

DRAFT
02/16/23
03/03/23
04/11/23

MYSTIC AT LAKE PLEASANT HEIGHTS COMMUNITY FACILITIES DISTRICT

and

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION,
as Trustee

SERIES 2023

INDENTURE OF TRUST

AND

SECURITY AGREEMENT

Dated as of May 1, 2023

\$____,000

MYSTIC AT LAKE PLEASANT HEIGHTS COMMUNITY FACILITIES DISTRICT
(PEORIA, ARIZONA)
GENERAL OBLIGATION BONDS, SERIES 2023

TABLE OF CONTENTS

	<u>Page</u>
PARTIES	1
RECITALS	1
GRANTING CLAUSES	3
HABENDUM	4
DEFEASANCE CLAUSE	4

ARTICLE ONE

DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

SECTION 1.01.	Definitions.....	4
SECTION 1.02.	Acts of Bondholders.	15
SECTION 1.03.	Notices, etc.....	16
SECTION 1.04.	Form and Contents of Documents Delivered to the Trustee.....	17
SECTION 1.05.	Effect of Headings and Table of Contents.....	18
SECTION 1.06.	Successors and Assigns.....	18
SECTION 1.07.	Severability Clause.	18
SECTION 1.08.	Benefits of Indenture.....	18
SECTION 1.09.	Governing Law.	18
SECTION 1.10.	Incorporation of State Statutes.....	18
SECTION 1.11.	Business Days.	20
SECTION 1.12.	Annual Reports.	20

ARTICLE TWO

FORM OF BONDS

SECTION 2.01.	Forms Generally.....	21
SECTION 2.02.	Forms of Bonds and Matters Relating to Certain Necessary Documentation.....	22
SECTION 2.03.	Form of Certificate of Authentication.....	28
SECTION 2.04.	Form of Assignment.	29

ARTICLE THREE

TERMS AND ISSUANCE OF THE BONDS

SECTION 3.01.	Title and Terms.	30
SECTION 3.02.	Redemption of Bonds.	31
SECTION 3.03.	Execution, Authentication, Delivery and Dating.....	31
SECTION 3.04.	Registration, Transfer and Exchange.....	33
SECTION 3.05.	Temporary Bonds.....	34
SECTION 3.06.	Mutilated, Destroyed, Lost and Stolen Bonds.	35

	<u>Page</u>
SECTION 3.07.	Payment of Interest on Bonds; Interest Rights Preserved.....35
SECTION 3.08.	Cancellation.36
SECTION 3.09.	Persons Deemed Owners.37

ARTICLE FOUR

REDEMPTION OF BONDS

SECTION 4.01.	General Applicability of Article.38
SECTION 4.02.	Election to Redeem; Notice to Trustee.38
SECTION 4.03.	Selection of Bonds to be Redeemed.38
SECTION 4.04.	Notice of Redemption.38
SECTION 4.05.	Deposit of Redemption Price.39
SECTION 4.06.	Bonds Payable on Redemption Date.....40
SECTION 4.07.	Bonds Redeemed in Part.40

ARTICLE FIVE

FUNDS

SECTION 5.01.	Bond Fund.....41
SECTION 5.02.	Deposits to and Application of Bond Fund; Reports from Trustee with Respect Thereto.41
SECTION 5.03.	Acquisition and Construction Fund.43
SECTION 5.04.	Deposits to and Application of Acquisition and Construction Fund.....43
SECTION 5.05.	Costs of Issuance Fund.43
SECTION 5.06.	Deposits to and Application of Costs of Issuance Fund.43
SECTION 5.07.	Disposition of Proceeds of Bonds.....44
SECTION 5.08.	Investment of and Security for Funds.....44

ARTICLE SIX

DEFEASANCE AND RELEASES

SECTION 6.01.	Payment of Indebtedness; Satisfaction and Discharge of Indenture.46
SECTION 6.02.	Defeasance.47
SECTION 6.03.	Application of Deposited Money.....48

ARTICLE SEVEN

REMEDIES

SECTION 7.01.	Suits for Enforcement; Mandamus.	49
SECTION 7.02.	Covenant to Pay Trustee Amounts Due on Bonds and Right of Trustee to Judgment.....	50
SECTION 7.03.	Application of Money Collected.....	50
SECTION 7.04.	Trustee May File Proofs of Claim.	51
SECTION 7.05.	Trustee May Enforce Claims Without Possession of Bonds.	51
SECTION 7.06.	Unconditional Right of Bondholders to Receive Principal, Premium and Interest.	52
SECTION 7.07.	Rights and Remedies Cumulative.....	52
SECTION 7.08.	Delay or Omission Not Waiver.....	52
SECTION 7.09.	Control by Bondholders.....	53
SECTION 7.10.	Waiver of Past Defaults.	53
SECTION 7.11.	Undertaking for Costs.	54
SECTION 7.12.	Remedies Subject to Applicable Law.	54

ARTICLE EIGHT

THE TRUSTEE

SECTION 8.01.	Certain Duties and Responsibilities.....	55
SECTION 8.02.	Certain Rights of Trustee.....	56
SECTION 8.03.	Not Responsible for Recitals or Application of Proceeds.	58
SECTION 8.04.	May Hold Bonds.	58
SECTION 8.05.	Money Held in Trust.....	58
SECTION 8.06.	Compensation and Reimbursement.	58
SECTION 8.07.	Corporate Trustee Required; Eligibility.....	59
SECTION 8.08.	Resignation and Removal; Appointment of Successor.....	59
SECTION 8.09.	Acceptance of Appointment by Successor.	60
SECTION 8.10.	Merger, Conversion, Consolidation or Succession to Business.	61

ARTICLE NINE

SUPPLEMENTAL INDENTURES; AMENDMENTS TO BOND RESOLUTION, SERIES
2023 STANDBY CONTRIBUTION AGREEMENT AND SERIES 2023 LETTER OF CREDIT
DEPOSITORY AGREEMENT

SECTION 9.01.	Supplemental Indentures or Amendments to Bond Resolution, Series 2023 Standby Contribution Agreement or Series 2023 Letter of Credit Depository Agreement Without Consent of Bondholders.....	62
---------------	--	----

	<u>Page</u>
SECTION 9.02.	Supplemental Indentures or Amendments to the Bond Resolution or Series 2023 Standby Contribution Agreement or Series 2023 Letter of Credit Depository Agreement With Consent of Bondholders.....63
SECTION 9.03.	Execution of Supplemental Indentures and Amendments to Bond Resolution, Series 2023 Standby Contribution Agreement and Series 2023 Letter of Credit Depository Agreement.....64
SECTION 9.04.	Effect of Supplemental Indentures and Amendments to Bond Resolution, Series 2023 Standby Contribution Agreement or Series 2023 Letter of Credit Depository Agreement.....65
SECTION 9.05.	Reference in Bonds to Supplemental Indentures or Amendments to Bond Resolution, Series 2023 Standby Contribution Agreement or Series 2023 Letter of Credit Depository Agreement.....65

ARTICLE TEN

COVENANTS

SECTION 10.01.	Pledge and Levy of Taxes.....66
SECTION 10.02.	Maintenance of Agency.....66
SECTION 10.03.	Money for Bond Payments to be Held in Trust; Repayment of Unclaimed Money.67
SECTION 10.04.	Further Assurances; Recording.....68
SECTION 10.05.	Covenants as to Arbitrage and Other Tax Matters.....68
SECTION 10.06.	Specific Covenants as to Rebate.70

ARTICLE ELEVEN

BOND INSURANCE

SECTION 11.01.	Notices.....73
SECTION 11.02.	Amendments, Supplements and Consents.....73
SECTION 11.03.	Third Party Beneficiary.....73
SECTION 11.04.	Policy Payments.....73

* * *

SERIES 2023 INDENTURE OF TRUST AND SECURITY AGREEMENT

THIS SERIES 2023 INDENTURE OF TRUST AND SECURITY AGREEMENT, dated as of May 1, 2023 (hereinafter referred to as this “Indenture”), from Mystic at Lake Pleasant Heights Community Facilities District, a community facilities district duly organized and validly existing pursuant to the laws of the State of Arizona (hereinafter together with its successors referred to as the “Issuer”), to U.S. Bank Trust Company, National Association, a national banking association with a corporate trust office in the City of Phoenix, Maricopa County, Arizona, as trustee (hereinafter together with any successor to the trust herein granted referred to as the “Trustee”),

W I T N E S S E T H:

WHEREAS, pursuant to Title 48, Chapter 4, Article 6, Arizona Revised Statutes (hereinafter referred to as the “Enabling Act”), a general obligation bond election was held on October 13, 2020 (hereinafter referred to as the “Election”), submitting to those persons who were qualified to vote pursuant to the Enabling Act the question of authorizing the board of directors of the Issuer (hereafter referred to as the “Board”) to issue general obligation bonds of the Issuer in the principal amount of \$65,000,000 to provide moneys for any “public infrastructure purposes” (as such term is defined in the Enabling Act) consistent with the General Plan for the Proposed Mystic at Lake Pleasant Heights Community Facilities District filed with the Clerk of the City of Peoria, Arizona; and

WHEREAS, the issuance of such general obligation bonds was approved at the Election, and

WHEREAS, pursuant to a Resolution of the Board adopted on April 25, 2023 (hereinafter referred to as the “Bond Resolution”), the Board (1) has authorized the sale and issuance of the general obligation bonds described herein (hereinafter referred to as the “Bonds”) to provide funds for a portion of the public infrastructure purposes provided for in the Enabling Act and in the Development Agreement to the extent authorized in the Election and (2) has entered in its minutes a record of the Bonds sold and their numbers and dates and will levy and cause an ad valorem tax to be collected, at the same time and in the same manner as other taxes are levied and collected on all taxable property in the boundaries of the Issuer sufficient, together with moneys from the sources described herein, to pay Debt Service (as such term and all other undefined terms are hereinafter defined) when due; and

WHEREAS, pursuant to (1) the Enabling Act and (2) Section 9-500.05, Arizona Revised Statutes, the City of Peoria, Arizona, a municipality incorporated and existing pursuant to the laws of the State of Arizona, (hereinafter called the “Municipality”), the Issuer, Avanti Strategic Land Investors VIII, L.L.L.P., a limited liability limited partnership duly formed and validly existing pursuant to the laws of the State of Delaware, which is an investor, guarantor and indemnitor but is not a developer, and Lake Pleasant (Phoenix) ASLI VIII, LLC, a limited liability company duly organized and validly existing pursuant to the laws of the State of Delaware, which has an interest in certain property in the Issuer and is a developer, guarantor and indemnitor (hereinafter referred to as “Mystic”), are now the parties to a District Development, Financing Participation and Intergovernmental Agreement (Mystic at Lake Pleasant Heights Community

Facilities District), dated as of August 1, 2020 (hereinafter referred to as the “Development Agreement”), as a “development agreement” to specify, among other things, conditions, terms, restrictions and requirements for “public infrastructure” (as such term is defined in the Enabling Act) and the financing of public infrastructure and, with regard to the property which makes up the real property included within the boundaries of the Issuer, particularly matters relating to the acquisition of certain public infrastructure by the Issuer and the acceptance thereof by the Municipality, all pursuant to the Enabling Act; and

WHEREAS, pursuant to the Enabling Act, the Issuer has also entered into a Series 2023 Standby Contribution Agreement, dated as of even date herewith (hereinafter referred to as the “Series 2023 Standby Contribution Agreement”), by and among the Issuer, the Trustee and Mystic to provide for certain public infrastructure purposes for the Issuer; and

WHEREAS, pursuant to the Enabling Act, the Issuer has also entered into a Series 2023 Letter of Credit Depository Agreement, dated as of even date herewith (hereinafter referred to as the “Series 2023 Letter of Credit Depository Agreement”), by and between the Issuer and U.S. Bank Trust Company, National Association, as depository, to provide for certain moneys to be available to the Issuer; and

WHEREAS, pursuant to the Enabling Act, the Issuer has entered into this Indenture to secure, and process the issuance, registration, transfer and payment and the disbursement and investment of proceeds of, the Bonds; and

WHEREAS, the Board has by the Bond Resolution duly authorized the sale and issuance of the Bonds and, in order to provide terms for, to secure, and to provide for authentication and delivery of the Bonds by the Trustee, has duly authorized the execution and delivery of this Indenture; and

WHEREAS, all things have been done which are necessary to make the Bonds, when executed by the Issuer, (or, as to any Bonds issued in exchange therefor or in lieu or upon transfer thereof, authenticated and delivered by the Trustee hereunder), valid obligations of the Issuer, and to constitute this Indenture a valid security agreement, collateral assignment and contract for the security of the Bonds, in accordance with the terms thereof and of this Indenture;

GRANTING CLAUSES

NOW, THEREFORE, THIS INDENTURE WITNESSETH that, to secure, except as otherwise provided herein, the payment of the principal of and interest on the Outstanding Secured Bonds and the performance of the covenants therein and herein contained and the rights of the Holders and to declare the terms and conditions on which the Outstanding Secured Bonds are secured, and in consideration of the premises and of the purchase of the Bonds by the Holders, the Issuer by these presents does grant, bargain, sell, remise, release, convey, collaterally assign, transfer, mortgage, hypothecate, pledge, set over and confirm to the Trustee, forever, all and singular the following described properties, and grants a security interest therein for the purposes herein expressed, to-wit:

GRANTING CLAUSE FIRST

All money and investments held for the credit of the Series 2023 Tax Account established with the Trustee as hereinafter described, unless necessary to pay Rebate; and

GRANTING CLAUSE SECOND

Any and all interest of the Issuer in and to the Series 2023 Standby Contribution Agreement and the Series 2023 Letter of Credit Depository Agreement; and

GRANTING CLAUSE THIRD

Any and all property that may, from time to time hereafter, by delivery or by writing of any kind, be subjected to the lien and security interest hereof by the Issuer or by anyone in its behalf (and the Trustee is hereby authorized to receive the same at any time as additional security hereunder), which subjection to the lien and security interest hereof of any such property as additional security may be made subject to any reservations, limitations, or conditions which shall be set forth in a written instrument executed by the Issuer or the person so acting in its behalf or by the Trustee respecting the use and disposition of such property or the proceeds thereof;

TO HAVE AND TO HOLD all said property of every kind and description, real, personal, or mixed, hereby and hereafter (by supplemental indenture or otherwise) granted, bargained, sold, aligned, remised, released, conveyed, collaterally assigned, transferred, mortgaged, hypothecated, pledged, set over or confirmed as aforesaid, or intended, agreed or covenanted so to be, together with all the appurtenances thereto appertaining (said properties together with any cash and securities hereafter deposited or required to be deposited with the Trustee (other than any such cash which is specifically stated herein not to be deemed part of the Trust Estate) being hereinafter collectively referred to as the "Trust Estate"), unto the Trustee and its successors and assigns forever;

BUT IN TRUST, NEVERTHELESS, for the equal and proportionate benefit and security of the holders from time to time of all the Outstanding Secured Bonds without any priority of any such Bond over any other such Bond and to secure the observance and performance of all terms, covenants, conditions, agreements and obligations of the Issuer hereunder, except as herein otherwise expressly provided;

UPON CONDITION that, if the Issuer, its successors or assigns shall well and truly pay the principal of and interest on the Outstanding Secured Bonds according to the true intent and meaning thereof, or there shall be deposited with the Trustee or an escrow agent such amounts in such form in order that none of the Bonds shall remain Outstanding as herein defined and provided, and shall pay or cause to be paid to the Issuer and the Trustee all sums of money due or to become due to each of them in accordance with the terms and provisions hereof and the observance or performance of all terms, covenants, conditions, agreements and obligations hereunder, then upon the full and final payment of all such sums and amounts secured hereby, or upon such deposit, this Indenture and the rights, titles, liens, security interests and assignments herein granted shall cease, determine, and be void and this Indenture shall be released by the Trustee in due form at the expense of the Issuer, except only as herein provided and otherwise this Indenture to be and remain in full force and effect;

AND IT IS HEREBY COVENANTED AND DECLARED that all the Bonds are to be authenticated and delivered and the Trust Estate is to be held and applied by the Trustee, subject to the further covenants, conditions, and trust hereinafter set forth, and the Issuer hereby covenants and agrees to and with the Trustee, for the equal and proportionate benefit of all Holders of the Outstanding Secured Bonds except as herein otherwise expressly provided, as follows:

ARTICLE ONE

DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

SECTION 1.01. *Definitions.*

For all purposes of this Indenture, except as otherwise expressly provided or unless the context otherwise requires:

1. The terms defined in this Article, except when used in the forms set forth in Article Two, have the meanings assigned to them in this Article and include the plural as well as the singular.

2. All references in this instrument to designated “Articles,” “Sections” and other subdivisions are to the designated Articles, Sections and other subdivisions of this Indenture as originally executed.

3. The words “herein,” “hereof” and “hereunder” and other words of similar import refer to this Indenture as a whole and not to any particular Article, Section or other subdivision.

“*Acquisition and Construction Fund*” means the fund of the Issuer so defined in Section 5.03.

“*Act*” when used with respect to any Bondholder or Bondholders has the meaning stated in Section 1.02.

“*Alternate Letter of Credit*” means an irrevocable, single-draw, standby letter of credit authorizing a draw thereunder by the Depository issued by a bank, a trust company or other financial institution with a Minimum Tier 1 Leverage Ratio and which has a term of not less than one year from the date of its issuance, which Alternate Letter of Credit shall be the same in all other material respects (except as to expiration date) as the Letter of Credit.

“*Annual Debt Service Requirement*” means, for any tax year, the amount to be paid in such tax year with respect to the Bonds and any other outstanding general obligation bonds or general obligation refunding bonds of the Issuer heretofore or hereafter issued for payment of principal of and interest on the Bonds and such other bonds during such tax year.

“*BAM*” means Build America Mutual Assurance Company, or any successor thereto.

“*Board*” means the Board of the Directors of the Issuer.

“*Board Resolution*” means a resolution of the Board certified by the District Clerk to be in full force and effect on the date of such certification and delivered to the Trustee.

“*Bond Counsel’s Opinion*” means an opinion signed by an attorney or firm of attorneys of nationally recognized standing in the field of law relating to municipal bonds selected by the Issuer.

“*Bond Fund*” means the fund of the Issuer so defined in Section 5.01.

“*Bond Register*” and “*Bond Registrar*” have the respective meanings stated in Section 3.04.

“*Bond Resolution*” means the Board Resolution adopted on April 25, 2023, which, among other things provided for the issuance of the Bonds.

“*Bond Year*” means each one-year period beginning on the day after the expiration of the preceding Bond Year. The first Bond Year shall begin on the date of issue of the Bonds and shall end on the date selected by the Issuer, provided that the first Bond Year shall not exceed one calendar year. The last Bond Year shall end on the date of retirement of the last Bond.

“*Bond Yield*” is as indicated in the Tax Certificate. Bond Yield shall be recomputed if required by Regulations section 1.148-4(b)(4) or 4(h)(3). Bond Yield shall mean the discount rate that produces a present value equal to the Issue Price of all unconditionally payable payments of principal, interest and fees for qualified guarantees within the meaning of Regulations section 1.148-4(f) and amounts reasonably expected to be paid as fees for qualified guarantees in connection with the Bonds as determined under Regulations section 1.148-4(b). The present value of all such payments shall be computed as of the date of issue of the Bonds and using semiannual compounding on the basis of a 360-day year.

“*Bondholder*” means a Holder of a Bond.

“*Bonds*” means all bonds authenticated and delivered hereunder.

“*Business Day*” means any day on which payments can be effected on the Fedwire System other than a Saturday; a Sunday; or a legal holiday or equivalent (other than a moratorium) for banking institutions generally in the municipality where the designated corporate trust office of the Trustee or the office of the account bank of the Letter of Credit Bank is located.

“*Closing Date*” means the date of the initial authentication and delivery of the Bonds to DTC.

“*Code*” means the Internal Revenue Code of 1986, as amended and in force and effect on the Closing Date.

“*Costs of Acquisition and Construction*” means all items of expense directly or indirectly relating to the cost of the “Infrastructure” described in, and to be paid pursuant to the terms of, the Development Agreement.

“*Costs of Issuance*” means all items of expense directly or indirectly payable by or reimbursable to the Issuer relating to the execution, sale and delivery of the Bonds and the execution and delivery of this Indenture, the Series 2023 Standby Contribution Agreement and the Series 2023 Letter of Credit Depository Agreement, including, but not limited to, filing and recording costs, settlement costs, printing costs, reproduction and binding costs, initial fees and charges of the Trustee and the Depository, legal fees and charges, insurance fees and charges, financial and other professional consultant fees, costs of rating agencies for credit ratings, fees for execution, transportation and safekeeping of the Bonds and charges and fees in connection with the foregoing as well as costs relating to the Election.

“*Costs of Issuance Fund*” means the fund of the Issuer so defined in Section 5.05.

“*DTC*” means The Depository Trust Company, a limited purpose trust company organized under the laws of the State of New York, and its successors and assigns.

“*Debt Service*” means, collectively, (i) the principal of and interest and premium, if any, on the Bonds when due; (ii) expenses and costs of the Issuer arising from the activities of the Issuer (such activities being the financing of the “Acquisition Infrastructure” described in the Development Agreement) including particularly, but not by way of limitation, expenses and costs for agents or third parties required to administer the Bonds, levy and collect taxes for payment of the Bonds, prepare annual audits, budgets and materials with respect to continuing disclosure and provide for any purposes otherwise related to such activities of the Issuer; and (iii) amounts due with respect to Rebate.

“*Defaulted Interest*” has the meaning stated in Section 3.07.

“*Depository*” means the Person named as “Depository” in the first paragraph of the Series 2023 Letter of Credit Depository Agreement until a successor Depository shall have become such pursuant to the applicable provisions of the Series 2023 Letter of Credit Depository Agreement, and thereafter “Depository” shall mean such successor Depository.

“*Development Agreement*” means that certain District Development, Financing Participation and Intergovernmental Agreement (Mystic at Lake Pleasant Heights Community Facilities District), dated as of August 1, 2020, with respect to the Issuer.

“*Draw*” means the single drawing by the Depository against the Letter of Credit in the full amount of the Letter of Credit.

“*Election*” means the election of the Issuer held on October 13, 2020, to authorize the issuance of the Bonds.

“*Enabling Act*” means Title 48, Chapter 4, Article 6, Arizona Revised Statutes.

“*Facilities*” means improvements financed with proceeds of the sale of the Bonds.

“*Fiscal Year*” means a period of twelve (12) consecutive months commencing on July 1 and ending on June 30 or any other consecutive 12-month period which may be established hereinafter as the fiscal year of the Issuer for budgeting and appropriate purposes.

“*Governmental Obligations*” means (1) direct obligations of, or obligations the timely payment of principal of which is fully and unconditionally guaranteed by, the United States of America, (2) obligations described in Section 103(a) of the Internal Revenue Code of 1954 or the Code, provision for the payment of the principal of and premium, if any, and interest on which shall have been made by the irrevocable deposit with a bank or trust company acting as a trustee or escrow agent for holders of such obligations of securities described in Clause (1) the maturing principal of and interest on which, when due and payable, will provide sufficient moneys to pay when due the principal of and premium, if any, and interest on such obligations, and which securities described in Clause (1) are not available to satisfy any other claim, including any claim of the trustee or escrow agent, or any claim of one to whom the trustee or escrow agent may be obligated which, at the time of deposit pursuant to Section 6.02, have been assigned ratings in the highest rating category of S&P, but in the case of both Clause (1) and Clause (2) of this paragraph, for purposes of Section 6.02, only if such obligations are non-callable prior to the Maturity of the Bonds or (3) obligations, representing interest on obligations of the Resolution Funding Corporation, the payment of such interest, if other revenues are insufficient, is required to be paid from the United States Treasury, which interest obligations are stripped by the Federal Reserve Bank of New York. Governmental Obligations also includes for purposes other than Section 6.02, a “no load,” open-end management investment company or trust (mutual fund), registered with the federal Securities and Exchange Commission (SEC), meeting the requirements of Rule 2a-7 under the Investment Company Act of 1940, and which money market fund invests in short term United States Treasury obligations, agencies guaranteed by the United States, and repurchase agreements secured by the same and which money market fund is rated by S&P at least “AAAm-G;” “AAAm” or “AAm” and by Moody’s at least “VMIG-1.”

“*Gross Proceeds*” means:

(i) any amounts actually or constructively received by the Issuer from the sale of the Bonds but excluding amounts used to pay accrued interest on the Bonds within one year of the date of issuance of the Bonds;

(ii) transferred proceeds of the Bonds under Regulations section 1.148-9;

(iii) any amounts actually or constructively received from investing amounts described in (i), (ii) or this (iii); and

(iv) replacement proceeds of the Bonds within the meaning of Regulations section 1.148-1(c). Replacement proceeds include amounts reasonably expected to be used directly or indirectly to pay debt service on the Bonds, pledged amounts where there is reasonable assurance that such amounts will be available to pay principal or interest on the Bonds in the event the Issuer encounters financial difficulties and other replacement proceeds within the meaning of Regulations section 1.148-1(c)(4). Whether an amount is Gross Proceeds is

determined without regard to whether the amount is held in any fund or account established under the Indenture.

“*Holder*” when used with respect to any Bond, as the context may require, means the Person in whose name such Bond is registered in the Bond Register.

“*Indenture*” means this instrument as originally executed or as it may from time to time be supplemented, modified, or amended by one or more indentures or other instruments supplemental hereto entered into pursuant to the applicable provisions hereof.

“*Initial Letter of Credit*” means the irrevocable, single-draw, standby letter of credit issued by the Letter of Credit Bank and delivered to the Depository on the same date as the initial delivery of the Bonds, being an irrevocable obligation to make payment to the Depository of \$_____.

“*Insurer Default*” means BAM has failed to make any payment under the Policy when due and owing in accordance with its terms or BAM has voluntarily commenced any proceeding or filed any petition seeking relief under the United States Bankruptcy Code or any other federal, state or foreign bankruptcy, insolvency or similar law, consented to the institution of or failed to controvert in a timely and appropriate manner, any such proceeding or the filing of any such petition, applied for or consented to the appointment of a receiver, trustee, custodian, sequestrator or similar official for such party or for a substantial part of its property, filed an answer admitting the material allegations of a petition filed against it in any such proceeding, made a general assignment for the benefit of creditors, or taken action for the purpose of effecting any of the foregoing; or any state or federal agency or instrumentality has ordered the suspension of payments on the Policy or obtained an order or granted approval for the rehabilitation, liquidation, conservation or dissolution of BAM (including with limitation under the New York Insurance Law).

“*Interest Payment Date*” means each January 15 and July 15 commencing July 15, 2023.

“*Investment Property*” means any security, obligation (other than a tax-exempt bond within the meaning of Code section 148(b)(3)(A)), annuity contract or investment-type property within the meaning of Regulations section 1.148-1(b).

“*Issue Price*” is as indicated in the Tax Certificate.

“*Issuer*” means Mystic at Lake Pleasant Heights Community Facilities District, a community facilities district duly organized and validly existing, pursuant to the laws of the State.

“*Issuer Representative*” means the District Chief Financial Officer or any designee appointed by him in writing.

“*Issuer Request*” means a written request signed in the name of the Issuer by the Issuer Representative or by the District Clerk and delivered to the Trustee.

“*Letter of Credit*” means (a) the Initial Letter of Credit and (b) upon the issuance and effectiveness thereof, any Alternate Letter of Credit.

“*Letter of Credit Bank*” means Western Alliance Bank, an Arizona corporation, in its capacity as issuer of the Initial Letter of Credit, and its successors and assigns. Upon issuance and effectiveness of any Alternate Letter of Credit, “*Letter of Credit Bank*” shall mean the issuer thereof and its successors and assigns.

“*Letter of Credit Termination Date*” means the earlier of sixty (60) days after the Letter of Credit Bank providing the Letter of Credit no longer has a Minimum Tier 1 Leverage Ratio and the stated expiration date of the Letter of Credit, as extended by any applicable provisions thereof.

“*Maturity*” when used with respect to any Bond means the date on which the principal of such Bond becomes due and payable as therein or herein provided, whether at the Stated Maturity thereof or by call for redemption or otherwise.

“*Maximum Annual Debt Service*” means, at the time of computation, the greatest Annual Debt Service Requirement for the then current or any succeeding Fiscal Year.

“*Minimum Tier 1 Leverage Ratio*” means, for the entity supplying the Letter of Credit, a Tier 1 Leverage Ratio of eight percent (8%).

“*Moody’s*” means Moody’s Investors Service, Inc., or any entity succeeding to the duties and obligations thereof.

“*Municipality*” means the City of Peoria, Arizona, a municipal corporation incorporated and existing pursuant to the laws of the State.

“*Mystic*” means Lake Pleasant (Phoenix) ASLI VIII, LLC, a limited liability company duly organized and validly existing pursuant to the laws of the State of Delaware, which has an interest in certain property in the District and is a developer, guarantor and indemnitor.

“*Nonpurpose Investment*” means any Investment Property acquired with Gross Proceeds, and which is not acquired to carry out the governmental purposes of the Bonds.

“*Officers’ Certificate*” means a certificate signed by the Issuer Representative and delivered to the Trustee.

“*Opinion of Counsel*” means a written opinion of counsel who may (except as otherwise expressly provided in this Indenture) be counsel for the Issuer and, when given with respect to the status of interest on any Bond under federal income tax law, shall be a Bond Counsel’s Opinion and when given with respect to the status of any matter relating to the laws on bankruptcy, shall be counsel of nationally recognized standing in the field of bankruptcy law selected by the Issuer.

“*Outstanding*” when used with respect to Bonds means, as of the date of determination, all Bonds theretofore authenticated and delivered under this Indenture, except, without duplication:

(1) Bonds theretofore canceled by the Trustee or delivered to the Trustee for cancellation;

(2) Bonds for the payment or redemption of which money in the necessary amount is on deposit with the Trustee or any Paying Agent for the Holders of such Bonds at the Maturity thereof; provided, however, that if such Bonds are to be redeemed, notice of such redemption has been duly given pursuant to this Indenture, or waived, or provision therefor satisfactory to the Trustee has been made;

(3) Bonds in exchange for or in lieu of which other Bonds have been authenticated and delivered under this Indenture;

(4) Bonds alleged to have been destroyed, lost, or stolen which have been paid as provided in Section 3.06 and

(5) Bonds for the payment of the principal of and interest on which money or Governmental Obligations or both are held by the Trustee or an escrow agent with the effect specified in Section 6.02.

“*Outstanding Secured Bonds*” means, as of the date of determination, (1) all Bonds then Outstanding and (2) all Bonds, if any, alleged to have been destroyed, lost, or stolen which have been replaced or paid as provided in Section 3.06 but whose ownership and enforceability by the Holder thereof have been established by a court of competent jurisdiction or other competent tribunal or otherwise established to the satisfaction of the Issuer and the Trustee.

“*Parity Debt Service*” means, for any tax year, principal of and interest on all outstanding general obligation and general obligation refunding bonds of the Issuer heretofore or hereafter issued.

“*Paying Agent*” means any Person authorized by the Issuer to pay the principal of and interest and premium, if any, on any Bonds on behalf of the Issuer.

“*Payment*” means any payment within the meaning of Regulations section 1.148-3(d)(1) with respect to a Nonpurpose Investment.

“*Permitted Investments*” means:

A. Direct obligations of the United States of America (including obligations issued or held in book-entry form on the books of the Department of the Treasury) or obligations the principal of and interest on which are unconditionally guaranteed by the United States.

B. Bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following federal agencies and provided such obligations are backed by the full faith and credit of the United States:

1. Small Business Administration
Guaranteed participation certificates
2. Farmers Home Administration
Certificates of beneficial ownership
3. Federal Housing Administration
Debentures
4. General Services Administration
Participation certificates
5. Government National Mortgage Association (“GNMA”)
Guaranteed mortgage-backed bonds
Guaranteed pass-through obligations
6. U.S. Maritime Administration
Guaranteed Title XI financing
7. Washington Metropolitan Transit Authority
Guaranteed transit bonds
8. Veteran Administration
Guaranteed REMIC pass-through certificates
9. U.S. Department of Housing and Urban Development
Local authority bonds

C. Bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following United States government agencies (non-full faith and credit agencies):

1. Federal Home Loan Bank System
Consolidated debt obligations
2. Federal Home Loan Mortgage Corporation
Debt obligations
3. Federal National Mortgage Association (“FNMA”)
Debt obligations
4. Student Loan Marketing Association
Debt obligations

5. Farm Credit System (formerly Federal Land Banks, Federal Intermediate Credit Banks and Banks for Cooperatives)
Debt obligations
 6. Financing Corp.
Debt obligations
 7. Resolution Funding Corp.
Debt obligations
 8. U.S. Agency for International Development
Guaranteed notes which mature at least four Business Days before the appropriate payment date
- D. Money market funds registered with the federal Securities and Exchange Commission (SEC), meeting the requirements of Rule 2a-7 under the Investment Company Act of 1940, and having a rating by S&P of “AAAm-G” including, if the foregoing are met, funds for which the Trustee acts as an investment advisor or custodian; “AAAm”; or “AAm” or better and having a rating by Moody’s of “VMIG-1 or better including, if the foregoing are met, funds for which the Trustee acts as an investment advisor or custodian.
 - E. Fully insured or collateralized certificates of deposit and other evidence of deposit at banks and savings institutions doing business within Arizona with a maximum maturity of eighteen (18) months.
 - F. Corporate bonds, debentures and notes that are denominated in United States dollars. The debt must be rated at least “AA” by S&P, or “Aa” by Moody’s, or equivalent rating by a nationally recognized rating agency at the time of purchase with a maximum maturity of two years.
 - G. Commercial paper rated, at the time of purchase, “A-1” or better by S&P and Moody’s and with a maximum maturity of 270 days.
 - H. Bonds, or other evidence of indebtedness of this state or any of the counties or incorporated cities, town or duly organized school districts which carry a minimum “AA” rating by S&P, or “Aa” by Moody’s, or equivalent rating by a nationally recognized rating agency at the time of purchase. Maturities for these obligations shall not exceed five years.
 - I. Banker’s Acceptance eligible as collateral for borrowing from the Federal Reserve, of U.S. banks whose short-term obligations are rated “Aa” or better by two nationally recognized rating agencies, and with a maximum maturity of 180 days.
 - J. Repurchase agreements, whose underlying collateral consist of obligations of the United States Government, its agencies and instrumentalities, and

executed with an Arizona bank or primary dealer, under the provisions of and with a maximum maturity not to exceed 90 days, with the exception of flexible repurchase agreements associated with specific bond proceeds which shall be limited to the final draw date of forecasted cashflow expenses.

(If any security for which a rating level is required is on “credit watch,” “negative outlook” or similar status indicating possible reduction in rating, it shall be treated as not having the rating required.)

“*Person*” means any individual, corporation, partnership, joint venture, limited liability company, association, joint-stock company, trust, unincorporated organization or government or any agency or political subdivision thereof.

“*Policy*” means the Municipal Bond Insurance Policy issued by BAM that guarantees the scheduled payment of principal of and interest on the Bonds when due.

“*Predecessor Bonds*” of any particular Bond means every previous Bond evidencing all or a portion of the same debt as that evidenced by such particular Bond, and, for purposes of this definition, any Bond authenticated and delivered under Section 3.06 in lieu of a mutilated, lost, destroyed or stolen Bond shall be deemed to evidence the same debt as the mutilated, lost, destroyed or stolen Bond.

“*Rebate*” means the payment system established by section 148 of the Code with respect to certain arbitrage earnings by a political subdivision on amounts treated as the proceeds of certain obligations of such political subdivision and shall include all costs and expenses incurred in connection with, and allocable to, determining the amount due pursuant to such system including those provided for in Section 10.06 hereof.

“*Rebate Requirement*” means at any time the excess of the future value of all Receipts over the future value of all Payments. For purposes of calculating the Rebate Requirement the Bond Yield shall be used to determine the future value of Receipts and Payments in accordance with Regulations section 1.148-3(c). The Rebate Requirement is zero for any Nonpurpose Investment meeting the requirements of a rebate exception under section 148(f)(4) of the Code or Regulations section 1.148-7.

“*Receipt*” means any receipt within the meaning of Regulations section 1.148-3(d)(2) with respect to a Nonpurpose Investment.

“*Redemption Date*” when used with respect to any Bond to be redeemed means the date fixed for such redemption pursuant to the terms thereof and this Indenture.

“*Redemption Price*” when used with respect to any Bond to be redeemed means the price at which it is to be redeemed pursuant to this Indenture, excluding installments of interest whose Stated Maturity is on or before the Redemption Date.

“*Regular Record Date*” for the interest payable on the Bonds on any Interest Payment Date means the first (1st) day (whether or not a Business Day) of the calendar month of such Interest Payment Date.

“*Regulations*” means the sections 1.148-1 through 1.148-11 and section 1.150-1 of the regulations of the United States Department of the Treasury promulgated under the Code, including and any amendments thereto or successor regulations.

“*Responsible Officer*” means the chairman or vice chairman of the board of directors of the relevant entity, the chairman or vice chairman of the executive committee of said board, the president, any vice president, the secretary, any assistant secretary, the treasurer, any assistant treasurer, any trust officer or assistant trust officer, the controller, any assistant controller or any other officer or authorized Person of the relevant entity customarily performing functions similar to those performed by any of the above designated officers and also means, with respect to a particular corporate trust matter, any other officer of the relevant entity to whom such matter is referred because of his knowledge of and familiarity with the particular subject.

“*S&P*” means Standard & Poor’s Financial Services, LLC or any entity succeeding to the duties and obligations thereof.

“*Series 2023 Bonds*” has the same meaning as “Bonds.”

“*Series 2023 Expenses Account*” means the account of the Bond Fund so defined in Section 5.01.

“*Series 2023 Letter of Credit Depository Agreement*” means that certain Series 2023 Letter of Credit Depository Agreement, dated as of even date herewith, by and between the Issuer and the Depository.

“*Series 2023 Standby Contribution Agreement*” means that certain Series 2023 Standby Contribution Agreement, dated as of even date herewith, by and among the Issuer, Mystic and the Trustee.

“*Series 2023 Tax Account*” means the account of the Bond Fund so defined in Section 5.01.

“*Special Record Date*” has the meaning stated in Section 3.07.

“*State*” means the State of Arizona.

“*Stated Maturity*” when used with respect to any Bond or any installment of interest on any Bond means the date specified in such Bond as the fixed date on which the principal or such installment of interest on any such Bond is due and payable.

“*Tax Certificate*” means the Certificate Relating To Federal Tax Matters delivered by the Issuer on the Closing Date.

“*Tier 1 Leverage Ratio*” means the ratio of that name established by the Federal Reserve Board in 12 Code of Federal Regulations Part 225, Appendix D, and any replacement thereof acceptable to the District Chief Financial Officer in his sole and absolute discretion.

“*Trustee*” means the Person named as the “Trustee” in the first paragraph of this instrument until a successor Trustee shall have become such pursuant to the applicable provisions of this Indenture, and thereafter “Trustee” shall mean such successor Trustee.

“*Trust Estate*” has the meaning stated in the habendum to the Granting Clauses.

“*Undertaking*” means the Continuing Disclosure Undertaking of the Issuer for the Bonds, dated the Closing Date.

“*Underwriter*” means Stifel, Nicolaus & Company, Incorporated.

SECTION 1.02. *Acts of Bondholders.*

A. Any request, demand, authorization, direction, notice, consent, waiver or other action provided by this Indenture to be given or taken by Bondholders may be embodied in and evidenced by one or more instruments of substantially similar tenor signed by such Bondholders in person or by an agent duly appointed in writing, and, except as herein otherwise expressly provided, such action shall become effective when such instrument or instruments are delivered to the Trustee. Such instrument or instruments (and the action embodied therein and evidenced thereby) are herein sometimes referred to as the “Act” of the Bondholders signing such instrument or instruments. Proof of execution of any such instrument or of a writing appointing any such agent shall be sufficient for any purpose of this Indenture and conclusive in favor of the Issuer and (subject to Section 8.01) the Trustee, if made in the manner provided in this Section.

B. The fact and date of the execution by any Bondholder of any such 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 authorized by law to take acknowledgments of deeds, certifying that the individual signing such instrument or writing acknowledged to him the execution thereof. Whenever such execution is by an officer of a corporation or a member of a partnership on behalf of such corporation or partnership, such certificate or affidavit shall also constitute sufficient proof of his authority. The fact and date of execution of any such instrument or writing and the authority of any Person executing as or on behalf of any Bondholder may also be proved in any other manner which the Trustee deems sufficient.

C. The owner of any Bond shall be proved by the Bond Register for such Bonds.

D. Any request, demand, authorization, direction, notice, consent, waiver or other action by the Holder of any Bond shall bind every future Holder of the same Bond and the Holder of every Bond issued upon the transfer thereof or in exchange therefor or in lieu thereof, in respect of anything done or suffered to be done by the Trustee or the Issuer, whether or not notation of such action is made upon such Bond.

E. Notwithstanding the foregoing, for so long as the Bonds are registered in the name of a securities depository (or its nominee) as provided in Section 3.04(H), if proof of beneficial ownership of a Bond satisfactory to the Trustee and the Issuer, together with indemnification satisfactory to the Trustee and the Issuer, has been provided to the Trustee and the Issuer, the Trustee, the Issuer and their agents may treat such beneficial owner as the Holder of such Bond for purposes of this Section.

SECTION 1.03. *Notices, etc.*

A. Unless otherwise specifically provided herein, any request, demand, authorization, direction, notice, consent, waiver or Act of Bondholders or other document provided or permitted by this Indenture by any Bondholder, the Issuer, or the Trustee to be made upon, given or furnished to, or filed with,

1. the Trustee shall be sufficient for every purpose hereunder if made, given, furnished, or filed in writing to or with the Trustee at its corporate trust office or if in writing and mailed, first-class postage prepaid, to the Trustee addressed to it at 2222 East Camelback Road, Suite 110, Phoenix, Arizona 85016, Attention: Global Corporate Trust, or at any other address furnished in writing to such Person by the Trustee, or

2. the Issuer shall be sufficient for every purpose hereunder if in writing and mailed, first-class postage prepaid, to the Issuer addressed to it at c/o City of Peoria, Arizona, 8401 West Monroe Street, Peoria, Arizona 85345, Attention: District Clerk, or at any other address previously furnished in writing to such Person by the Issuer, or

3. the Underwriter shall be sufficient for every purpose hereunder if in writing and mailed, first-class postage prepaid, to the Underwriter addressed to it at 2801 East Camelback Road, Suite 300, Phoenix, Arizona 85016, Attention: Managing Director, or at any other address furnished previously in writing to such Person by the Underwriter, or

4. Mystic shall be sufficient for every purpose hereunder if in writing and mailed, first-class postage prepaid to Mystic addressed to Lake Pleasant (Phoenix) ASLI VIII, LLC, c/o Avanti Properties Group, 923 North Pennsylvania Avenue, Winter Park, Florida 32789, Attention: Andrew J. Dubill, Telephone: 407-628-8488, extension 116, Email: adubill@avantiprop.com, with a copy to Voyager Investment Properties, LLC, 4248 North Craftsman Court, Suite 100, Scottsdale, Arizona 85251, Attention: David K. Rogers, Telephone: 480-363-5895, Email: drogers@voyagerproperties.com, and Berens Blonstein PLC, 7033 East Greenway Parkway, Suite 210, Scottsdale, Arizona 85254, Attention: Marc. D Blonstein, Telephone: 480-624-2703, Email: mblonstein@berensblonstein.com, or at any other address furnished previously in writing to such Person by Mystic.

B. Where this Indenture provides for notice to Bondholders of any event, such notice shall be sufficiently given (unless otherwise herein expressly provided) if in writing and

mailed, first-class postage prepaid, to each Bondholder affected by such event, at the address of such Bondholder as it appears in the Bond Register for the Bonds. Neither the failure to mail such notice, nor any defect in any notice so mailed, to any particular Bondholder shall affect the sufficiency of such notice with respect to other Bondholders.

C. Where this Indenture provides for notice in any manner, such notice may be waived in writing by the Person entitled to receive such notice, either before or after the event, and such waiver shall be the equivalent of such notice. Waivers of notice by Bondholders shall be filed with the Trustee, but such filing shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

D. Unless otherwise specifically provided herein, any request, demand, authorization, direction, notice, consent, waiver or other document provided or permitted by this Indenture to be made upon, given or furnished to, or filed with the Trustee hereunder must be in writing in English and must be in the form of a document that is signed manually or by way of an electronic signature (including electronic images of handwritten signatures and digital signatures provided by DocuSign, Orbit, Adobe Sign or any other electronic signature provider acceptable to the Trustee). Electronic signatures believed by the Trustee to comply with the E-SIGN ACT of 2000 or other applicable law shall be deemed original signatures for all purposes. If the Issuer chooses to use electronic signatures to sign documents delivered to the Trustee, the Issuer agrees to assume all risks arising out of its use of electronic signatures, including without limitation the risk of the Trustee acting on an unauthorized document and the risk of interception or misuse by third parties. Notwithstanding the foregoing, the Trustee may in any instance and in its sole discretion require that an original document bearing a manual signature be delivered to the Trustee in lieu of, or in addition to, any document signed via electronic signature.

SECTION 1.04. *Form and Contents of Documents Delivered to the Trustee.*

A. Whenever several matters are required to be certified by, or covered by an opinion of, any specified type of person, it is not necessary that all such matters be certified by, or covered by the opinion of, only one such person, or that they be so certified or covered by only one document, but one such person may certify or give an opinion with respect to some matters and one or more other such persons as to other matters, and any such person may certify or give an opinion as to such matters in one or several documents.

B. Any certificate or opinion of an officer of the Issuer may be based, insofar as it relates to legal matters, upon a certificate or opinion of, or representations by, counsel, unless such officer knows, or in the exercise of reasonable care should know, that such certificate or opinion or representations are erroneous. Any Opinion of Counsel may be based, insofar as it relates to factual matters, upon a certificate or opinion of, or representations by, an officer or officers of the Issuer stating that the information with respect to such factual matters is in the possession of the Issuer unless such counsel knows, or in the exercise of reasonable care should know, that the certificate or opinion or representations with respect to such matters are erroneous.

C. Whenever any Person is required to make, give, or execute two or more applications, requests, consents, certificates, statements, opinions or other instruments under this Indenture, they may, but need not, be consolidated and form one instrument.

D. Wherever in this Indenture, in connection with any application or certificate or report to the Trustee, it is provided that the Issuer shall deliver any document as a condition of the granting of such application, or as evidence of compliance by the Issuer with any term hereof, it is intended that the truth and accuracy, at the time of the granting of such application or at the effective date of such certificate or report (as the case may be), of the facts and opinions stated in such document shall in such case be conditions precedent to the right of the Issuer to have such application granted or to the sufficiency of such certificate or report.

SECTION 1.05. *Effect of Headings and Table of Contents.*

The Article and Section headings herein and in the Table of Contents are for convenience only and shall not affect the construction hereof.

SECTION 1.06. *Successors and Assigns.*

All covenants and agreements in this Indenture by the Issuer shall bind its successors and assigns, whether so expressed or not.

SECTION 1.07. *Severability Clause.*

In case any provision in this Indenture or in the Bonds or any application thereof shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions and applications shall not in any way be affected or impaired thereby.

SECTION 1.08. *Benefits of Indenture.*

Nothing in this Indenture or in the Bonds, express or implied, shall give to any Person, other than the parties hereto and their successors hereunder, and the Holders of Outstanding Secured Bonds, any benefit or any legal or equitable right, remedy, or claim under this Indenture.

SECTION 1.09. *Governing Law.*

This Indenture shall be construed in accordance with and governed by the laws of the State and the federal laws of the United States of America.

SECTION 1.10. *Incorporation of State Statutes.*

A. The Issuer may, within three (3) years after its execution, cancel this Indenture, without penalty or further obligation, if any person significantly involved in initiating, negotiating, securing, drafting or creating this Indenture on behalf of the Issuer is, at any time while this Indenture is in effect, an employee or agent of the Trustee in any capacity or a consultant to the Trustee with respect to the subject matter of this Indenture and may recoup any fee or commission paid or due any person significantly involved in initiating, negotiating, securing, drafting or creating this Indenture on behalf of the Issuer from the Trustee arising as the result of this Indenture. The Trustee has not taken and shall not take any action which would cause any person described in the preceding sentence to be or become an employee or agent of the Trustee in any capacity or a consultant to the Trustee with respect to the subject matter of this Indenture.

B. To the extent applicable under Section 41-4401, Arizona Revised Statutes, the Trustee shall comply with all federal immigration laws and regulations that relate to its employees and its compliance with the “e-verify” requirements under Section 23-214(A), Arizona Revised Statutes. The breach by the Trustee of the foregoing shall be deemed a material breach of this Indenture and may result in the termination of the services of the Trustee. The Issuer retains the legal right to randomly inspect the papers and records of the Trustee to ensure that the Trustee is complying with the above-mentioned warranty. The Trustee shall keep such papers and records open for random inspection during normal business hours by the Issuer. The Trustee shall cooperate with the random inspections by the Issuer including granting the Issuer entry rights onto its property to perform such random inspections and waiving its respective rights to keep such papers and records confidential.

C. To the extent applicable under Section 35-393 et seq., Arizona Revised Statutes, the Trustee hereby certifies that it is not currently engaged in, and for the duration of this Indenture shall not engage in, a boycott of Israel. The term “boycott” has the meaning set forth in Section 35-393, Arizona Revised Statutes. If the Issuer determines that the Trustee’s certification above is false or that it has breached such agreement, the Issuer may impose remedies as provided by law.

D. To the extent applicable under Section 35-394, Arizona Revised Statutes, as amended, the Trustee hereby certifies it does not currently, and for the duration of this Indenture shall not use: (i) the forced labor of ethnic Uyghurs in the People’s Republic of China, (ii) any goods or services produced by the forced labor of ethnic Uyghurs in the People’s Republic of China, and (iii) any contractors, subcontractors or suppliers that use the forced labor or any goods or services produced by the forced labor of ethnic Uyghurs in the People’s Republic of China. The foregoing certification is made to the best knowledge of the Trustee without any current independent investigation or without any future independent investigation for the duration of this Indenture. If the Trustee becomes aware during the duration of this Indenture that it is not in compliance with such certification, the Trustee shall take such actions as provided by law, including providing the required notice to the Issuer. If the Issuer determines that the Trustee is not in compliance with the foregoing certification and has not taken remedial action, the Issuer shall terminate the Trustee’s role as the Trustee hereunder pursuant to Article Eight.

SECTION 1.11. *Business Days.*

If the specified date for any payment, submission, certification, determination or other action shall be other than a Business Day, then such payment, submission, certification, determination or other action may be made or done on the next succeeding day which is a Business Day without, in the case of any payment, additional interest (except in the event of a moratorium) and with the same force and effect as if made or done on the specified date.

SECTION 1.12. *Annual Reports.*

As soon as possible after July 15 of each year, beginning in 2023, and more often as requested in writing by the Issuer Representative, the Trustee shall provide to the Issuer a report indicating the balance in each of the Bond Fund, and, until closed, the Acquisition and Construction Fund and the Costs of Issuance Fund as well as all deposits to, and payments from, the Bond Fund, and, until closed, the Acquisition and Construction Fund and the Costs of Issuance Fund during the prior tax year.

* * *

ARTICLE TWO

FORM OF BONDS

SECTION 2.01. *Forms Generally.*

A. The Bonds, including the form of Certificate of Authentication and the form of Assignment to be reproduced on each of the Bonds, shall be substantially in the forms set forth in this Article with such appropriate insertions, omissions, substitutions, and other variations as are permitted or required by this Indenture, and may have such letters, numbers or other marks of identification (including identifying numbers and letters of the Committee on Uniform Securities Identification Procedures of the American Bankers Association) and such legends and endorsements (including any reproduction of an Opinion of Counsel) placed thereon (or attached thereto) as may, consistently herewith, be determined by the officers executing such Bonds as evidenced by their execution thereof. Any portion of the text of any Bonds may be set forth on the reverse thereof, with an appropriate reference thereto on the face of the Bond.

B. The definitive Bonds shall be printed, lithographed, or engraved, produced by any combination of these methods, or produced in any other manner, all as determined by the officers executing such Bonds as evidenced by their execution thereof.

[Remainder of page left blank intentionally.]

SECTION 2.02. *Forms of Bonds and Matters Relating to Certain Necessary Documentation.*

The Bonds shall be in the following form:

[FORM OF BOND]

REGISTERED
NO.

REGISTERED
\$.....

UNLESS THIS BOND IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY (“DTC”) TO THE ISSUER OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY BOND ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

United States of America
State of Arizona

MYSTIC AT LAKE PLEASANT HEIGHTS COMMUNITY FACILITIES DISTRICT
(PEORIA, ARIZONA)
GENERAL OBLIGATION BOND, SERIES 2023

Interest Rate	Maturity Date	Original Issue Date	CUSIP No.
.....	July 15,	May __, 2023	_____

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: DOLLARS

Mystic at Lake Pleasant Heights Community Facilities District, a community facilities district duly organized and validly existing pursuant to the laws of the State of Arizona (hereinafter referred to as the “Issuer”), for value received, hereby promises to pay to the “Registered Owner” specified above or registered assigns (hereinafter referred to as the “Holder”), on the “Maturity Date” specified above, the “Principal Amount” specified above and to pay interest (calculated on the basis of a 360-day year of twelve 30-day months) on the unpaid portion thereof from the “Original Issue Date” specified above, or from the most recent “Interest Payment Date” (as such term is hereinafter defined) to which interest has been paid or duly provided for, until paid or the payment thereof is duly provided for at Maturity (as such term is defined in the hereinafter described “Indenture”), semiannually on each January 15 and July 15 commencing July 15, 2023 (each an “Interest Payment Date”), at the per annum “Interest Rate” specified above.

As provided in the Indenture hereinafter referred to, the interest so payable on any Interest Payment Date shall be paid to the Person (as such term is defined in the Indenture) in whose name this Bond (or one or more Predecessor Bonds evidencing the same debt) is registered in the Bond Register (as such term is defined in the Indenture) of the Issuer at the close of business on the “Regular Record Date” therefor, which shall be the 1st day (whether or not a Business Day as such term is defined in the Indenture) of the calendar month of such Interest Payment Date. Any such interest not so punctually paid or duly provided for within 15 days after such Interest Payment Date shall forthwith cease to be payable to the Holder on such Regular Record Date and shall be paid to the Person in whose name this Bond (or one or more such Predecessor Bonds) is registered at the close of business on a “Special Record Date” for the payment of such defaulted interest to be fixed by the hereinafter referred to “Trustee” in accordance with the Indenture, notice whereof being given to the Holder hereof not less than 10 days prior to such Special Record Date. All such interest shall be payable at the agency of the Issuer for such purpose (hereinafter referred to as the “Paying Agent”) which shall initially be the designated corporate trust office of U.S. Bank Trust Company, National Association, by check mailed to the Holder as of the relevant record date at the address specified in the Bond Register or pursuant to customary arrangements made by such Holder acceptable to the Paying Agent. The principal and Redemption Price (as such term is defined in the Indenture) of this Bond are payable at the principal corporate trust office of the Paying Agent, upon presentation and surrender of this Bond.

If the specified date for any such payment shall be a Saturday, a Sunday or a legal holiday or equivalent (other than a moratorium) for banking institutions generally in the city where such designated corporate trust office of the Trustee is located, then such payment may be made on the next succeeding day which is not one of the foregoing days without additional interest and with the same force and effect as if made on the specified date for such payment, except that in the event of a moratorium for banking institutions generally in the city where such designated corporate trust office of the Trustee is located, such payment may be made on such next succeeding day except that the Bonds on which such payment is due shall continue to accrue interest until such payment is made or duly provided for.

This Bond is one of a duly authorized issue of bonds of the Issuer having the designation specified in its title (hereinafter referred to as the “Bonds”), issued and to be issued in one series under, and all equally and ratably secured by, a Series 2023 Indenture of Trust and Security Agreement, dated as of May 1, 2023 (hereinafter, together with all indentures supplemental thereto, referred to as the “Indenture”), from the Issuer to U.S. Bank Trust Company, National Association, as trustee (hereinafter referred to as the “Trustee,” which term includes any successor trustee under the Indenture), to which Indenture reference is hereby made for a description of the amounts thereby pledged and assigned, the nature and extent of the lien and security, the respective rights thereunder of the Holders of the Bonds, the Trustee and the Issuer and the terms upon which the Bonds are, and are to be, authenticated and delivered and by this reference to the terms of which each Holder of this Bond hereby consents. The Bonds are authorized to be issued by a Resolution of the Board of Directors of the Issuer adopted on April 25, 2023 (hereinafter referred to as the “Bond Resolution”), for the purposes therein described and in strict conformity with Title 48, Chapter 4, Article 6, Arizona Revised Statutes (hereinafter referred to as the “Enabling Act”).

The Bonds are payable, equally and ratably with, with the limitations described herein, such other general obligation bonds of the Issuer from the proceeds of an ad valorem tax to be collected, at the same time and in the same manner as other taxes are levied and collected on all taxable property within the boundaries of the Issuer, sufficient together with any other moneys from sources available pursuant to the Enabling Act (including from the Standby Contribution Agreement and the Depository Agreement described hereinbelow) to pay debt service on the Bonds when due. An entity has entered into a Series 2023 Standby Contribution Agreement, dated as of May 1, 2023 (hereinafter referred to as the “Standby Contribution Agreement”), with the Issuer and the Trustee pursuant to which it is obligated to make payments to the Trustee to supplement tax revenues to pay principal and interest with respect to the Bonds. The Issuer and U.S. Bank Trust Company, National Association, as depository, have entered into a Series 2023 Letter of Credit Depository Agreement, dated as of May 1, 2023 (hereinafter referred to as the “Depository Agreement”), pursuant to which certain other amounts may be available to the Trustee for payment of principal and interest with respect to the Bonds to the extent moneys are not otherwise available. **THE STANDBY CONTRIBUTION AGREEMENT AND THE DEPOSITORY AGREEMENT MAY BE TERMINATED PRIOR TO THE MATURITY OF THE BONDS BY THE ISSUER UPON SATISFACTION OF CERTAIN CONDITIONS SET FORTH THEREIN.**

Notwithstanding any provision hereof or of the Bond Resolution, however, the Indenture may be released and the obligation of the Issuer to make money available to pay this Bond may be defeased by the deposit of money and/or Governmental Obligations (as such term is defined in the Indenture) sufficient for such purpose as described in the Indenture.

The Bonds are issuable as fully registered bonds only in the denominations of principal amount of \$5,000 and any integral multiple in excess thereof.

The Bonds maturing on and after July 15, 20__, are subject to redemption, at the option of the Issuer as a whole or in part, on July 15, 20__, and any date thereafter, upon not more than 60 nor less than 30 days prior notice given by mail as provided in the Indenture, upon payment of the Redemption Price, which shall consist of the principal amount of the Bonds so redeemed plus accrued interest, if any, on the Bonds so redeemed from the most recent Interest Payment Date to the Redemption Date (as such term is defined in the Indenture), without a premium.

The Bonds maturing on July 15 of the following years shall be redeemed on the following Redemption Dates and in the following amounts upon not more than 60 nor less than 30 days’ notice given by mail as provided in the Indenture, upon payment of the Redemption Price, which shall consist of the principal amount of the Bonds so redeemed plus accrued interest, if any, on the Bonds so redeemed from the most recent Interest Payment Date to the Redemption Date, without a premium:

Term Bond Maturing July 15, 20__	
Redemption Date	
(July 15)	Principal Amount
<hr/>	
(maturity)	

Term Bond Maturing July 15, 20__
Redemption Date
(July 15) Principal Amount

(maturity)

Bonds of a denomination larger than \$5,000 may be redeemed in part (\$5,000 of principal amount or an integral multiple thereof) and upon any partial redemption of any such Bond the same shall, except as otherwise permitted by the Indenture, be surrendered in exchange for one or more new Bonds of the same Stated Maturity (as such term is defined in the Indenture) in authorized form for the unredeemed portion of principal. Bonds (or portions thereof) for whose redemption and payment provision is made in accordance with the Indenture and the Bond Resolution shall thereupon cease to be entitled to the benefits of the Indenture and shall cease to bear interest from and after the date fixed for redemption.

If less than all the Outstanding (as such term is defined in the Indenture) Bonds of a Stated Maturity are to be redeemed, the particular Bonds of that Stated Maturity to be redeemed shall be selected not more than forty-five (45) days prior to the Redemption Date by the Trustee from the Outstanding Bonds which have not previously been called for redemption, by such random method as the Trustee shall in its sole discretion deem appropriate and which may provide for the selection for redemption of portions (equal to \$5,000 of principal amount or a multiple thereof) of the principal of Bonds of a denomination larger than \$5,000. The Trustee shall promptly notify the Issuer in writing of the Bonds selected for redemption and, in the case of any Bond selected for partial redemption, the principal amount thereof to be redeemed. Notwithstanding the foregoing, so long as the Bonds are registered in the name of CEDE & CO., as nominee for DTC, the redemption of such Bonds (or portions thereof) shall be made in a manner consistent with the practice of DTC.

The Bond Resolution and the Indenture permit, with certain exceptions as therein provided, the amendment thereof and of the Standby Contribution Agreement and the Depository Agreement and the modification of the rights and obligations of the Issuer and the rights of the Holders of the Bonds under the Bond Resolution, the Indenture, the Standby Contribution Agreement and the Depository Agreement at any time by the Issuer with the consent of the Holders of a majority in principal amount of the Bonds at the time Outstanding affected by such modification. The Bond Resolution and Indenture also contain provisions permitting the Holders of specified percentages in original aggregate principal amount of the Bonds and in aggregate principal amount of the Bonds at the time Outstanding, on behalf of the Holders of all the Bonds, to waive compliance by the Issuer with certain past defaults under the Bond Resolution or the Indenture and their consequences. Any such consent or waiver by the Holder of this Bond or any Predecessor Bond (as such term is defined in the Indenture) evidencing the same debt shall be conclusive and binding upon such Holder and upon all future Holders thereof and of any Bond issued upon the transfer thereof or in exchange therefor or in lieu thereof, whether or not notation of such consent or waiver is made upon this Bond.

As provided in the Indenture and subject to certain limitations therein set forth, this Bond is transferable on the Bond Register of the Issuer, upon surrender of this Bond for transfer to the Paying Agent at the principal corporate trust office thereof duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Issuer and the Paying Agent duly executed by, the registered Holder hereof or his attorney duly authorized in writing, and thereupon one or more new fully registered Bonds of authorized denominations and for the same Stated Maturity and aggregate principal amount shall be issued to the designated transferee or transferees.

As provided in the Indenture and subject to certain limitations therein set forth, Bonds are exchangeable for a like Stated Maturity and original aggregate principal amount of Bonds in authorized denominations, as requested by the Holder, upon surrender of the Bonds to be exchanged to the Paying Agent at the principal corporate trust office thereof.

The Issuer, the Trustee, and any agent of either of them may treat the Person in whose name this Bond is registered as the owner hereof for the purpose of receiving payment as herein provided and for all other purposes, whether or not this Bond be overdue, and none of the Issuer, the Trustee, and any such agent shall be affected by notice to the contrary.

NEITHER THE FULL FAITH AND CREDIT NOR THE GENERAL TAXING POWER OF THE CITY OF PEORIA, ARIZONA, OR THE STATE OF ARIZONA OR ANY POLITICAL SUBDIVISION THEREOF (OTHER THAN THE ISSUER) IS PLEDGED TO THE PAYMENT OF THE BONDS.

Unless the Certificate of Authentication hereon has been executed by the Trustee, by manual signature, this Bond shall not be entitled to any benefit under the Bond Resolution or the Indenture or be valid or obligatory for any purpose.

It is hereby certified, covenanted and represented that all acts, conditions and things required to be performed, exist and be done precedent to or in the issuance of this Bond in order to render the same a legal, valid and binding general obligation of the Issuer have been performed, exist and have been done, in regular and due time, form and manner, as required by law, and that issuance of the Bonds does not exceed any constitutional or statutory limitation. In case any provision in this Bond or any application thereof shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions and applications shall not in any way be affected or impaired thereby. This Bond shall be construed in accordance with and governed by the laws of the State of Arizona and the federal laws of the United States of America.

IN WITNESS WHEREOF, the Issuer has caused this Bond to be duly executed.

MYSTIC AT LAKE PLEASANT HEIGHTS
COMMUNITY FACILITIES DISTRICT

By.....
.....

ATTEST:

.....
.....

STATEMENT OF INSURANCE

Build America Mutual Assurance Company (“BAM”), New York, New York, has delivered its municipal bond insurance policy (the “Policy”) with respect to the scheduled payments due of principal of and interest on this Bond to U.S. Bank Trust Company, National Association, Phoenix, Arizona, or its successor, as trustee for the Bonds (the “Trustee”). Said Policy is on file and available for inspection at the principal office of the Trustee and a copy thereof may be obtained from BAM or the Trustee. All payments required to be made under the Policy shall be made in accordance with the provisions thereof. By its purchase of these Bonds, the owner acknowledges and consents (i) to the subrogation and all other rights of BAM as more fully set forth in the Policy, and (ii) that upon the occurrence and continuance of a default or an event of default under the Indenture or this Bond, BAM shall be deemed to be the sole owner of the Bonds for all purposes and shall be entitled to control and direct the enforcement of all rights and remedies granted to the owners of the Bonds or the trustee, paying agent, registrar or similar agent for the benefit of such owners under the Indenture, at law or in equity.

SECTION 2.03. *Form of Certificate of Authentication.*

Each of the Bonds shall also include the following form:

CERTIFICATE OF AUTHENTICATION

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

DATE:

U.S. BANK TRUST COMPANY, NATIONAL
ASSOCIATION, as Trustee

By.....
Authorized Representative

[Remainder of page left blank intentionally.]

SECTION 2.04. *Form of Assignment.*

Each of the Bonds shall further include the following form:

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns, and transfers unto
(Print or typewrite name, address and zip code of transferee)

.....
.....
.....

(Print or typewrite Social Security or other identifying number of transferee:)
the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints (Print
or typewrite name of attorney:), attorney, to transfer the within Bond on the
books kept for registration thereof, with full power of substitution in the premises.

DATED:

Signature(s) guaranteed:

[Insert proper legend]

.....

NOTICE: The signature(s) on this assignment must
correspond with the name(s) of the registered
owner(s) appearing on the face of the within Bond in
every particular.

The following abbreviations, when used in the inscription on the face of the within
Bond or Assignment, shall be construed as though they were written out in full according to
applicable laws or regulations:

UNIF GIFT MIN ACT

TEN COM	-- as tenants in common Custodian
TEN ENT	-- as tenants by the	(Cust.) (Minor)
	Entireties under Uniform
	Gifts to Minors Act	State
JT TEN	-- as joint tenants with	
	Right of survivorship	
	and not as tenants in	
	common	

Additional abbreviations may also be used though not in the above list.

* * *

ARTICLE THREE

TERMS AND ISSUANCE OF THE BONDS

SECTION 3.01. *Title and Terms.*

A. There shall be one series of bonds, dated the date of initial authentication and delivery thereof, issued and secured hereunder entitled:

“MYSTIC AT LAKE PLEASANT HEIGHTS COMMUNITY FACILITIES DISTRICT
(PEORIA, ARIZONA)
GENERAL OBLIGATION BONDS, SERIES 2023”

(hereinafter referred to as the “Bonds”).

B. The Bonds shall be issued in denominations of \$5,000 of principal amount and integral multiples in excess thereof.

C. The aggregate principal amount of the Bonds which may be authenticated and delivered and Outstanding is limited to \$____,000, and the Stated Maturities, the principal amounts thereof maturing thereon and the rates of interest the Bonds so maturing shall bear shall be as follows:

Year (July 15)	Principal Amount	Interest Rate
-------------------	---------------------	------------------

D. The Bonds shall bear interest from and including the date of initial authentication and delivery thereof, or from and including the most recent Interest Payment Date to which interest has been paid or duly provided for, payable on each January 15 and July 15 commencing July 15, 2023 (hereinafter each referred to as an “Interest Payment Date”).

E. The principal of, Redemption Price for and premium, if any, on the Bonds shall be payable upon surrender of the Bonds to the Paying Agent at the principal corporate trust office thereof when due. Interest on the Bonds payable on any Interest Payment Date shall be payable as provided in Section 3.07.

SECTION 3.02. *Redemption of Bonds.*

A. The Bonds maturing on and after July 15, 20__, shall be redeemable from funds of the Issuer at the option of the Issuer prior to their Stated Maturity in accordance with Article Four in whole or in part on July 15, 20__, and any date thereafter, upon not more than sixty (60) nor less than thirty (30) days prior notice given as provided in Section 4.04, upon payment of the Redemption Price which shall consist of the principal amount of the Bonds so redeemed plus accrued interest, if any, on the Bonds so redeemed from the most recent Interest Payment Date to the Redemption Date without a premium.

B. The Bonds maturing on July 15 of the following years, shall be redeemed from funds of the Issuer prior to their Stated Maturities in accordance with Article Four on the following Redemption Dates and in the following amounts upon not less than sixty (60) nor more than thirty (30) days prior notice given as provided in Section 4.04, upon payment of the Redemption Price which consists of the principal amount of the Bonds so redeemed plus accrued interest, if any, on the Bonds so redeemed from the most recent Interest Payment Date to the Redemption Date:

Term Bond Maturing July 15, 20__	
Redemption Date	
(July 15)	Principal Amount

(maturity)

Term Bond Maturing July 15, 20__	
Redemption Date	
(July 15)	Principal Amount

(maturity)

SECTION 3.03. *Execution, Authentication, Delivery and Dating.*

A. The Bonds shall be executed on behalf of the Issuer by the Chairman or Vice Chairman of the Board and attested by the District Clerk. The signature of any of these officers on the Bonds may be manual or facsimile. Bonds bearing the manual or facsimile signatures of individuals who were at the time the proper officers of the Issuer shall bind the Issuer, notwithstanding that such individuals or any of them shall cease to hold such offices prior to the certification or authentication and delivery of such Bonds or shall not have held such offices at the date of such Bonds.

B. Forthwith upon the execution and delivery of this Indenture, the Issuer shall deliver to the Trustee the Bonds, executed by the Issuer, and the Trustee shall thereupon authenticate the Bonds and deliver the Bonds to the Persons and in the principal amounts designated in writing to the Trustee not less than seven (7) days in advance thereof upon receipt by the Trustee of:

1. the Bond Resolution, duly and validly adopted by the Board (as shall be conclusively evidenced by a certificate of the Issuer delivered on the Closing Date), authorizing the execution and delivery of this Indenture and the authentication and delivery of the Bonds,

2. the Series 2023 Standby Contribution Agreement, duly and validly executed and delivered by the parties thereto, and evidence satisfactory to the Issuer of performance of the obligations of Mystic thereunder to be performed by Mystic prior to or simultaneously with the delivery of the Bonds,

3. the Series 2023 Letter of Credit Depository Agreement, duly and validly executed and delivered by the parties thereto, and evidence satisfactory to the Issuer of the performance of the obligations of the issuer thereunder to be performed by the issuer prior to or simultaneously with the delivery of the Bonds,

4. the Initial Letter of Credit, along with necessary legal opinions relating to the validity and enforceability thereof and

5. the purchase price for the Bonds specified in the Bond Resolution.

C. At any time and from time to time after the execution and delivery of this Indenture, the Issuer may deliver Bonds executed by the Issuer to the Trustee for authentication, and the Trustee shall authenticate and deliver such Bonds as provided in this Indenture. The Trustee shall not be required to receive the additional evidence required under Subsection (B)(2) or (3) unless the Trustee receives an Issuer Request therefor.

D. No Bond shall be entitled to any right or benefit under this Indenture, or be valid or obligatory for any purpose, unless there appears on such Bond a certificate of authentication substantially in the form provided in Section 2.03, executed by the Trustee by manual signature, and such certificate upon any Bond shall be conclusive evidence, and the only evidence, that such Bond has been duly certified or authenticated and delivered.

E. All Bonds authenticated and delivered by the Trustee hereunder shall be dated the date of their authentication.

F. The Trustee shall be entitled to rely upon the delivery of the Bonds and an executed Issuer Request to Authenticate and Deliver the Bonds by the Issuer as conclusive evidence that the Issuer has received satisfactory evidence of the matters referenced in Subsections (B)(2) and (B)(3).

SECTION 3.04. *Registration, Transfer and Exchange.*

A. The Issuer shall cause to be kept (at its agency for payment of the Bonds) at the designated corporate trust office of the Bond Registrar a register (hereinafter referred to as the “Bond Register”) for the Bonds in which, subject to such reasonable regulations as it may prescribe, the Issuer shall provide for the registration of the Bonds and registration of transfers of Bonds as herein provided. The Trustee is hereby appointed “Bond Registrar” for the purpose of registering Bonds and transfer of Bonds as herein provided.

B. Upon surrender for transfer of any Bond to a Paying Agent therefor at the principal corporate trust office thereof, accompanied by such other documents as are required in the form of Bond in Section 2.02 in connection with the transfer thereof, the Issuer shall execute, and the Trustee shall authenticate and deliver, in the name of the designated transferee or transferees, one or more new fully registered Bonds of the same Stated Maturity, of any authorized denominations (provided, however, that no Bond shall ever be issued in a denomination less than the minimum applicable authorized denomination of such Bond) and of a like aggregate principal amount as requested by the transferor.

C. At the option of the Holder, Bonds may be exchanged for other Bonds of the same Stated Maturity, of any authorized denominations (provided, however, that no Bond shall ever be issued in a denomination less than the minimum applicable authorized denomination of such Bond) and of like aggregate principal amount upon surrender of the Bonds to a Paying Agent therefor at the principal corporate trust office thereof. Whenever any Bonds are so surrendered for exchange, the Issuer shall execute, and the Trustee shall authenticate and deliver, the Bonds which the Holder of Bonds making the exchange is entitled to receive.

D. All Bonds issued upon any transfer or exchange of Bonds shall be the valid obligations of the Issuer, evidencing the same debt, and entitled to the same security and benefits hereunder and under the Bond Resolution, as the Bonds surrendered upon such transfer or exchange.

E. Every Bond presented or surrendered for transfer or exchange shall be duly endorsed (if so required by the Trustee), or be accompanied by a written instrument of transfer in form satisfactory to the Trustee duly executed, by the Holder thereof or his attorney duly authorized in writing.

F. The Bond Registrar may require payment of a sum sufficient to cover any tax or other charges that may be imposed in connection with any transfer or exchange of Bonds.

G. Neither the Issuer nor the Trustee shall be required (1) to issue, transfer, or exchange any Bond during a period beginning at the opening of business fifteen (15) days before the day of the first mailing of a notice of redemption of Bonds under Section 4.04 and ending at the close of business on the day of such mailing or (2) thereafter to transfer or exchange any Bond to be redeemed in whole or in part pursuant to such notice.

H. 1. The Trustee and the Issuer shall at all times have an arrangement with a “clearing agency” (securities depository) registered under Section 17A of the Securities Exchange Act of 1934, as amended, which is the owner of the Bonds, to establish procedures with

respect to the Bonds not inconsistent with the provisions of this Indenture; provided, that, notwithstanding any other provisions of this Indenture, any such agreement may provide that different provisions for notice to such securities depository may be set forth herein and that a legend shall appear on each Bond so long as the Bonds are subject to such agreement.

2. With respect to Bonds registered in the name of such securities depository (or its nominee), the Trustee and the Issuer shall be entitled to treat the securities depository (or its nominee) as the absolute owner of such Bond for all purposes of this Indenture and neither the Trustee nor the Issuer shall have any obligation to any of its members or participants or to any person on behalf of whom an interest is held in the Bonds. Without limiting the immediately preceding sentence, neither the Trustee nor the Issuer shall have any responsibility or obligation with respect to (a) the accuracy of the records of such securities depository (or its nominee) with respect to any beneficial ownership interest in the Bonds, (b) the delivery to any other Person, other than the securities depository (or its nominee), of any notice with respect to the Bonds, including any notice of redemption or refunding, (c) the payment to any Person, other than the securities depository, of any amount with respect to the principal of, or interest on, the Bonds, or (d) the selection of the particular Bonds or portions thereof to be redeemed in the event that less than all of the Outstanding Bonds of a Stated Maturity are to be redeemed.

3. It is hereby acknowledged that the Issuer entered into a “letter of representations” with DTC in connection with the issuance of the Bonds, and while such letter of representations is in effect, the procedures established therein shall apply to the Bonds notwithstanding any other provisions of this Indenture or the Bonds to the contrary. As long as DTC is such a securities depository with respect to the Bonds, the Trustee shall be a “DTC Direct Participant.”

SECTION 3.05. *Temporary Bonds.*

A. Pending the preparation of definitive Bonds, the Issuer may execute, and upon Issuer Request the Trustee shall authenticate and deliver, temporary Bonds which are printed, lithographed, typewritten, mimeographed or otherwise produced, any denomination and Stated Maturities, substantially of the tenor of the definitive Bonds in lieu of which they are issued, in fully registered form, and with such appropriate insertions, omissions, substitutions and other variations as the officers executing such Bonds may determine, as evidenced by their execution of such Bonds.

B. If temporary Bonds are issued, the Issuer shall cause definitive Bonds to be prepared without unreasonable delay. After the preparation of definitive Bonds, the temporary Bonds shall be exchangeable for definitive Bonds upon surrender of the temporary Bonds to the Trustee without charge to the Holder. Upon surrender for cancellation of any one or more temporary Bonds the Issuer shall execute and the Trustee shall authenticate and deliver in exchange therefor a like principal amount of definitive Bonds of the same Stated Maturities and of authorized denominations. Until so exchanged, temporary Outstanding Secured Bonds shall in all respects be entitled to the security and benefits of this Indenture.

SECTION 3.06. *Mutilated, Destroyed, Lost and Stolen Bonds.*

A. If (1) any mutilated Bond is surrendered to the Trustee, or the Trustee receives evidence to its satisfaction of the destruction, loss or theft of any Bond, and (2) there is delivered to the Trustee such security or indemnity as may be required by it to save each of the Issuer and Trustee harmless, then, in the absence of notice to the Issuer or the Trustee that such Bond has been acquired by a bona fide purchaser, the Issuer shall execute and, upon a request of the Issuer Representative, the Trustee shall authenticate and deliver, in exchange for or in lieu of any such mutilated, destroyed, lost or stolen Bond, a new Bond of like tenor, Stated Maturity and aggregate principal amount bearing a number not contemporaneously outstanding. If, after the delivery of such new Bond, a bona fide purchaser of the original Bond in lieu of which such new Bond was issued presents for payment such original Bond, the Issuer and the Trustee shall be entitled to recover such new Bond from the Person to whom it was delivered or any Person taking therefrom, except a bona fide purchaser, and shall be entitled to recover upon the security or indemnity provided therefor to the extent of any loss, damage, cost or expenses incurred by the Issuer or the Trustee in connection therewith.

B. In case any such mutilated, destroyed, lost, or stolen Bond has become or is about to become due and payable, the Issuer or the Trustee in its discretion may pay such Bond instead of issuing a new Bond.

C. Upon the issuance of any new Bond under this Section, the Issuer or the Trustee may require the payment of a sum sufficient to cover any tax or other charges that may be imposed in relation thereto and any other expenses connected therewith.

D. Every new Bond issued pursuant to this Indenture in lieu of any mutilated, destroyed, lost, or stolen Bond shall constitute an original additional contractual obligation of the Issuer, whether or not the mutilated, destroyed, lost or stolen Bond shall be at any time enforceable by anyone, and shall be entitled to all the benefits of the Board Resolution authorizing the Bonds and of this Indenture equally and ratably with all other Outstanding Bonds.

E. The provisions of this Section are exclusive and shall preclude (to the extent lawful) all other rights and remedies with respect to the replacement and payment of mutilated, destroyed, lost or stolen Bonds.

SECTION 3.07. *Payment of Interest on Bonds; Interest Rights Preserved.*

A. Interest on any Bond which is payable on, and is punctually paid or duly provided for on, any Interest Payment Date shall be paid to the Person in whose name that Bond (or one or more Predecessor Bonds) is registered at the close of business on the Regular Record Date for such interest. Such interest, in the absence of other arrangements acceptable to the Paying Agent made by the Holder as of such date, shall be paid by check payable to the order and mailed to the address of such Holder as the same appears on the Bond Register and such payment shall be deemed to be at the principal corporate trust office of the Paying Agent.

B. Any interest on any Bond which is payable on, but is not punctually paid or duly provided for on, any Interest Payment Date (hereinafter referred to as "Defaulted Interest") shall forthwith cease to be payable to the Holder on the relevant Regular Record Date solely by

virtue of such Holder having been such Holder. Such Defaulted Interest shall thereupon be paid by the Issuer to the Persons in whose names such Bonds (or their respective Predecessor Bonds) are registered at the close of business on a Special Record Date for the payment of such portion of Defaulted Interest as may then be paid from the sources herein provided. The Issuer shall promptly notify the Trustee in writing of the amount of Defaulted Interest proposed to be paid on each Bond and the date of the proposed payment (which date shall be such as will enable the Trustee to comply with the next sentence hereof), and at the same time the Issuer shall deposit with the Trustee an amount of money equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest or shall make arrangements satisfactory to the Trustee for such deposit prior to the date of the proposed payment, such money when deposited to be held in trust for the benefit of the Holders entitled to such Defaulted Interest as in this Subsection provided and not to be deemed part of the Trust Estate for the other then-Outstanding Secured Bonds. Thereupon the Trustee shall fix a Special Record Date for the payment of such Defaulted Interest which shall be not more than fifteen (15) nor less than ten (10) days prior to the date of the proposed payment by the Trustee and not less than ten (10) days after the receipt by the Trustee of the notice of the proposed payment. The Trustee shall promptly notify the Issuer of such Special Record Date and, in the name and at the expense of the Issuer, shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed, first-class postage prepaid, to each Holder of a Bond at his or her address as it appears in the Bond Register not less than ten (10) days prior to such Special Record Date. Notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor having been mailed as aforesaid, such Defaulted Interest shall be paid to the Persons in whose names the Bonds (or their respective Predecessor Bonds) are registered on such Special Record Date.

C. Subject to the foregoing provisions of this Section, each Bond delivered under this Indenture upon transfer of or in exchange for or in lieu of any other Bond shall carry all the rights to interest accrued and unpaid, and to accrue, which were carried by such other Bond and each such Bond shall bear interest from such date that neither gain nor loss in interest shall result from such transfer, exchange or substitution.

SECTION 3.08. *Cancellation.*

All Bonds surrendered for payment, redemption, transfer, exchange, replacement or conversion, and all Bonds, if surrendered to the Trustee, shall be promptly canceled by it and, if surrendered to the Issuer or any Paying Agent, shall be delivered to the Trustee and, if not already canceled, shall be promptly canceled by the Trustee. The Issuer may at any time deliver to the Trustee for cancellation any Bonds previously certified or authenticated and delivered which the Issuer may have acquired in any manner whatsoever, and all Bonds so delivered shall be promptly canceled by the Trustee. No Bond shall be authenticated in lieu of or in exchange for any Bond canceled as provided in this Section, except as expressly provided by this Indenture.

SECTION 3.09. *Persons Deemed Owners.*

The Issuer, the Trustee, and their agents may treat the Person in whose name any Bond is registered as the owner of such bond for the purpose of receiving payment of the principal (and Redemption Price) of and interest on such Bond as provided herein and for all other purposes whatsoever, whether or not such Bond be overdue, and, to the extent permitted by law, none of the Issuer, the Trustee and any such agent shall be affected by notice to the contrary.

* * *

ARTICLE FOUR

REDEMPTION OF BONDS

SECTION 4.01. *General Applicability of Article.*

The Bonds shall be redeemable before their Stated Maturity in accordance with Section 3.02 and this Article.

SECTION 4.02. *Election to Redeem; Notice to Trustee.*

The exercise by the Issuer of its option to redeem any Bonds shall be evidenced by a Board Resolution. In case of any redemption at the election of the Issuer of less than all of the Outstanding Bonds, the Issuer shall, at least sixty (60) days prior to the Redemption Date (unless a shorter notice shall be satisfactory to the Trustee), notify the Trustee in writing of such Redemption Date and of the Stated Maturities and principal amounts of Bonds to be redeemed.

SECTION 4.03. *Selection of Bonds to be Redeemed.*

A. If less than all the Outstanding Bonds of a Stated Maturity of the Bonds are to be redeemed, the particular Bonds of such Stated Maturity of the Bonds to be redeemed shall be selected not more than forty-five (45) days prior to the Redemption Date by the Trustee from the Outstanding Bonds which have not previously been called for redemption, by such random method as the Trustee shall in its sole discretion deem appropriate and which may provide for the selection for redemption of portions (equal to \$5,000 of principal amount or an integral multiple thereof) of the principal of Bonds of a denomination larger than the authorized denomination of that Bond. Notwithstanding the foregoing, so long as the Bonds are registered in the name of a securities depository or its nominee, the redemption of such Bonds (or portions thereof) shall be made in a manner consistent with the practice of such securities depository.

B. The Trustee shall promptly notify the Issuer in writing of Bonds selected for redemption and, in the case of any Bond selected for partial redemption, the principal amount thereof to be redeemed.

SECTION 4.04. *Notice of Redemption.*

A. Notice of redemption shall be given by the Trustee in the name and at the expense of the Issuer, not less than thirty (30) nor more than sixty (60) days prior to the Redemption Date, to each Holder of Bonds to be redeemed, at his address appearing in the Bond Register.

B. All notices of redemption shall include a statement as to

1. the Redemption Date,
2. the Redemption Price,

3. the Stated Maturity and principal amount of Bonds to be redeemed and, if less than all Outstanding Bonds are to be redeemed, the identification (and, in the case of partial redemption, the respective principal amounts) of Bonds to be redeemed,

4. that on the Redemption Date, the Redemption Price of each of the Bonds to be redeemed will become due and payable and that the interest thereon shall cease to accrue from and after said date and

5. that Bonds to be redeemed are to be surrendered for payment of the Redemption Price to the Paying Agent at the principal corporate trust office thereof and the address of such Paying Agent.

The notice may state (1) that redemption is conditioned upon the deposit of moneys, in an amount equal to the amount necessary to effect the redemption, with the Trustee or a Paying Agent no later than the redemption date or (2) that the Issuer retains the right to rescind such notice on or prior to the scheduled redemption date, and such notice and optional redemption shall be of no effect if such moneys are not so deposited or if the notice is rescinded. Such notice may be rescinded at any time on or prior to the redemption date if the Issuer delivers an Officers' Certificate to the Trustee instructing the Trustee to rescind the redemption notice. The Trustee shall give prompt notice of such rescission to the affected Bondholders. Any Bonds where redemption has been rescinded shall remain Outstanding, and the rescission shall not constitute an event of default. The failure of the Issuer to make funds available in part or in whole on or before the redemption date shall not constitute an event of default.

C. Notices of redemption shall also be sent pursuant to this Section for receipt no later than the close of business on the second Business Day prior to the mailing of such notice by (1) registered or certified mail, (2) overnight delivery service or (3) facsimile transmission to the repositories specified in the Undertaking.

D. Notices of redemption shall further also be sent on the date of the mailing of the notice pursuant to this Section by (1) registered or certified mail, (2) overnight delivery service or (3) facsimile transmission to the repositories specified in the Undertaking.

E. Neither the failure to mail any notice required by Subsection C or D hereof, nor any defect in any notice so mailed, shall affect the sufficiency of such notice or the redemption otherwise effected by such notice nor shall the Trustee incur any liability for the failure to mail such or for any defect in such notice.

SECTION 4.05. *Deposit of Redemption Price.*

Unless the notice of redemption states that such redemption is conditional upon deposit of moneys, on or before the Business Day preceding the earliest date for mailing of the notice required by Section 4.04 with regard to any Redemption Date relating to Section 3.02(A), the Issuer shall deposit or cause to be deposited with the Trustee or a Paying Agent an amount of money which, together with any amounts in the Bond Fund available for such purpose, is sufficient to pay the Redemption Price of all the Bonds then to be redeemed and interest, if any, accrued thereon to the Redemption Date. Such money and amounts shall be segregated and shall be held

in trust, uninvested, for the benefit of the Holders entitled to such Redemption Price and shall not be deemed to be part of the Trust Estate.

SECTION 4.06. *Bonds Payable on Redemption Date.*

A. Notice of redemption having been given as aforesaid, the Bonds so to be redeemed shall, on the Redemption Date, become due and payable at the Redemption Price therein specified, and from and after such date (unless the Issuer shall default in the payment of the Redemption Price) such Bonds shall cease to bear interest. Upon surrender of any such Bond for redemption in accordance with said notice, such Bond shall be paid by the Issuer at the Redemption Price, but solely from the sources therein provided. Installments of interest with a Stated Maturity on or prior to the Redemption Date shall be payable to the Holders of the Bonds registered as such on the relevant Record Dates according to the terms of such Bonds and the provisions of Section 3.07.

B. If any Bond to be redeemed shall not be so paid upon surrender thereof for redemption, the principal shall, until paid, bear interest from the Redemption Date at the rate prescribed therefor in such Bond.

SECTION 4.07. *Bonds Redeemed in Part.*

Any Bond which is to be redeemed only in part shall be surrendered at the principal corporate trust office of the Trustee, and the Issuer shall execute and the Trustee shall authenticate and deliver to the Holder of such Bond, without service charge, a new Bond or Bonds of any authorized denomination or denominations as requested by such Holder in aggregate principal amount equal to and in exchange for the unredeemed portion of the principal of the Bond so surrendered.

* * *

ARTICLE FIVE

FUNDS

SECTION 5.01. *Bond Fund.*

There is hereby created by the Issuer and established with the Trustee the special fund of the Issuer designated its “General Obligation Bonds, Series 2023 Bond Fund” (hereinafter referred to as the “Bond Fund”) and within the Bond Fund (1) a special account designated the “Series 2023 Tax Account” and (2) a special account separate and apart from the Trust Estate and designated the “Series 2023 Expenses Account.” The money deposited to the Series 2023 Tax Account and the Series 2023 Expenses Account, together with all investments thereof and investment income therefrom, shall be held in trust by the Trustee and applied solely as provided in Sections 5.02 and 7.03.

SECTION 5.02. *Deposits to and Application of Bond Fund; Reports from Trustee with Respect Thereto.*

A. The Issuer shall, upon receipt, deposit to the credit of

1. the Series 2023 Tax Account:

a. amounts collected by or remitted to the Issuer as ad valorem taxes to the extent provided in Section 10.01(A) which are allocated in the budget of the Issuer for the applicable Fiscal Year for the payment of either (i) principal of or interest or premium on the Bonds with respect to Debt Service or (ii) for the payment of Rebate and the expenses described in Clause (ii) of the definition of Debt Service (but not any amounts from such source which are to be applied to pay amounts due with respect to any bonds issued on a parity with the Bonds),

b. amounts paid to the Trustee pursuant to Sections 2.01(B)(4) and (C)(3) of the Series 2023 Standby Contribution Agreement for which the Trustee shall submit written requests as required by such sections of the Series 2023 Standby Contribution Agreement;

c. amounts, if any, paid to the Trustee pursuant to Section 2.02(A) of the Series 2023 Letter of Credit Depository Agreement;

d. amounts transferred from the Acquisition and Construction Fund to the extent provided in Sections 5.04(B), 5.06(B) and 5.08(B); and

e. such other funds as the Issuer shall, at the option of the Board, deem advisable.

2. the Series 2023 Expenses Account:

a. the amount, if any, received from proceeds of the sale of the Bonds designated for deposit into the Series 2023 Expenses Account; and

b. amounts transferred from the Series 2023 Tax Account to the extent provided in Section 5.02(B)(1)(b).

B. 1. a. Amounts deposited in the Series 2023 Tax Account shall be applied, first, to pay principal, interest or premium with respect to Debt Service on the dates due and in the amounts and order provided in Section 7.03(B).

b. On the day after each such due date referred to in Section 5.02(B)(1)(a), amounts deposited in the Series 2023 Tax Account pursuant to, and for the purposes described in, Section 5.02(A)(1)(a)(ii) shall be transferred to the Series 2023 Expenses Account.

2. Amounts deposited in the Series 2023 Expenses Account shall be applied to pay amounts due with respect to Rebate or, upon an Issuer Request, be paid to the Issuer for the purposes described in Section 8.1 of the Development Agreement. The Trustee shall have no obligation to confirm that the Issuer uses such funds for such purposes.

C. 1. After the Draw, on January 2 and July 2 of each year prior to the termination of the Series 2023 Letter of Credit Depository Agreement, as the case may be, the Trustee shall provide to the Depository in writing the following information:

a. Debt Service due on the Bonds on the next January 15 and July 15, as the case may be;

b. the amount then on deposit in the Series 2023 Tax Account including the amounts deposited therein pursuant to Section 5.02(A)(1)(b) and (c); and

c. the difference of clause (a) above less clause (b) above,

together with, subject to the next sentence, a request (which may be by facsimile communication) for payment by the Depository, from amounts held pursuant to the Series 2023 Letter of Credit Depository Agreement, of amounts equal in total to such difference if greater than zero by January 8 and July 8, respectively. Notwithstanding the foregoing, as indicated in an Issuer Request (which may be by facsimile request), amounts held pursuant to the Series 2023 Letter of Credit Depository Agreement shall be paid as otherwise directed in the Issuer Request to enforce performance of the obligations of the parties to the Series 2023 Standby Contribution Agreement.

2. As soon as possible after July 15 of each year and more often as indicated in an Issuer Request, the Trustee shall provide to the Issuer, the Underwriter and, while the Series 2023 Letter of Credit Depository Agreement is in effect, Mystic the balances as of such date in each fund established thereunder.

SECTION 5.03. *Acquisition and Construction Fund.*

There is hereby created by the Issuer and established with the Trustee a special trust fund of the Issuer held separate and apart from the Trust Estate and designated its “General Obligation Bonds, Series 2023 Acquisition and Construction Fund” (hereinafter referred to as the “Acquisition and Construction Fund”). Amounts deposited to the Acquisition and Construction Fund, together with all investments thereof and investment income therefrom, shall be held in trust by the Trustee and applied solely as provided in Sections 5.04 and 5.06.

SECTION 5.04. *Deposits to and Application of Acquisition and Construction Fund.*

A. The Issuer shall deposit to the credit of the Acquisition and Construction Fund the amount indicated in Section 5.07.

B. Upon an Issuer Request which shall state with respect to Costs of Acquisition and Construction (1) the name and address of the Person to whom the payment is to be made; (2) the amount to be paid; (3) the obligation on account of which the payment is to be made, showing the total obligation, any amount previously paid and the unpaid balance as well as the provision of the Development Agreement to which the foregoing relates; (4) that the obligation was properly incurred and is a proper charge against the Acquisition and Construction Fund; (5) that the amount requisitioned is due and unpaid or owing to such Person; (6) that with respect to items covered in the Issuer Request, there are no vendors’, mechanics’ or other liens, bailments, leases or conditional sale contracts which must be satisfied or discharged before the payments as requisitioned therein are made or which will not be discharged by such payment and (7) the aggregate amount of all disbursements previously made from the Acquisition and Construction Fund, amounts on deposit in the Acquisition and Construction Fund shall be applied by the Trustee solely to pay the Costs of Acquisition and Construction and, to the extent the funds deposited to the Acquisition and Construction Fund and investment income attributable thereto are in excess of the amounts required for any such purpose, then at the discretion of the Issuer as provided by Issuer Request to transfer such unexpended proceeds or income to the Series 2023 Tax Account; provided, however, that if any such amounts remain on deposit in the Acquisition and Construction Fund on May 1, 2025, such amounts shall be transferred by the Trustee to the Series 2023 Tax Account. The Trustee shall have no obligation to confirm that such released amounts are used by the Issuer for a permitted purpose.

SECTION 5.05. *Costs of Issuance Fund.*

There is hereby created by the Issuer and established with the Trustee a special trust fund of the Issuer held separate and apart from the Trust Estate and designated its “General Obligation Bonds, Series 2023 Costs of Issuance Fund” (hereinafter referred to as the “Costs of Issuance Fund”). Amounts deposited to the Costs of Issuance Fund, together with all investments thereof and investment income therefrom, shall be held in trust by the Trustee and applied solely as provided in Section 5.06.

SECTION 5.06. *Deposits to and Application of Costs of Issuance Fund.*

A. The Issuer shall deposit to the credit of the Costs of Issuance Fund the amount indicated in Section 5.07.

B. Upon an Issuer Request which shall state with respect to Costs of Issuance (1) the name and address of the Person to whom the payment is to be made; (2) the amount to be paid; (3) the obligation on account of which the payment is to be made, showing the total obligation, any amount previously paid and the unpaid balance; (4) that the obligation was properly incurred and is a proper charge against the Costs of Issuance Fund; (5) that the amount requisitioned is due and unpaid or owing to such Person and (6) the aggregate amount of all disbursements previously made from the Costs of Issuance Fund, amounts on deposit in the Costs of Issuance Fund shall be applied by the Trustee solely to pay the Costs of Issuance and, to the extent the funds deposited to the Acquisition and Construction Fund and investment income attributable thereto are in excess of the amounts required for any such purpose, then at the discretion of the Issuer as provided by Issuer Request to transfer such unexpended proceeds or income to the Series 2023 Tax Account; provided, however, that if any such excess amounts remain on deposit in the Acquisition and Construction Fund on September 1, 2023, such excess amounts shall be transferred by the Trustee to the Series 2023 Tax Account. The Trustee shall have no obligation to determine that such released amounts are used by the Issuer for a permitted purpose.

SECTION 5.07. *Disposition of Proceeds of Bonds.*

Simultaneously with delivery of the Bonds to the Underwriter, the Issuer shall cause the Trustee to deposit \$_____ of the proceeds thereof in the Acquisition and Construction Fund and the remaining proceeds thereof (\$_____) in the Costs of Issuance Fund.

SECTION 5.08. *Investment of and Security for Funds.*

A. Money held for the credit of the Bond Fund shall, as nearly as may be practicable, be continuously invested and reinvested by the Trustee in Governmental Obligations at the written direction of the Issuer Representative.

B. Money held for the credit of the Acquisition and Construction Fund shall, as nearly as may be practical, be continuously invested and reinvested by the Trustee in Permitted Investments at the written direction of the Issuer Representative and on each September 14 and March 10 of each tax year the resulting investment income shall be transferred by the Trustee to the Series 2023 Tax Account. If the Trustee is not provided with written investment directions the Trustee shall hold such amounts uninvested in cash, without liability for interest. The Trustee is entitled to rely on any written investment direction of the Issuer Representative as to the suitability and the legality of such directed investments and such written investment direction shall be deemed to be a certification that such directed investments constitute Permitted Investments and comply with any yield restrictions applicable thereto.

C. The Trustee shall sell or present for redemption any obligations so purchased as an investment hereunder whenever it shall be necessary so to do in order to provide money to make any payment or transfer of money required hereby. Investments shall mature, or shall be subject to redemption by the holder thereof at the option of such holder without penalty, not later than the respective dates when such money is expected to be required for the purpose intended. Obligations so purchased as an investment of any money credited to any fund established hereunder shall be deemed at all times to be a part of such fund. The investment income on

obligations so purchased and any profit realized from such investment shall be credited to such fund and any loss resulting from such investment shall be charged to such fund.

D. All money held by the Trustee hereunder shall be continuously secured in the manner and to the fullest extent then required by applicable State or federal laws and regulations regarding the security for, or granting a preference in the case of, the deposit of trust funds. The Trustee shall not be liable for any loss resulting from any such investment excepting only such losses as may have resulted from disregard or negligent implementation of any permitted direction by the Issuer.

E. The Trustee may elect, but shall not be obligated, to credit the funds and accounts held by it with moneys representing income or principal payments due on, or sales proceeds due in respect of, Permitted Investments in such funds and accounts, or to credit to Permitted Investments intended to be purchased with such moneys, in each case before actually receiving the requisite moneys from the payment source, or to otherwise advance funds for account transactions. The Issuer acknowledges that the legal obligation to pay the purchase price of any Permitted Investments arises at the time of purchase, any such crediting of funds or assets shall be provisional in nature, and the Trustee shall be authorized to reverse any such transactions or advances of funds in the event that it does not receive good funds with respect thereto.

F. Although the Issuer recognizes that it may obtain brokerage confirmations or written statements containing comparable information at no additional cost, the Issuer agrees that brokerage confirmations are not required to be issued by the Trustee for each month in which a monthly statement of investments is provided by the Trustee. No statement needs to be provided, however, for any fund or account for any month in which no investment activity occurred during such month in such fund or account.

* * *

ARTICLE SIX

DEFEASANCE AND RELEASES

SECTION 6.01. *Payment of Indebtedness; Satisfaction and Discharge of Indenture.*

A. Whenever

1. all Bonds theretofore authenticated and delivered have been canceled by the Trustee or delivered to the Trustee for cancellation, excluding, however:

a. Bonds for the payment of which money has theretofore been deposited in trust with the Trustee or a Paying Agent as provided in Section 4.05,

b. Bonds alleged to have been destroyed, lost, or stolen which have been replaced or paid as provided in Section 3.06, except for any such Bond which, prior to the satisfaction and discharge of this Indenture, has been presented to the Trustee with a claim of ownership and enforceability by the Holder thereof and where enforceability has not been determined adversely against such Holder by a court of competent jurisdiction,

c. Bonds, other than those referred to in the foregoing Clauses, for the payment or redemption (under arrangements satisfactory to the Trustee for the giving of notice of redemption by the Trustee in the name and at the expense of the Issuer) of which the Issuer has deposited or caused to be deposited with the Trustee or a Paying Agent in trust for such purpose an amount (to be immediately available for payment, except in the case of Bonds excepted from the foregoing Clause (b) prior to the time the ownership and enforceability of such Bonds has been established) sufficient to pay and discharge the entire indebtedness on the Bonds for principal (and premium, if any) and interest to the date of Maturity thereof which have become due and payable or to the Stated Maturity or Redemption Date, as the case may be and

d. Bonds deemed no longer Outstanding as a result of the deposit or escrow of money or Governmental Obligations or both as described in Section 6.02; and

2. the Issuer has paid or caused to be paid all other sums payable hereunder by the Issuer;

then, upon Issuer Request, this Indenture and the lien, rights and interests created hereby shall cease, determine and become null and void (except as to any surviving rights of transfer or exchange of Bonds herein or therein provided for), and the Trustee and each co-trustee and separate trustee, if any, then acting as such hereunder shall, at the expense of the Issuer, execute and deliver a termination statement and such instruments of satisfaction and discharge as may be necessary

and pay, assign, transfer and deliver to the Issuer or upon Issuer Request all cash, securities and other personal property then held by it hereunder as a part of the Trust Estate.

B. In the absence of an Issuer Request as aforesaid, the payment of all Outstanding Secured Bonds shall not render this Indenture inoperative or prevent the Issuer from issuing Bonds from time to time thereafter as herein provided.

C. Notwithstanding the satisfaction and discharge of this Indenture, the obligations of the Issuer to the Trustee under Section 8.06 shall survive.

SECTION 6.02. *Defeasance.*

Any Bond shall be deemed to be no longer Outstanding when payment of the principal of such Bond, plus interest thereon to the Maturity thereof (whether such Maturity be by reason of the Stated Maturity thereof or giving of notice redemption therefor, if notice of such redemption has been given or waived or irrevocable arrangements therefor satisfactory to the Trustee have been made) shall have been provided for by depositing for such payment from funds of the Issuer under the terms provided in this Section (1) money sufficient to make such payment or (2) money and Governmental Obligations certified to the Trustee and the Issuer by an independent accountant of national reputation to mature as to principal and interest in such amounts and at such times as shall, without further investment or reinvestment of either the principal amount thereof or the interest earnings therefrom be sufficient to make such payment, provided that all necessary and proper fees, compensation, and expenses of the Trustee and Paying Agents pertaining to the Bonds with respect to which such deposit is made shall have been paid or the payment thereof provided for to the satisfaction of the Trustee. Any such deposit shall be made either with the Trustee or, if notice of such deposit is given to the Trustee, with a state or nationally chartered bank with a minimum combined capital and surplus of \$50,000,000, as escrow agent, with irrevocable instructions to transfer the amounts so deposited and investment income therefrom to the Trustee or the Paying Agents in the amounts and at the times required to pay principal of and interest on the Bonds with respect to which such deposit is made at the Maturity thereof and of such interest or the Stated Maturity, as the case may be. In the event such deposit is made with respect to some but not all of the Bonds then Outstanding, the Trustee shall select the Outstanding Bonds in the same manner as provided in Section 4.03 for the selection of Bonds to be redeemed. Notwithstanding anything herein to the contrary however, no such deposit shall have the effect hereinabove described (1) if made during the existence of default hereunder of which the Trustee has received written notice unless made with respect to all of the Bonds then Outstanding and (2) unless there shall be delivered to the Trustee an Opinion of Counsel to the effect that such deposit shall not adversely affect any exemption from federal income taxation of interest on any Bond. Any money and Governmental Obligations deposited with the Trustee for such purpose shall be held by the Trustee in a segregated account in trust for the Holders of the Bonds with respect to which such deposit is made and together with any investment income therefrom, shall be disbursed solely to pay the principal of and interest on the Bonds when due. No money or Governmental Obligations so deposited pursuant to this Section shall be invested or reinvested unless in Governmental Obligations and unless such money not invested, such Governmental Obligations not reinvested, and such new investments are together certified by an independent accountant of national reputation to be of such amounts, maturities, and interest payment dates and to bear such interest as will, without further investment or reinvestment of either

the principal amount thereof or the interest earnings therefrom, be sufficient to make such payment. At such times as a Bond shall be deemed to be paid hereunder, as aforesaid, it shall no longer be secured by or entitled to the benefits of this Indenture, except for purposes of any such payment from such money or Governmental Obligations.

SECTION 6.03. *Application of Deposited Money.*

Money or Governmental Obligations deposited with the Trustee pursuant to Section 6.01 or 6.02 shall not be a part of the Trust Estate but shall constitute a separate trust fund for the benefit of the Persons entitled thereto. Subject to the provisions of Section 4.03, such money or Governmental Obligations shall be applied by the Trustee to the payment (either directly or through any Paying Agent as the Trustee may determine) to the Holders entitled thereto of the principal (and premium, if any) and interest for the payment of which such money has been deposited with the Trustee.

* * *

ARTICLE SEVEN

REMEDIES

SECTION 7.01. *Suits for Enforcement; Mandamus.*

A. The Trustee in its discretion, subject to the provisions of Section 7.10, may proceed to protect and enforce its rights and the rights of the Bondholders under this Indenture by a suit, action, or proceeding in equity or at law or otherwise, whether for the specific performance of any covenant or agreement contained in this Indenture, the Series 2023 Standby Contribution Agreement or the Series 2023 Letter of Credit Depository Agreement or in aid of the execution of any power granted in this Indenture, the Series 2023 Standby Contribution Agreement or the Series 2023 Letter of Credit Depository Agreement or for the enforcement of any other legal, equitable, or other remedy, as the Trustee, being advised by counsel, shall deem most effectual to protect and enforce any of the rights of the Trustee or the Bondholders. Without limiting the generality of the foregoing, the Trustee shall at all times have the power to institute and maintain such proceedings as it may deem expedient: (1) to prevent any impairment of the Trust Estate by any acts which may be unlawful or in violation of this Indenture, the Series 2023 Standby Contribution Agreement or the Series 2023 Letter of Credit Depository Agreement and (2) to protect its interests and the interests of the Bondholders in the Trust Estate and in the issues, profits, revenues and other income arising therefrom, including the power to maintain proceedings to restrain the enforcement of or compliance with any governmental enactment, rule or order which may be unconstitutional or otherwise invalid, if the enforcement of, or compliance with, such enactment, rule or order would impair the Trust Estate or be prejudicial to the interests of the Bondholders or the Trustee.

B. In addition to all rights and remedies of any Holder of Bonds provided herein, in the event the Issuer defaults in the payment of the principal of or premium, if any, or interest on any of the Bonds when due, or defaults in the observance or performance of any of the covenants, conditions, or obligations set forth in the Bond Resolution, this Indenture, the Series 2023 Standby Contribution Agreement or the Series 2023 Letter of Credit Depository Agreement, the Trustee shall be entitled to a writ of mandamus issued by a court of proper jurisdiction compelling and requiring the directors and other officers of the Issuer to make such payment or to observe and perform any covenant, obligation, or condition prescribed in the Bond Resolution, this Indenture, the Series 2023 Standby Contribution Agreement and the Series 2023 Letter of Credit Depository Agreement.

C. Notwithstanding the foregoing, if the Trustee is unwilling or unable to perform any of the foregoing with respect to the Series 2023 Standby Contribution Agreement or the Series 2023 Letter of Credit Depository Agreement and the result will be an increase of the levy required by Section 10.01 for the next tax year, the Issuer may, independently, take whatever action is necessary in the judgment of the Board to mitigate the effect in future tax years.

SECTION 7.02. *Covenant to Pay Trustee Amounts Due on Bonds and Right of Trustee to Judgment.*

A. If

1. default occurs in the payment of any interest on any Bond when such interest becomes due and payable or

2. default occurs in the payment of the principal of (or premium, if any, on) any Bond at its Maturity,

then upon demand of the Trustee, the Issuer shall pay or cause to be paid to the Trustee for the benefit of the Holders of such Bonds the amount so due and payable on the Bonds for principal (and premium, if any), but not any such amounts due in the future, and interest and, in addition thereto, such further amount as shall be sufficient to cover the costs and expenses of administration and collection, including the reasonable compensation, expenses, disbursements, and advances of the Trustee and its agents and counsel. If the Issuer fails to pay or cause to be paid such amounts forthwith upon such demand, the Trustee, in its own name and as trustee of an express trust, shall be entitled to sue for and recover judgment against the Issuer for the amount then so due and unpaid.

B. The Trustee shall be entitled to sue and recover judgment as aforesaid either before, after, or during the pendency of any proceedings for the enforcement of the lien of this Indenture, and in case of a sale of the Trust Estate and the application of the proceeds of sale as aforesaid, 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 Outstanding Secured Bonds, for the benefit of the Holders thereof, and shall be entitled to recover judgment for any portion of the same remaining unpaid, with interest as aforesaid. No recovery of any such judgment upon any property of the Issuer shall affect or impair the lien of this Indenture upon the Trust Estate or any rights, powers, or remedies of the Trustee hereunder, or any rights, powers, or remedies of the Holders of the Bonds.

SECTION 7.03. *Application of Money Collected.*

Any money collected by the Trustee pursuant to this Article, together with any other sums then held by the Trustee as part of the Trust Estate, shall be applied in the following order, at the date or dates fixed by the Trustee and, in case of the distribution of such money on account of principal (or premium, if any) or interest upon presentation of the Bonds and the notation thereon of the payment if only partially paid and upon surrender thereof if fully paid:

A. First: To the payment of all unpaid amounts due the Trustee under Section 8.06 and the creation of a reasonable reserve for anticipated fees, costs and expenses that might arise pursuant to such Section;

B. Second: To the payment of any amounts due for Rebate and then the payment of the whole amount then due and unpaid upon the Outstanding Secured Bonds, for principal of and premium, if any and interest on the Bonds and with interest (to the extent that such interest has been collected by the Trustee or a sum sufficient therefor has been so collected and

payment thereof is legally enforceable at the respective rate or rates prescribed therefor in the Bonds) on overdue principal (and premium, if any), and in case such proceeds shall be insufficient to pay in full the whole amount so due and unpaid upon such Bonds, then to the payment of such principal and interest without any preference or priority, ratably according to the aggregate amount so due; and

C. Third: To the payment of the remainder, if any, to the Issuer, or to whosoever may be lawfully entitled to receive the same, or as a court of competent jurisdiction may direct.

SECTION 7.04. *Trustee May File Proofs of Claim.*

A. In case of the pendency of any receivership, insolvency, liquidation, bankruptcy, reorganization, arrangement, adjustment, composition, or other judicial proceeding relative to the Issuer or the property of the Issuer, the Trustee (irrespective of whether the principal of the Bonds shall then be due and payable, as therein expressed or by declaration or otherwise, and irrespective of whether the Trustee shall have made any demand on the Issuer for the payment of overdue principal, premium, or interest) shall be entitled and empowered, by intervention in such proceeding or otherwise,

1. to file and prove a claim for the whole amount of principal (and premium, if any) and interest owing and unpaid in respect of the Outstanding Secured Bonds and to file such other papers or documents as may be necessary or advisable in order to have the claims of the Trustee (including any claim for the reasonable compensation, expenses, disbursements, and advances of the Trustee, its agents and counsel) and of the Bondholders allowed in such judicial proceeding; and

2. to collect and receive any money or other property payable or deliverable on any such claims and to distribute the same;

and any custodian, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each Bondholder to make such payments to the Trustee, and in the event that the Trustee shall consent to the making of such payments directly to the Bondholders, to pay to the Trustee any amount due to it for the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel and any other amounts due the Trustee under Section 8.06.

B. Nothing herein contained shall be deemed to authorize the Trustee to authorize or consent to or accept or adopt on behalf of any Bondholder any plan of reorganization, arrangement, adjustment or composition affecting the Bonds or the rights of any Holder thereof, or to authorize the Trustee to vote in respect of the claim of any Bondholder in any such proceeding.

SECTION 7.05. *Trustee May Enforce Claims Without Possession of Bonds.*

All rights of action and claims under this Indenture or the Bonds may be prosecuted and enforced by the Trustee without the possession of any of the Bonds or the production thereof

in any proceeding relating thereto, and any such proceeding instituted by the Trustee shall be brought in its own name as trustee of an express trust. Any recovery of judgment shall, after provision for the payment of the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, be for the ratable benefit of the Holders of the Bonds in respect of which such judgment has been recovered.

SECTION 7.06. *Unconditional Right of Bondholders to Receive Principal, Premium and Interest.*

Notwithstanding any other provision in this Indenture, the Holder of any Bond shall have the right which is absolute and unconditional to receive, after payment of all amounts due to the Trustee hereunder, payment of the principal of and (subject to Section 7.10) interest on any such Bond on the respective Stated Maturities expressed in such Bond (or, in the case of redemption, on the Redemption Date), and to institute suit for the enforcement of any such payment, and such rights shall not be impaired without the consent of such Holder; provided, however, that no Bondholder shall be entitled to take any action or institute any such suit to enforce the payment of his Bonds, whether for principal, interest or premium, if and to the extent that the taking of such action or the institution or prosecution of any such suit or the entry of judgment therein would under applicable law result in a surrender, impairment, waiver or loss of the lien of this Indenture upon the Trust Estate, or any part thereof, as security for Bonds held by any other Bondholder.

SECTION 7.07. *Rights and Remedies Cumulative.*

No right or remedy herein conferred upon or reserved to the Trustee or the Bondholders is intended to be exclusive of any other right or remedy, and every right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. Except as otherwise provided herein with regard to the rights or remedies of Bondholders, the assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

SECTION 7.08. *Delay or Omission Not Waiver.*

No delay or omission of the Trustee or any Holder of any Bond to exercise any right or remedy accruing upon a default under this Article shall impair any such right or remedy or constitute a waiver of any such default or an acquiescence therein. Every right and remedy given by this Article or by law to the Trustee or the Bondholders may be exercised from time to time, and as often as may be deemed expedient, by the Trustee or by the Bondholders, as the case may be.

SECTION 7.09. *Control by Bondholders.*

A. The Holders of a majority in aggregate principal amount of the Outstanding Bonds affected thereby shall have the right

1. to require the Trustee to proceed to enforce this Indenture, either by judicial proceedings for the enforcement of the payment of the Bonds and the foreclosure of this Indenture, the sale of the Trust Estate, or otherwise; and

2. 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 upon the Trustee hereunder, provided that

a. such direction shall not be in conflict with any rule of law or this Indenture,

b. the Trustee may take any other action deemed proper by the Trustee which is not inconsistent with such direction,

c. the Trustee shall not determine that the action so directed would be unjustly prejudicial to the Holders not taking part in such direction, and

d. if the remedy requires the consent of a certain number of the Holders, such consent has been provided.

B. Before taking action pursuant to this Section, the Trustee may require that a satisfactory indemnity bond be furnished to it for the reimbursement of all expenses which it may incur and to protect it against all liability by reason of any action so taken, except liability which is adjudicated to have resulted from its negligence or willful misconduct. The Trustee may take action without that indemnity, and in that case, the Issuer shall reimburse the Trustee for all of the expenses of the Trustee pursuant to Section 8.06.

SECTION 7.10. *Waiver of Past Defaults.*

A. Before any judgment or decree for payment of money due has been obtained by the Trustee as provided in this Article, the Holders of not less than a majority in aggregate principal amount of the Outstanding Bonds affected thereby may, by Act of such Bondholders delivered to the Trustee and the Issuer, on behalf of the Holders of all the Bonds waive any past default hereunder and its consequences, except a default in respect of a covenant or provision hereof which under Article Nine cannot be modified or amended without the consent of the Holder of each Outstanding Bond affected.

B. Upon any such waiver, such default shall cease to exist for every purpose of this Indenture; but no such waiver shall extend to any subsequent or other default or impair any right consequent thereon.

SECTION 7.11. *Undertaking for Costs.*

All parties to this Indenture agree, and each Holder of any Bond by his acceptance thereof shall be deemed to have agreed, that any court may in its discretion require, in any suit for the enforcement of any right or remedy under this Indenture, or in any suit against the Trustee for any action taken or omitted by it as Trustee, the filing by any party litigant in such suit of an undertaking to pay the costs of such suit, and that such court may in its discretion assess reasonable costs against any party litigant in such suit, having due regard to the merits and good faith of the claims or defenses made by such party litigant; but the provisions of this Section shall not apply to any suit instituted by or against the Trustee, to any suit instituted by any Bondholder, or group of Bondholders of the Bonds affected thereby, holding in the aggregate more than ten percent (10%) in principal amount of the Outstanding Bonds, or to any suit instituted by any Bondholder for the enforcement of the payment of the principal of or interest on any Bond on or after the Stated Maturity expressed in such Bond (or, in the case of redemption, on or after the Redemption Date).

SECTION 7.12. *Remedies Subject to Applicable Law.*

All rights, remedies, and powers provided by this Article may be exercised only to the extent that the exercise thereof does not violate any applicable provision of law in the premises, and all the provisions of this Article are intended to be subject to all applicable mandatory provisions of law which may be controlling in the premises and to be limited to the extent necessary so that they will not render this Indenture invalid, unenforceable, or not entitled to be recorded, registered or filed under the provisions of any applicable law.

* * *

ARTICLE EIGHT

THE TRUSTEE

SECTION 8.01. *Certain Duties and Responsibilities.*

A. The Trustee undertakes to perform such duties and only such duties as are specifically set forth in this Indenture, and no implied covenants or obligations shall be read into this Indenture against the Trustee. If any event of default under this Indenture shall have occurred and be continuing, the Trustee shall exercise such of the rights and powers vested in it by this Indenture and shall use the same degree of care as a prudent person would exercise or use in the circumstances in the conduct of such prudent person's own affairs. In the absence of bad faith on its part, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Trustee and conforming to the requirements of this Indenture; but in the case of any such certificates or opinions which by any provision hereof are specifically required to be furnished to the Trustee, the Trustee shall be under a duty to examine the same to determine whether or not they conform on their face to the requirements of this Indenture.

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

1. this Subsection shall not be construed to limit the effect of Subsection A of this Section;

2. the Trustee shall not be liable for any error of judgment made in good faith by a Responsible Officer, unless it shall be proved that the Trustee was negligent;

3. 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 a majority in principal amount of the Outstanding Bonds or 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, the Series 2023 Standby Contribution Agreement or the Series 2023 Letter of Credit Depository Agreement; and

4. no provision of this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers, unless it is provided indemnity in connection therewith as provided in Sections 7.09(B) and 8.02(E).

C. Whether or not therein expressly so provided, every provision of this Indenture relating to the conduct or affecting the liability of or affording protection to the Trustee shall be subject to the provisions of this Section.

SECTION 8.02. *Certain Rights of Trustee.*

Except as otherwise provided in Section 8.01 hereof:

A. the Trustee may rely and shall be protected in acting or refraining from acting upon:

1. any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, telex or other paper, document, or communication reasonably believed by it to be genuine and to have been signed or presented by the proper Persons; and

2. failure of the Trustee to receive any such paper, document, or communication, if prior receipt thereof is required by this Indenture before the Trustee is to take or refrain from taking any action;

B. any request or direction of the Issuer mentioned herein shall be sufficiently evidenced by an Issuer Request, and any order or resolution of the Board may be sufficiently evidenced by a Board Resolution;

C. whenever in the administration of this Indenture the Trustee shall deem it desirable that a matter be proved or established prior to taking, suffering or omitting any action hereunder, the Trustee (unless other evidence be herein specifically prescribed) may, in the absence of bad faith on its part, rely upon an Officers' Certificate or, for purposes of Section 10.06, an appropriate certificate of any expert or consultant employed by the Issuer to make, as necessary, any calculations in respect of rebates to be made to the United States of America in accordance with section 148(f) of the Code;

D. the Trustee may consult with legal counsel and the written advice of such counsel shall be full and complete authorization and protection in respect of any action taken, suffered, or omitted by the Trustee hereunder in good faith and in reliance thereon;

E. the Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Indenture, the Bond Resolution, the Series 2023 Standby Contribution Agreement or the Series 2023 Letter of Credit Depository Agreement at the request or direction of any of the Bondholders pursuant to this Indenture, unless such Bondholders shall have offered to the Trustee security or indemnity satisfactory to the Trustee against the costs, expenses, and liabilities which might be incurred by it in compliance with such request or direction;

F. the Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond or other paper or document (including particularly, but not by way of limitation, Acts, Board Resolutions, Opinions of Counsel, Issuer Requests and Officers' Certificates), but the Trustee, in its discretion, may make such further inquiry or investigation into such facts or matters as it may see fit, and, if the Trustee shall determine to make such further inquiry or investigation, it shall be entitled to examine the books, records and premises of the Issuer, personally or by agent or attorney;

G. the Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents or attorneys, and the Trustee shall not be responsible for any misconduct or negligence on the part of any agent or attorney appointed, with due care by it hereunder;

H. the Trustee shall not be required to take notice or to be deemed to have notice of any default under this Indenture, except for the defaults described in Section 7.02(A)(1) and (2), unless the Trustee shall be notified of such default in writing by the Issuer or by the Holders of a majority in aggregate principal amount of the Bonds then Outstanding and, in the absence of such notices so delivered, the Trustee may conclusively assume there is no default except as aforesaid;

I. the Trustee has no obligation to perform any duties of the Issuer under Sections 10.05 and 10.06 or the Tax Certificate, and the Trustee is not bound to ascertain or inquire as to the performance or observance of any covenants or conditions on the part of the Issuer thereunder. The Trustee shall not be responsible for any determination or calculation concerning arbitrage rebate with respect to the Bonds, or for monitoring yields on investments held hereunder or determining whether the yield on any investments made in accordance with the Indenture would cause, or whether any other facts exist which would cause, any of the Bonds to become arbitrage bonds under Section 148 of the Code; and

J. the Trustee shall have the right to accept and act upon instructions or directions, including funds transfer instructions, pursuant to this Indenture sent by Electronic Means. As used in this Subsection, "Electronic Means" means a portable document format ("pdf") or other replicating image attached to an unsecured email, facsimile transmission, secure electronic transmission (containing applicable authorization codes, passwords and/or authentication keys issued by the Trustee), or another method or system specified by the Trustee as available for use in connection with its services hereunder; provided, however, that the Issuer shall provide to the Trustee an incumbency certificate listing designated persons authorized to provide such instructions ("Authorized Officers"), which incumbency certificate shall be amended whenever a person is to be added or deleted from the listing. If the Issuer elects to give the Trustee instructions by Electronic Means and the Trustee in its discretion elects to act upon such instructions, the Trustee's understanding of such instructions shall be deemed controlling. The Issuer agrees that the Trustee cannot determine the identity of the actual sender of such instructions and that the Trustee shall conclusively presume that instructions that purport to have been sent by an Authorized Officer listed on the incumbency certificate provided to the Trustee have been sent by such Authorized Officer. The Issuer shall be responsible for ensuring that only Authorized Officers transmit such instructions to the Trustee, and the Issuer and the Authorized Officers are responsible to safeguard the use and confidentiality of applicable user and authorization codes, passwords and authentication keys provided by the Trustee, if any. The Trustee shall not be liable for any losses, costs, or expenses arising directly or indirectly from the Trustee's reliance upon and compliance with such instructions notwithstanding such instructions conflict or are inconsistent with a subsequent written instruction delivered by other means. The Issuer agrees (i) to assume all risks arising out of the use of such Electronic Means to submit instructions and direction to the Trustee, including without limitation the risk of the Trustee acting on unauthorized instructions and the risk of interception and misuse by third parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting instructions to the Trustee and that there may

be more secure methods of transmitting instructions than the method(s) selected by the Issuer; (iii) that the security procedures (if any) to be followed in connection with its transmission of instructions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances; and (iv) that it will notify the Trustee immediately upon learning of any compromise or unauthorized use of the security procedures.

SECTION 8.03. *Not Responsible for Recitals or Application of Proceeds.*

The recitals contained herein and in the Bonds, except the certificate of authentication on the Bonds, shall be taken as the statements of the Issuer, and the Trustee assumes no responsibility for their correctness. The Trustee makes no representations as to the value or condition of the Trust Estate or any part thereof, or as to the title of the Issuer thereto or as to the security afforded thereby or hereby, or as to the validity or genuineness of any securities at any time pledged and deposited with the Trustee hereunder, or as to the validity or sufficiency of this Indenture or of the Bonds. The Trustee shall not be accountable for the use or application by the Issuer of the Bonds or the proceeds thereof.

SECTION 8.04. *May Hold Bonds.*

The Trustee, any Paying Agent, the Bond Registrar and any other agent appointed hereunder, in its individual or any other capacity, may become the owner or pledgee of Bonds and may otherwise deal with the Issuer with the same rights it would have if it were not Trustee, Paying Agent, Bond Registrar or such other agent.

SECTION 8.05. *Money Held in Trust.*

Money held by the Trustee hereunder need not be segregated from other funds except to the extent required by law or the provisions of this Indenture. The Trustee shall be under no liability for interest on any money received by it hereunder except as otherwise agreed with the Issuer.

SECTION 8.06. *Compensation and Reimbursement.*

A. The Issuer shall

1. pay to the Trustee from time to time reasonable compensation for all services rendered by it hereunder (which compensation shall not be limited by any provision of law in regard to the compensation of a trustee of an express trust); and

2. except as otherwise expressly provided herein, reimburse the Trustee upon its request for all reasonable expenses, disbursements, and advances incurred or made by the Trustee in accordance with any provisions of this Indenture (including the reasonable compensation and the expenses and disbursements of its agents and counsel), except any such expense, disbursement or advance as may be attributable to the Trustee's negligence or bad faith.

B. As security for the performance of the obligations of the Issuer under this Section, the Trustee shall be secured under this Indenture by a lien and for the payment of such compensation, expenses, reimbursements and indemnity the Trustee shall have the right to use and apply any trust funds held by it hereunder after payment of other amounts due hereunder as provided by the terms hereof.

SECTION 8.07. *Corporate Trustee Required; Eligibility.*

There shall at all times be a Trustee hereunder which shall be a bank or trust company organized and doing business under the laws of the United States or of any State, authorized under such laws to exercise corporate trust powers, having a combined capital and surplus of at least \$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 such supervising or examining authority, then for the purposes of this Section 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. If at any time the Trustee shall cease to be eligible in accordance with the provisions of this Section, it shall resign immediately in the manner and with the effect hereinafter specified in this Article.

SECTION 8.08. *Resignation and Removal; Appointment of Successor.*

A. No resignation or removal of the Trustee and no appointment of a successor Trustee pursuant to this Article shall become effective until the acceptance of appointment by the successor Trustee under Section 8.09.

B. The Trustee may resign at any time by giving written notice thereof to the Issuer. If an instrument of acceptance by a successor Trustee shall not have been delivered to the Trustee within thirty (30) days after the giving of such notice of resignation, the resigning Trustee may petition any court of competent jurisdiction for the appointment of a successor Trustee.

C. The Trustee may be removed immediately with cause or after thirty (30) days without cause, in either case by, if no event of default under this Indenture shall have occurred and be continuing, the Issuer Representative or by an Act of the Holders of a majority in principal amount of the Outstanding Bonds, delivered to the Holders, the Trustee and the Issuer.

D. If at any time:

1. the Trustee shall cease to be eligible under Section 8.07 and shall fail to resign after written request therefor by the Issuer or any such Bondholder or

2. the Trustee shall become incapable of acting or shall be adjudged 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 either such case, (a) the Issuer by Board Resolution may remove the Trustee or (b) any Bondholder who has been a bona fide Holder of a Bond for at least six months 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.

E. If the Trustee shall resign, be removed or become incapable of acting, the Issuer, by Board Resolution, shall promptly appoint a successor Trustee. In case all or substantially all of the Trust Estate shall be in the possession of a receiver or trustee lawfully appointed, such receiver or trustee, by written instrument, may similarly appoint a successor to fill such vacancy until a new Trustee shall be so appointed by the Bondholders. If, within one year after such resignation, removal or incapability, or the occurrence of such vacancy, a successor Trustee shall be appointed by Act of the Holders of a majority in principal amount of the Outstanding Bonds and delivered to the Issuer and the retiring Trustee, then the successor Trustee so appointed shall, forthwith upon its acceptance of such appointment, become the successor Trustee and supersede the successor Trustee appointed by the Issuer or by such receiver or trustee. If no successor Trustee shall have been so appointed by the Issuer or the Bondholders and accepted appointment in the manner hereinafter provided, any Bondholder who has been a bona fide Holder of a Bond for at least six months may, on behalf of himself and all others similarly situated, petition any court of competent jurisdiction for the appointment of a successor Trustee.

F. The Issuer shall give notice of each resignation and each removal of the Trustee and each appointment of a successor Trustee to the Holders of the Bonds. Each notice shall include the name of the successor Trustee and the address of its designated corporate trust office.

SECTION 8.09. *Acceptance of Appointment by Successor.*

A. Every successor Trustee appointed hereunder shall execute, acknowledge, and deliver to the Issuer and the retiring Trustee an instrument accepting such appointment, and thereupon the resignation or removal of the retiring Trustee shall become effective and such successor Trustee, without any further act, deed or conveyance, shall become vested with all the estates, properties, rights, powers, trusts and duties of the retiring Trustee; but, on request of the Issuer or the successor Trustee, such retiring Trustee shall, upon payment of its charges, execute and deliver an instrument conveying and transferring to such successor Trustee upon the trusts herein expressed all the estates, properties, rights, powers and trusts of the retiring Trustee, and shall duly assign, transfer, and deliver to such successor Trustee all property and money held by such retiring Trustee hereunder, subject nevertheless to its lien, if any, provided for in Section 8.06. Upon request of any such successor Trustee, the Issuer shall execute any and all instruments for more fully and certainly vesting in and confirming to such successor Trustee all such estates, properties, rights, powers and trusts.

B. No successor Trustee shall accept its appointment unless at the time of such acceptance such successor Trustee shall be qualified and eligible under this Article.

SECTION 8.10. *Merger, Conversion, Consolidation or Succession to Business.*

Any corporation into which the Trustee may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which the Trustee shall be a party, or any corporation succeeding to all or substantially all of the municipal corporate trust business of the Trustee, shall be the successor of the Trustee hereunder, provided such corporation shall be otherwise qualified and eligible under this Article, without the execution or filing of any paper or any further act on the part of any of the parties hereto. In case any Bonds shall have been authenticated, but not delivered, by the Trustee then in office, any successor by merger, conversion or consolidation to such authenticating Trustee may adopt such authentication and deliver the Bonds so authenticated with the same effect as if such successor Trustee had itself authenticated such Bonds.

* * *

ARTICLE NINE

SUPPLEMENTAL INDENTURES; AMENDMENTS TO BOND RESOLUTION, SERIES 2023 STANDBY CONTRIBUTION AGREEMENT AND SERIES 2023 LETTER OF CREDIT DEPOSITORY AGREEMENT

SECTION 9.01. *Supplemental Indentures or Amendments to Bond Resolution, Series 2023 Standby Contribution Agreement or Series 2023 Letter of Credit Depository Agreement Without Consent of Bondholders.*

Without the consent of the Holders of any Bonds but, if it is not in default with respect to its obligations under the Series 2023 Standby Contribution Agreement and the Series 2023 Standby Contribution Agreement is still in effect, with the consent of Mystic, the Issuer, when authorized by Board Resolution, and the Trustee may from time to time enter into one or more indentures supplemental hereto, the Issuer may amend the Bond Resolution or the Issuer, when authorized by Board Resolution, and the Trustee may amend the Series 2023 Standby Contribution Agreement and the Series 2023 Letter of Credit Depository Agreement, as applicable, for any of the following purposes:

1. to correct or amplify the description of any property at any time subject to the lien of this Indenture, or better to assure, convey and confirm unto the Trustee any property subject or required to be subjected to the lien of this Indenture, or to subject to the lien of this Indenture additional property; or
2. to add to the conditions, limitations and restrictions on the authorized amount, terms or purposes of issue, authentication and delivery of Bonds, as herein set forth, and additional conditions, limitations and restrictions thereafter to be observed; or
3. to evidence the succession of another entity to the Issuer and the assumption by any such successor of the covenants of the Issuer herein, in the Bond Resolution, in the Series 2023 Standby Contribution Agreement, in the Series 2023 Letter of Credit Depository Agreement or in the Bonds contained; or
4. to add to the covenants of the Issuer for the benefit of the Holders of all of the Bonds; or
5. to allow the replacement of the Letter of Credit with an amount of cash equal to the face amount thereof upon terms and conditions the Issuer Representative, in his sole and absolute discretion, deems appropriate including requirements for opinions of counsel on subjects he deems necessary or
6. to cure any ambiguity, to correct or supplement any provision herein, in the Series 2023 Standby Contribution Agreement, in the Series 2023 Letter of Credit Depository Agreement or in the Bond Resolution which may be inconsistent with any other provision herein in the Series 2023 Standby Contribution Agreement, in the Series 2023 Letter of Credit Depository Agreement

or in the Bond Resolution, or to make any other provisions, with respect to matters or questions arising under this Indenture, the Series 2023 Standby Contribution Agreement, the Series 2023 Letter of Credit Depository Agreement or the Bond Resolution, which shall not be inconsistent with the provisions of this Indenture, the Series 2023 Standby Contribution Agreement, the Series 2023 Letter of Credit Depository Agreement or the Bond Resolution, provided such action shall not adversely affect the interests of the Holders of the Bonds.

SECTION 9.02. *Supplemental Indentures or Amendments to the Bond Resolution or Series 2023 Standby Contribution Agreement or Series 2023 Letter of Credit Depository Agreement With Consent of Bondholders.*

A. With the consent of the Holders of not less than a majority in aggregate principal amount of the Bonds affected by such supplemental indenture or amendment to the Series 2023 Standby Contribution Agreement, the Series 2023 Letter of Credit Depository Agreement or the Bond Resolution, by Act of such Holders delivered to the Issuer and the Trustee and, if it is not in default with respect to its obligations under the Series 2023 Standby Contribution Agreement and the Series 2023 Standby Contribution Agreement is still in effect, the consent of Mystic, the Issuer, when authorized by Board Resolution, and the Trustee may enter into an indenture or indentures supplemental hereto or an amendment or amendments to the Series 2023 Standby Contribution Agreement, the Series 2023 Letter of Credit Depository Agreement or the Bond Resolution, for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this Indenture, the Series 2023 Standby Contribution Agreement, the Series 2023 Letter of Credit Depository Agreement or the Bond Resolution or of modifying in any manner the rights of the Holders of the Bonds under this Indenture, the Series 2023 Standby Contribution Agreement, the Series 2023 Letter of Credit Depository Agreement or the Bond Resolution; provided, however, that no such supplemental indenture or amendment to the Series 2023 Standby Contribution Agreement, the Series 2023 Letter of Credit Depository Agreement or the Bond Resolution shall, without the consent of the Holder of each Outstanding Bond affected thereby

1. change the Stated Maturity of the principal of, or any installment of interest on, any Bond, or reduce the principal amount of, or the interest on, any Bond, or change the coin or currency in which, any Bond or the interest on any Bond is payable, or impair the right to institute suit for the enforcement of any such payment on or after the Stated Maturity thereof (or, in the case of redemption, on or after the Redemption Date); or

2. reduce the percentage in principal amount of the Outstanding Bonds the consent of the Holders of which is required for any such supplemental indenture or amendment to the Series 2023 Standby Contribution Agreement, the Series 2023 Letter of Credit Depository Agreement and the Bond Resolution, or the consent of Holders of which is required for any waiver provided for in this Indenture of compliance with certain provisions of this Indenture or certain defaults hereunder and their consequences; or

3. modify or alter the provisions of the proviso to the definition of the term “Outstanding” or

4. modify any of the provisions of this Section, except to increase any percentage provided thereby or to provide that certain other provisions of this Indenture cannot be modified or waived without the consent of the Holder of each Bond affected thereby.

B. The Trustee may in its discretion determine whether or not any Bonds would be affected by any supplemental indenture or amendment to the Series 2023 Standby Contribution Agreement, the Series 2023 Letter of Credit Depository Agreement or the Bond Resolution and any such determination shall be conclusive upon every Holder of Bonds, whether theretofore or thereafter authenticated and delivered hereunder. The Trustee shall not be liable for any such determination made in good faith. In making such determination, the Trustee shall be entitled to receive, and shall be fully protected in relying upon, an Opinion of Counsel with respect to whether or not any Bonds would be affected by such supplemental indenture or amendment.

C. It shall not be necessary for any Act of Bondholders under this Section to approve the particular form of any proposed supplemental indenture or any such amendment to the Series 2023 Standby Contribution Agreement, the Series 2023 Letter of Credit Depository Agreement or the Bond Resolution, but it shall be sufficient if such Act shall approve the substance thereof.

SECTION 9.03. *Execution of Supplemental Indentures and Amendments to Bond Resolution, Series 2023 Standby Contribution Agreement and Series 2023 Letter of Credit Depository Agreement.*

In executing, or accepting the additional trusts created by, any supplemental indenture or amendment to the Series 2023 Standby Contribution Agreement, the Series 2023 Letter of Credit Depository Agreement or the Bond Resolution permitted by this Article or the modification thereby of the trusts created by this Indenture, the Trustee shall be provided with and, subject to Section 8.01, shall be fully protected in relying upon, an Opinion of Counsel stating that the execution of such supplemental indenture or adoption or execution of such amendment is authorized or permitted by this Indenture and will not adversely affect the exclusion from gross income of the interest on the Bonds for federal income tax purposes, and that, upon execution thereof, such supplemental indenture or amendment will be valid and binding upon the Issuer in accordance with its terms. The Trustee may, but shall not be obligated to, enter into any such supplemental indenture or amendment to the Series 2023 Standby Contribution Agreement or the Series 2023 Letter of Credit Depository Agreement or be governed by any amended Bond Resolution which affects the Trustee’s own rights, duties, or immunities under this Indenture, the Series 2023 Standby Contribution Agreement, the Series 2023 Letter of Credit Depository Agreement or otherwise.

SECTION 9.04. *Effect of Supplemental Indentures and Amendments to Bond Resolution, Series 2023 Standby Contribution Agreement or Series 2023 Letter of Credit Depository Agreement.*

Upon the execution of any supplemental indenture under this Article, this Indenture shall be modified in accordance therewith and such supplemental indenture shall form a part of this Indenture for all purposes, and upon the amendment of the Bond Resolution, the Series 2023 Standby Contribution Agreement or the Series 2023 Letter of Credit Depository Agreement under this Article, the Bond Resolution, the Series 2023 Standby Contribution Agreement or the Series 2023 Letter of Credit Depository Agreement, as applicable, shall be modified in accordance therewith, and such amendment shall form a part of the Bond Resolution, the Series 2023 Standby Contribution Agreement or the Series 2023 Letter of Credit Depository Agreement, as applicable, for all purposes, and every Holder of Bonds theretofore or thereafter authenticated and delivered hereunder shall be bound thereby.

SECTION 9.05. *Reference in Bonds to Supplemental Indentures or Amendments to Bond Resolution, Series 2023 Standby Contribution Agreement or Series 2023 Letter of Credit Depository Agreement.*

Bonds authenticated and delivered after the execution of any supplemental indenture or amendment to the Bond Resolution, the Series 2023 Standby Contribution Agreement or the Series 2023 Letter of Credit Depository Agreement pursuant to this Article may bear a notation as to any matter provided for in such supplemental indenture or amendment to the Bond Resolution, the Series 2023 Standby Contribution Agreement or the Series 2023 Letter of Credit Depository Agreement. If the Issuer shall so determine, new Bonds so modified as to conform to any such supplemental indenture or amendment to the Bond Resolution, the Series 2023 Standby Contribution Agreement or the Series 2023 Letter of Credit Depository Agreement may be prepared and executed by the Issuer and authenticated and delivered by the Trustee in exchange for Outstanding Bonds.

* * *

ARTICLE TEN

COVENANTS

SECTION 10.01. *Pledge and Levy of Taxes.*

A. For each tax year while any Bond is Outstanding, the Board shall annually levy and cause an ad valorem property tax to be collected, at the same time and in the same manner as other taxes are levied and collected on all taxable property in the Issuer, to pay Debt Service and to pay Parity Debt Service when due, and the Issuer shall duly and punctually pay Debt Service in accordance with the terms of this Indenture. (The Issuer and the Trustee acknowledge that other general obligation bonds and general obligation refunding bonds of the Issuer hereafter issued will be secured on a parity basis in the collection and application of property tax revenues of the Issuer and that such property taxes will be allocated to each series of general obligation bonds and general obligation refunding bonds in accordance with any Debt Service or Parity Debt Service then due and, in either case, taking into account other funds held by the Issuer for such payment. Property tax revenues allocated for any series of bonds shall be deposited into the applicable fund or account set aside for such series.)

B. Amounts derived from the levy of the tax provided for in this Section when collected constitute funds to pay Debt Service and shall be kept separately from other funds of the Issuer, including with respect to the pro-rata amount of such amounts applicable to the Bonds, by being paid to the Trustee and deposited by the Trustee to the accounts as described in Section 5.02.

C. The Board shall make annual statements and estimates of the amount to be raised to pay Debt Service. The Board shall file the annual statements and estimates with the Clerk of the Municipality and shall publish a notice of the filing of the estimate. The Board, on or before the date set by law for certifying the annual budget of the Municipality, shall fix, levy and assess the amounts to be raised by ad valorem taxes of the Issuer and shall cause certified copies of the order to be delivered to the Board of Supervisors of Maricopa County, Arizona, to the Department of Revenue of the State and to the Trustee. All statutes relating to the levy and collection of State and county taxes, including the collection of delinquent taxes and sale of property for nonpayment of taxes, apply to the taxes provided for by this Section.

SECTION 10.02. *Maintenance of Agency.*

The Issuer shall maintain an agency where Bonds may be presented or surrendered for payment, where Bonds entitled to be registered, transferred, exchanged or converted may be presented or surrendered for registration, transfer, exchange or conversion, and where notices and demands to or upon the Issuer in respect of the Bonds and this Indenture may be served. The Trustee is hereby appointed as Paying Agent for such purposes. The Issuer shall give prompt written notice to the Trustee of the location, and of any change in the location, of any such agency. If at any time the Issuer shall fail to maintain such an agency or shall fail to furnish the Trustee with the address thereof, such presentations, surrenders, notices, and demands may be made or served at the principal corporate trust office of the Trustee, and the Issuer hereby appoints the Trustee its agent to receive all such presentations, surrenders, notices, and demands.

SECTION 10.03. *Money for Bond Payments to be Held in Trust; Repayment of Unclaimed Money.*

A. The amounts which are segregated by the Trustee or deposited with any other Paying Agent to pay the principal of or interest on any Bonds becoming due on any due date shall be held in trust for the benefit of the Holders of such Bonds. Amounts so segregated or deposited and held in trust shall not be a part of the Trust Estate but shall constitute a separate trust fund for the benefit of the Holders entitled to such principal or interest, as the case may be. Amounts held by the Trustee or any other paying Agent for the payment of the principal of (and premium, if any) or interest on the Bonds need not be segregated from other funds, except to the extent required by law.

B. The Issuer shall cause each Paying Agent other than the Trustee to execute and deliver to the Trustee an instrument in which such Paying Agent shall agree with the Trustee, subject to the provisions of this Section, that such Paying Agent shall

(a) hold all amounts held by it for the payment of principal of (and premium, if any) or interest on the Bonds for the benefit of the Holders of such Bonds until such amounts shall be paid to the Holders or otherwise disposed of as herein provided and

(b) at any time, upon the written request of the Trustee, forthwith pay to the Trustee all amounts so held in trust by such Paying Agent.

C. The Issuer may at any time, for the purpose of obtaining the satisfaction and discharge of this Indenture or for any other purpose, by Issuer Request direct any Paying Agent to pay to the Trustee all money held by such Paying Agent, such money to be held by the Trustee upon the same trusts as those upon which such money was held by such Paying Agent, and, upon such payment by any Paying Agent to the Trustee, such Paying Agent shall be released from all further liability with respect to such money.

D. In the event any check for payment of interest on a Bond is returned to any Paying Agent unendorsed or is not presented for payment within two (2) years from its payment date or any Bond is not presented for payment of principal at Maturity or Redemption Date, if funds sufficient to pay such interest or principal due upon such Bond shall have been made available to such Paying Agent for the benefit of the Holder thereof, it shall be the duty of such Paying Agent to hold such funds or invest the same in Governmental Obligations, without liability for interest thereon, for the benefit of the Holder of such Bond who shall thereafter be restricted exclusively to such funds for any claim of whatever nature relating to such Bond or amounts due thereunder. Such obligation of the Paying Agent to hold such funds shall continue for two (2) years and six (6) months following the date on which such interest or principal payment became due, whether at Maturity or Stated Maturity, or at the Redemption Date, or otherwise, at which time such Paying Agent shall surrender such unclaimed funds so held to the Issuer, whereupon any claim of whatever nature by the Holder of such Bond arising under such Bond shall be made upon the Issuer.

SECTION 10.04. *Further Assurances; Recording.*

A. The Issuer shall do, execute, acknowledge and deliver all and every such further acts, conveyances, mortgages, financing statements and assurances as shall be reasonably required for accomplishing the purposes of this Indenture.

B. The Issuer shall cause this instrument and all supplemental indentures and other instruments of further assurance, including all financing statements, to be promptly recorded, registered and filed, and to be kept recorded, registered and filed, and, when necessary, to re-record, re-register and re-file the same, all in such manner and in such places as may be required by law, fully to preserve and protect the rights of the Bondholders and the Trustee hereunder to all property comprising the Trust Estate, and the Issuer shall execute any financing statement, continuation statement or other document required for such purposes. The Issuer shall provide the Trustee with copies of all such filings.

SECTION 10.05. *Covenants as to Arbitrage and Other Tax Matters.*

A. As more particularly provided in the Tax Certificate, the Issuer shall not make or direct the making of any investment or other use of the proceeds of any Bonds which would cause such Bonds to be “arbitrage bonds” as that term is defined in Section 148 (or any successor provision thereto) of the Code or “private activity bonds” as that term is defined in Section 141 (or any successor provision thereto) of the Code, and the Issuer shall comply with the requirements of the Code sections and related Regulations throughout the term of the Bonds. Except as otherwise advised in a Bond Counsel’s Opinion, the Issuer shall not enter into (i) any management or service contract with any entity other than a governmental entity for the operation of any portion of the Facilities unless the management or service contract complies with the requirements of such authority as may control at the time, or (ii) any lease or other arrangement with any entity other than a governmental entity that gives such entity special legal entitlements with respect to any portion of the Facilities. Also, the payment of principal of and interest on the Bonds shall not be guaranteed (in whole or in part) by the United States or any agency or instrumentality of the United States. The proceeds of the Bonds, or amounts treated as proceeds of the Bonds, shall not be invested (directly or indirectly) in federally insured deposits or accounts, except to the extent such proceeds (i) may be so invested for an initial temporary period until needed for the purpose for which the Bonds are being issued, (ii) may be so used in making investments of a bona fide debt service fund, or (iii) may be invested in obligations issued by the United States Treasury. The Issuer shall comply with the procedures and covenants contained in any arbitrage rebate provision or separate agreement executed in connection with the issuance of the Bonds (including as provided in Section 10.06) for so long as compliance is necessary in order to maintain the exclusion from gross income for federal income tax purposes of interest on the Bonds. In consideration of the purchase and acceptance of the Bonds by such holders from time to time and of retaining such exclusion and as authorized by Title 35, Chapter 3, Article 7, Arizona Revised Statutes, as amended, the Issuer covenants, and the appropriate officials of the Issuer are hereby directed, to take all action required or to refrain from taking any action prohibited by the Code which would adversely affect in any respect such exclusion.

B. 1. The Issuer shall not take any action or fail to take any action with respect to the investment of the proceeds of any Bonds or any other funds of the Issuer, including

amounts received from the investment of any of the foregoing, which, based upon the facts, estimates, and circumstances known on the Closing Date, would result in constituting the Bonds “arbitrage bonds” within the meaning of the Code, and the Issuer shall not take any deliberate action motivated by arbitrage which would have such result.

2. In the event the Issuer is of the opinion that it is necessary to restrict or limit the yield on the investment of any money paid to or held by the Trustee hereunder in order to avoid classification of any Bonds as “arbitrage bonds” within the meaning of the Code, the Issuer may issue to the Trustee a written instrument to such effect (along with appropriate written instructions), in which event the Trustee shall take such action as is necessary so to restrict or limit the yield on such investment in accordance with such instrument and instructions, irrespective of whether the Trustee shares such opinion. The Trustee may conclusively rely upon any such instructions and shall be responsible for no loss resulting from investment of any money held hereunder in accordance with such instructions.

C. 1. The Issuer shall take all necessary and desirable steps, as determined by the Board, to comply with the requirements hereunder and under the Tax Certificate in order to ensure that interest on the Bonds is excluded from gross income for federal income tax purposes under the Code; provided, however, compliance with any such requirement shall not be required in the event the Issuer receives a Bond Counsel’s Opinion (as such term is defined in the next section) that either (i) compliance with such requirement is not required to maintain the exclusion from gross income of interest on the Bonds, or (ii) compliance with some other requirement will meet the requirements of the Code. In the event the Issuer receives such a Bond Counsel’s Opinion, this shall be supplemental Indenture to conform to the requirements set forth in such opinion.

2. If for any reason any requirement hereunder or under the Tax Certificate is not complied with, the Issuer shall take all necessary and desirable steps, as determined by the Board, to correct such noncompliance within a reasonable period of time after such noncompliance is discovered or should have been discovered with the exercise of reasonable diligence and the Issuer shall pay any required interest or penalty under Regulations Section 1.148-3(h) of the Regulations (as such term is defined in the next section).

D. Written procedures have been established for the Issuer to ensure that all nonqualified obligations are remediated according to the requirements under the Code and related Treasury Regulations and to monitor the requirements of Section 148 of the Code relating to arbitrage, with which the Issuer will comply.

E. The Bonds are designated as “qualified tax-exempt obligations” within the meaning of and pursuant to the provisions of Section 265(b) of the Code as it is reasonably anticipated that amount of “qualified tax-exempt obligations” (other than private activity bonds within the meaning of the Code) which will be issued by the Issuer during the 2023 calendar year will not exceed \$10,000,000.

SECTION 10.06. *Specific Covenants as to Rebate.*

A. Within 60 days after the end of each Bond Year and unless there is an exception to the requirement to do so, the Issuer shall cause the Rebate Requirement to be calculated and shall pay to the United States of America:

(1) not later than 60 days after the end of the fifth Bond Year and every fifth Bond Year thereafter, an amount which, when added to the future value of all previous rebate payments with respect to the Bonds (determined as of such Computation Date), is equal to at least 90% of the sum of the Rebate Requirement (determined as of the last day of such Bond Year) plus the future value of all previous rebate payments with respect to the Bonds (determined as of the last day of such Bond Year); and

(2) not later than 60 days after the retirement of the last Bond, an amount equal to 100% of the Rebate Requirement (determined as of the date of retirement of the last Bond).

Each payment required to be made under this Section shall be filed with the Internal Revenue Service Center, Ogden, Utah 84201, on or before the date such payment is due, and shall be accompanied by IRS Form 8038-T.

B. No Nonpurpose Investment shall be acquired for an amount in excess of its fair market value. No Nonpurpose Investment shall be sold or otherwise disposed of for an amount less than its fair market value.

C. For purposes of Subsection (B), whether a Nonpurpose Investment has been purchased or sold or disposed of for its fair market value shall be determined as follows:

1. The fair market value of a Nonpurpose Investment generally shall be the price at which a willing buyer would purchase the Nonpurpose Investment from a willing seller in a bona fide arm's length transaction. Fair market value shall be determined on the date on which a contract to purchase or sell the Nonpurpose Investment becomes binding.

2. Except as provided in Subsection (D) or (E), a Nonpurpose Investment that is not of a type traded on an established securities market, within the meaning of Code Section 1273, is rebuttably presumed to be acquired or disposed of for a price that is not equal to its fair market value.

3. If a United States Treasury obligation is acquired directly from or sold or disposed of directly to the United States Treasury, such acquisition or sale or disposition shall be treated as establishing the fair market value of the obligation.

D. The purchase price of a certificate of deposit that has a fixed interest rate, a fixed payment schedule and a substantial penalty for early withdrawal is considered to be its fair market value if the yield on the certificate of deposit is not less than:

1. the yield on reasonably comparable direct obligations of the United States; and

2. the highest yield that is published or posted by the provider to be currently available from the provider on reasonably comparable certificates of deposit offered to the public.

E. A guaranteed investment contract shall be considered acquired and disposed of for an amount equal to its fair market value if:

1. A bona fide solicitation in writing for a specified guaranteed investment contract, including all material terms, is timely forwarded to all potential providers. The solicitation must include a statement that the submission of a bid is a representation that the potential provider did not consult with any other potential provider about its bid, that the bid was determined without regard to any other formal or informal agreement that the potential provider has with the Issuer or any other person (whether or not in connection with the Bonds), and that the bid is not being submitted solely as a courtesy to the Issuer or any other person for purposes of satisfying the requirements in the Regulations that the Issuer receive bids from at least one reasonably competitive provider and at least three providers that do not have a material financial interest in the Bonds.

2. All potential providers have an equal opportunity to bid, with no potential provider having the opportunity to review other bids before providing a bid.

3. At least three reasonably competitive providers (i.e. having an established industry reputation as a competitive provider of the type of investments being purchased) are solicited for bids. At least three bids must be received from providers that have no material financial interest in the Bonds (e.g., a lead underwriter within 15 days of the issue date of the Bonds or a financial advisor with respect to the investment) and at least one of such three bids must be from a reasonably competitive provider. If the Issuer uses an agent to conduct the bidding, the agent may not bid.

4. The highest-yielding guaranteed investment contract for which a qualifying bid is made (determined net of broker's fees) is purchased.

5. The determination of the terms of the guaranteed investment contract takes into account as a significant factor the reasonably expected deposit and drawdown schedule for the amounts to be invested.

6. The terms for the guaranteed investment contract are commercially reasonable (i.e. have a legitimate business purpose other than to increase the purchase price or reduce the yield of the guaranteed investment contract).

7. The provider of the investment contract certifies the administrative costs (as defined in Regulations Section 1.148-5(e)) that it pays (or expects to pay) to third parties in connection with the guaranteed investment contract.

8. The Issuer retains until three years after the last outstanding Bond is retired, (i) a copy of the guaranteed investment contract, (ii) a receipt or other record of the amount actually paid for the guaranteed investment contract, including any administrative costs paid by the Issuer and a copy of the provider's certification described in (7) above, (iii) the name of the person and entity submitting each bid, the time and date of the bid, and the bid results and (iv) the bid solicitation form and, if the terms of the guaranteed investment contract deviates from the bid solicitation form or a submitted bid is modified, a brief statement explaining the deviation and stating the purpose of the deviation. Such experts and consultants shall be employed to make, as necessary, any calculations in respect of rebates to be made to the United States of America in accordance with Section 148(f) of the Code with respect to the Bonds.

F. The employment of such experts and consultants to make, as necessary, any calculations in respect of rebates to be made to the United States of America in accordance with Section 148(f) of the Code, is hereby authorized.

* * *

ARTICLE ELEVEN

BOND INSURANCE

SECTION 11.01. *Notices.*

The Issuer shall provide BAM with all notices and other information it is obligated to provide under the Undertaking and to the Holders under this Indenture. The notice address of BAM is: Build America Mutual Assurance Company, 200 Liberty Street, 27th Floor, New York, New York 10281, Attention: Surveillance, Re: Policy No. _____, Telephone: (212) 235-2500, Telecopier: (212) 962-1710, Email: notices@buildamerica.com. In each case in which notice or other communication refers to an event of default or a claim on the Policy, then a copy of such notice or other communication shall also be sent to the attention of the General Counsel at the same address at claims@buildamerica.com or at Telecopier: (212) 962-1524 and shall be marked to indicate "URGENT MATERIAL ENCLOSED."

SECTION 11.02. *Amendments, Supplements and Consents.*

A. Wherever this Indenture requires the consent of the Holders, BAM's consent shall also be required. In addition, any amendment, supplement or modification to this Indenture that adversely affects the rights or interests of BAM shall be subject to the prior written consent of BAM.

B. Anything in this Indenture to the contrary notwithstanding, upon the occurrence and continuance of a default or an event of default with respect to payment of the Bonds, BAM shall be deemed to be the sole holder of the Bonds for all purposes and shall be entitled to control and direct the enforcement of all rights and remedies granted to the Holders for the benefit of such Holders under this Indenture. The Trustee may not waive any default or event of default or accelerate the Bonds without BAM's written consent.

SECTION 11.03. *Third Party Beneficiary.*

BAM is explicitly recognized as and shall be deemed to be a third-party beneficiary of this Indenture and may enforce any right, remedy or claim conferred, given or granted hereunder upon the occurrence and continuance of a default or an event of default with respect to payment of the Bonds.

SECTION 11.04. *Policy Payments.*

A. In the event that principal and/or interest due on the Bonds shall be paid by BAM pursuant to the Policy, the Bonds shall remain outstanding for all purposes, not be defeased or otherwise satisfied and not be considered paid by the Issuer, the assignment and pledge of the trust estate and all covenants, agreements and other obligations of the Issuer to the Holders shall continue to exist and shall run to the benefit of BAM, and BAM shall be subrogated to the rights of such Holders including, without limitation, any rights that such Holders may have in respect of securities law violations arising from the offer and sale of the Bonds.

B. Notwithstanding anything to the contrary, the Issuer and the Trustee shall agree for the benefit of BAM that:

1. they recognize that to the extent BAM makes payments directly or indirectly (e.g., by paying through the Trustee), on account of principal of or interest on the Bonds, BAM will be subrogated to the rights of such Holders to receive the amount of such principal and interest from the Issuer, with interest thereon, as provided and solely from the sources stated in this Indenture and the Bonds; and

2. they will accordingly pay to BAM the amount of such principal and interest, with interest thereon, but only from sources and in the manner provided in this Indenture and the Bonds for the payment of principal of and interest on the Bonds to Holders, and will otherwise treat BAM as the owner of such rights to the amount of such principal and interest.

C. If an Insurer Default shall occur and be continuing, then, notwithstanding anything in Section 11.04(B)(2) to the contrary, (1) if at any time prior to or following an Insurer Default, BAM has made payment under the Policy, to the extent of such payment BAM shall be treated like any other Holder for all purposes, including giving of consents, and (2) if BAM has not made any payment under the Policy, BAM shall have no further consent rights until the particular Insurer Default is no longer continuing or BAM makes a payment under the Policy, in which event the foregoing clause (1) shall control.

* * *

[Signature page follows.]

This instrument may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have caused this Indenture to be duly executed, and to be effective as of the day and year first above written, which date shall be deemed the date hereof for all purposes.

MYSTIC AT LAKE PLEASANT HEIGHTS
COMMUNITY FACILITIES DISTRICT

By.....
District Chief Financial Officer

ATTEST:

.....
District Clerk

U.S. BANK TRUST COMPANY, NATIONAL
ASSOCIATION, as Trustee

By.....
Authorized Representative