejudice to the rights of the Trustee to charge and be reimbursed by the Corporation for any expenditures which it may thereafter incur in connection herewith.

The Corporation may at any time surrender to the Trustee for cancellation by it any Bonds previously authenticated and delivered, together with all unpaid coupons thereto belonging, which the Corporation may have acquired in any manner whatsoever, and such Bonds and coupons, upon such surrender and cancellation, shall be deemed to be paid and retired.

SECTION 10.02. *Discharge of Liability on Bonds and Coupons.* Upon the deposit with the Trustee, in trust, at or before maturity, of money in the necessary amount to pay or redeem outstanding Bonds (whether upon or prior to their maturity or the redemption date of such Bonds), provided that if such Bonds are to be redeemed prior to the maturity thereof notice of such redemption shall have been given as in Article IV provided or provision satisfactory to the Trustee shall have been made for the giving of such notice, all liability of the Corpora-

tion in respect of such Bonds and the coupons appertaining thereto shall cease, determine and be completely discharged and the holders thereof shall thereafter be entitled only to payment out of the money deposited with the Trustee as aforesaid for their payment, subject, however, to the provisions of Section 10.03.

SECTION 10.03. *Payment of Bonds and Coupons after Discharge of Indenture.* Notwithstanding any provisions of this Indenture, any moneys deposited with the Trustee or any paying agent in trust for the payment of the principal of, or interest or premium on, any Bonds and remaining unclaimed for six years after the principal of all the outstanding Bonds has become due and payable (whether at maturity or upon call for redemption or by declaration as provided in this Indenture), shall then be repaid to the Corporation upon its Written Request, and the holders of such Bonds and coupons shall thereafter be entitled to look only to the Corporation for payment thereof, and all liability of the Trustee or any paying agent with respect to such moneys shall thereupon cease; *provided, however*, that before the repayment of such moneys to the Corporation as aforesaid, the Trustee or paying agent, as the case may be, may (at the cost of the Corporation) first publish at least once in a financial newspaper or journal, printed in the English language and customarily published on each business day, of general circulation in Los Angeles, California, a notice, in such form as may be deemed appropriate by the Trustee or such paying agent, in respect of the Bonds or coupons so payable and not presented and in respect of the provisions relating to the repayment to the Corporation of the moneys held for the payment thereof. In the event of the repayment of any such moneys to the Corporation as aforesaid, the holders of the Bonds and coupons in respect of which such moneys were deposited shall thereafter be deemed to be unsecured creditors of the Corporation for amounts equivalent to the respective amounts deposited for the payment of such Bonds and coupons and so repaid to the Corporation (without interest thereon).

SECTION 10.04. *Deposit of Money with Trustee.* Whenever in this Indenture it is provided or permitted that there be deposited with or held in trust by the Trustee money in the necessary amount to pay

or redeem any Bonds, the amount so to be deposited or held shall be the principal amount of such Bonds and all unpaid interest thereon to maturity, except that, in the case of Bonds which are to be redeemed prior to maturity and in respect of which there shall have been furnished to the Trustee proof satisfactory to it that notice of such redemption on a specified redemption date has been duly given or provision satisfactory to the Trustee shall be made for such notice, the amount so to be deposited or held shall be the principal amount of such Bonds and interest thereon to the redemption date, together with the redemption premium, if any.

ARTICLE XI.

MISCELLANEOUS

SECTION 11.01. *Successors of Corporation.* All the covenants, stipulations, promises and agreements in this Indenture contained, by or in behalf of the Corporation, shall bind and inure to the benefit of its successors and assigns, whether so expressed or not.

SECTION 11.02. *Limitation of Rights to Parties and Bondholders.* Nothing in this Indenture or in the Bonds or coupons expressed or implied is intended or shall be construed to give to any person other than the Corporation, the Trustee and the holders of the Bonds and coupons issued hereunder, any legal or equitable right, remedy or claim under or in respect of this Indenture or any covenant, condition or provision therein or herein contained; and all such covenants, conditions and provisions are and shall be held to be for the sole and exclusive benefit of the Corporation, the Trustee and the holders of the Bonds and coupons issued hereunder.

SECTION 11.03. *Waiver of Notice.* Whenever in this Indenture the giving of notice by mail or otherwise is required, the giving of such notice may be waived in writing by the person entitled to receive such notice and in any such case the giving or receipt of such notice shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

SECTION 11.04. *Cancellation of Bonds and Coupons.* Whenever in this Indenture provision is made for the cancellation by the Trustee

and the delivery to the Corporation of any Bonds or any coupons, the Trustee may, upon the Written Request of the Corporation, in lieu of such cancellation and delivery, cremate such Bonds and coupons, in the presence of an officer of the Corporation (if the Corporation shall so require), and deliver a certificate of such cremation to the Corporation.

SECTION 11.05. *Separability of Invalid Provisions.* In case any one or more of the provisions contained in this Indenture or in the Bonds or coupons shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision of this Indenture, but this Indenture shall be construed as if such invalid or illegal or unenforceable provision had never been contained herein.

SECTION 11.06. *Notice to Corporation and Trustee.* Any notice to or demand upon the Trustee may be served or presented, and such demand may be made, at the Los Angeles principal office of the Trustee, in Los Angeles, California. Any notice to or demand upon the Corporation shall be deemed to have been sufficiently given or served for all purposes by being deposited, postage prepaid, in a post-office letter box, addressed to the Corporation at City Hall, Garden Grove, California, or to the Corporation at such other address as may be filed in writing by the Corporation with the Trustee.

SECTION 11.07. *Evidence of Rights of Bondholders.* (a) Any request, consent or other instrument required by this Indenture to be signed and executed by Bondholders may be in any number of concurrent writings of substantially similar tenor and may be signed or executed by such Bondholders 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, or of the holding by any person of Bonds transferable by delivery, shall be sufficient for any purpose of this Indenture and shall be conclusive in favor of the Trustee and of the Corporation if made in the manner provided in this Section 11.07.

(b) 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 acknowledgements of deeds, certifying that the person signing such request, consent or other instrument acknowledged to him the execution thereof.

(c) The amount of Bonds transferable by delivery held by any person executing any such request, consent or other instrument or writing as a Bondholder, the distinguishing numbers of the Bonds held by such person, and the date of his holding the same, may be proved by a certificate executed by any trust company, bank, banker or other depository (wherever situated), if such certificate shall be deemed by the Trustee to be satisfactory, showing that at the date therein mentioned such person had on deposit with such depository, or exhibited to it, the Bonds therein described; or such facts may be proved by the certificate or affidavit of the person executing such request, consent or other instrument or writing as a Bondholder, if such certificate or affidavit shall be deemed by the Trustee to be satisfactory. The Trustee and the Corporation may conclusively assume that such ownership continues until written notice to the contrary is served upon the Trustee. The fact and the date of execution of any request, consent or other instrument and the amount and distinguishing numbers of Bonds held by the person so executing such request, consent or other instrument may also be proved in any other manner which the Trustee may deem sufficient. The Trustee may nevertheless, in its discretion, require further proof in cases where it may deem further proof desirable.

The ownership of Bonds registered as to principal shall be proved by the register of such Bonds.

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

(d) In determining whether the holders of the requisite aggregate principal amount of Bonds have concurred in any demand, request,

direction, consent or waiver under this Indenture, Bonds which are owned by the Corporation, or by any other obligor on the Bonds, or by any person directly or indirectly controlling or controlled by, or under direct or indirect common control with, the Corporation or any other obligor on the Bonds, shall be disregarded and deemed not to be outstanding for the purpose of any such determination, provided, that, for the purpose of determining whether the Trustee shall be protected in relying on any such demand, request, direction, consent or waiver, only Bonds which the Trustee knows to be so owned shall be disregarded. Bonds so owned which have been pledged in good faith may be regarded as outstanding for the purposes of this subsection (d) if the pledgee shall establish to the satisfaction of the Trustee the pledgee's right to vote such Bonds and that the pledgee is not a person directly or indirectly controlling or controlled by or under direct or indirect common control with the Corporation or any other obligor on the Bonds. In case of a dispute as to such right, any decision by the Trustee taken upon the advice of counsel shall be full protection to the Trustee.

SECTION 11.08. *Execution in Several Counterparts.* This Indenture may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original; and all such counterparts, or as many of them as the Corporation and the Trustee shall preserve undestroyed, shall together constitute but one and the same instrument.

SECTION 11.09. *Article and Section Headings.* The headings or titles of the several Articles and Sections hereof, and any table of contents appended to copies hereof, shall be solely for convenience of reference and shall not affect the meaning, construction or effect of this Indenture.

IN WITNESS WHEREOF, Garden Grove-Willowick Recreational Facility, Inc., has caused this Indenture to be signed in its corporate name by its President and its corporate seal to be hereunto affixed and attested by its Secretary, and Crocker-Citizens National Bank, in token of its acceptance of the trusts created hereunder, has caused this Indenture to be signed in its corporate name by one of its Vice Presidents and its

corporate seal to be hereunto affixed and attested by one of its Assistant Secretaries, all as of the day and year first above written.

GARDEN GROVE-WILLOWICK
RECREATIONAL FACILITY, INC.

By AL SOLOMON

President

[Corporate Seal]

Attest:

DONALD G. LANDES

Secretary

CROCKER-CITIZENS NATIONAL BANK, as Trustee

By H. O. TARABOCHIA

Vice President

[Corporate Seal]

Attest:

HURD THORNTON

Assistant Secretary

State of California,
County of Orange—ss.

On this 25th day of November, in the year 1964, before me, THELMA GERGEN, a Notary Public in and for the State of California, residing therein, duly commissioned and sworn, personally appeared AL SOLOMON, known to me to be the President, and DONALD G. LANDES, known to me to be the Secretary, respectively, of GARDEN GROVE-WILLOWICK RECREATIONAL FACILITY, INC., one of the corporations that executed the within instrument, and known to me to be the persons who executed the within instrument on behalf of said corporation therein named, and acknowledged to me that such corporation executed the within instrument pursuant to its by-laws or a resolution of its board of directors.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my official seal at my office in the County of Orange on the day and year in this certificate first above written.

THELMA GERGEN

Notary Public in and for the State of California

My commission expires April 15, 1968

[Notarial Seal]

State of California,
County of Los Angeles—ss.

On this 25th day of November, in the year 1964, before me, L. LUCKENSMEYER, a Notary Public, State of California, duly commissioned and sworn, personally appeared H. O. TARABOCHIA, known to me to be the Vice President, and HURD THORNTON, known to me to be the Ass't. Secretary, respectively, of CROCKER-CITIZENS NATIONAL BANK, one of the corporations that executed the within instrument, and known to me to be the persons who executed the within instrument on behalf of said corporation therein named, and acknowledged to me that such corporation executed the within instrument pursuant to its by-laws or a resolution of its board of directors.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my official seal on the day and year in this certificate first above written.

L. LUCKENSMEYER

Notary Public, State of California

My commission expires September 24, 1966

[Notarial Seal]

