

**RESOLUTION NO. 2082**

**A RESOLUTION OF  
THE BOARD OF DIRECTORS OF THE OLIVEHURST PUBLIC UTILITY DISTRICT  
WITH RESPECT TO PLUMAS LAKE COMMUNITY FACILITIES DISTRICT  
NO. 2002-1 AUTHORIZING THE EXECUTION AND DELIVERY OF A FISCAL  
AGENT AGREEMENT, A BOND PURCHASE AGREEMENT, AND A CONTINUING  
DISCLOSURE [AGREEMENT]; AUTHORIZING THE ISSUANCE OF BONDS;  
APPROVING THE FORM OF THE OFFICIAL STATEMENT AND THE  
DISTRIBUTION THEREOF, AND AUTHORIZING OTHER ACTIONS RELATED  
THERE TO**

**WHEREAS**, the Board of Directors (the "Board") of the Olivehurst Public Utility District (the "District") on November 21, 2002, duly adopted its Resolution No. 2037 (the "Resolution of Formation") establishing Olivehurst Public Utility District Plumas Lake Community Facilities District No. 2002-1 (the "Plumas Lake CFD No. 2002-1") pursuant to the Mello-Roos Community Facilities Act of 1982 (Chapter 2.5, Part 1, Division 2, Title 5 (commencing with Section 53311) of the California Government Code) (the "Act"), for the purpose of providing for the financing for certain public facilities (the "Facilities"), including any incidental expenses;

**WHEREAS**, at an election held in the Plumas Lake CFD No. 2002-1 on November 21, 2002, the qualified electors therein duly authorized the issuance of twenty-seven million dollars (\$27,000,000) principal amount of special tax bonds pursuant to the terms of the Act, for the purpose of financing the acquisition and construction of the Facilities;

**WHEREAS**, the qualified electors of the Plumas Lake CFD No. 2002-1 at such election additionally authorized the levy and collection of a special tax under the Act to be used for the purpose, among others, of paying the interest on and the principal of and redemption premiums, if any, on such special tax bonds;

**WHEREAS**, the Board has determined to authorize the issuance of a portion of such special tax bonds (the "Series 2005 Bonds") pursuant hereto and to secure the Series 2005 Bonds in the manner provided herein;

**WHEREAS**, the following documents and proposed agreements relating to the issuance, sale and delivery of the Series 2005 Bonds by the Plumas Lake CFD No. 2002-1, which are incorporated herein by reference, have been presented to the Board for its review and approval:

1. The Fiscal Agent Agreement (the "Fiscal Agent Agreement") between U.S. Bank National Association, as fiscal agent, and the District, pursuant to which the District will issue the Series 2005 Bonds;
2. The Bond Purchase Agreement (the "Bond Purchase Agreement") by and between the District and UBS Financial Services Inc. (the "Underwriter"), whereby the District will sell the Series 2005 Bonds to the Underwriter;
3. The Official Statement relating to the Series 2005 Bonds (the "Official Statement"); and
4. The Continuing Disclosure Agreement relating to the Series 2005 Bonds (the "Continuing Disclosure Agreement");

**WHEREAS**, based on information in the appraisal report of P. Richard Seevers, Kevin K. Ziegenmeyer, and Eric A. Segal, state-certified real estate appraisers, presented to the District, the value of the real property that would be subject to the special tax to pay debt service on the Series 2005 Bonds will be at least three times the principal amount of the Series 2005 Bonds and any other outstanding bonds secured by special tax or assessment liens on property within the Plumas Lake CFD No. 2002-1;

**WHEREAS**, all acts, conditions, and things required by law to exist, to have happened and to have been performed precedent to and in connection with the issuing of the Series 2005 Bonds and the execution and entering into of the Fiscal Agent Agreement do exist, have happened, and have been performed in regular and due time, form and manner as required by law;

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Directors of the Olivehurst Public Utility District that:

1. **Recitals**. The Board hereby determines that the foregoing recitals are true and correct.

2. **Authorization of Officers to Execute and Deliver Documents**. The Board hereby authorizes the President of the Board and the General Manager (the "Designated Officers"), and each of them individually, for and in the name of the and on behalf of the District, to approve, execute, and deliver the following agreements and documents:

- (a) The Fiscal Agent Agreement;
- (b) The Bond Purchase Agreement;
- (c) The Official Statement; and
- (d) The Continuing Disclosure Agreement;

in substantially the form presented to the Board at this meeting, which agreements and documents are hereby approved, with such changes, insertions, revisions, corrections, or amendments as shall be approved by the officer or officers executing the agreement or document for the Board of Directors. The execution of the foregoing by a Designated Officer or Officers shall constitute conclusive evidence of such officer's or officers' and the Board's approval of any such changes, insertions, revisions, corrections, or amendments to the respective forms of agreements and documents presented to the Board at this meeting. The date, respective principal amounts of each maturity, the interest rates, interest payment dates, denominations, forms, registration privileges, place or places of payment, terms of redemption, and other terms of the Series 2005 Bonds, shall be as provided in the Fiscal Agent Agreement as finally executed.

3. **Authorization to Issue Bonds**. The Board hereby authorizes the issuance of the Series 2005 Bonds in accordance with the terms of the Fiscal Agent Agreement as finally executed.

4. **Authorization of Sale**. The Board hereby authorizes the sale of \$8,000,000 principal amount of Series 2005 Bonds to the Underwriter pursuant to the Bond Purchase Agreement. The Designated Officers are hereby authorized and directed to negotiate with the Underwriter the final terms of the sale and its timing. The Board hereby determines that the sale of the Series 2005 Bonds by negotiation would result in an overall lower cost.

5. **Execution of Series 2005 Bonds.** The Board hereby authorizes and directs the President and the Deputy Clerk to execute each of the Series 2005 Bonds on behalf of the District.

6. **Distribution of Official Statement.** The Board hereby authorizes the Underwriter to distribute copies of the Official Statement in preliminary form to persons who may be interested in the purchase of the Series 2005 Bonds and authorizes and directs the Underwriter to deliver copies of the final Official Statement to all purchasers of the Series 2005 Bonds. The Board hereby authorizes and directs the President of the Board and the General Manager, or either of them, to deliver to the Underwriter a certificate to the effect that the Board deems the preliminary Official Statement, in the form approved by the Designated Officer or Officers, to be final and complete as of its date, except for certain final pricing and related information that may be omitted pursuant to Rule 15c2-12 of the Securities and Exchange Commission.

7. **General Authorization.** The Board hereby authorizes and directs the Designated Officers and the Deputy Clerk, and each of them, for and in the name of and on behalf of the District, to do any and all things and to execute and deliver any and all documents that they may deem necessary or advisable in order to complete the sale, issuance, and delivery of the Series 2005 Bonds and otherwise to carry out, give effect to, and comply with the terms and intent of this resolution. All actions heretofore taken by such officers and agents that are in conformity with the purposes and intent of this resolution are hereby ratified, confirmed and approved in all respects.

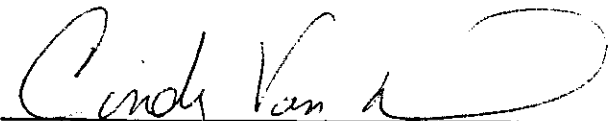
8. **Effective Date.** This resolution shall take effect immediately upon its passage.

PASSED AND ADOPTED this 7<sup>th</sup> day of April 2005.


**OLIVEHURST PUBLIC UTILITY DISTRICT**

  
\_\_\_\_\_  
President, Board of Directors

**ATTEST:**

  
\_\_\_\_\_  
Deputy Clerk & ex-officio Secretary

**APPROVED AS TO FORM AND LEGAL SUFFICIENCY:**

  
\_\_\_\_\_  
Jonathan P. Cristy, Bond Counsel



---

---

**FISCAL AGENT AGREEMENT**

**between**

**U.S. BANK NATIONAL ASSOCIATION, as Fiscal Agent**

**and the**

**OLIVEHURST PUBLIC UTILITY DISTRICT**

**Dated April 1, 2005**

**relating to the  
OLIVEHURST PUBLIC UTILITY DISTRICT  
PLUMAS LAKE COMMUNITY FACILITIES DISTRICT NO. 2002-1  
SPECIAL TAX BONDS, SERIES 2005**

ARTICLE 4  
ISSUANCE AND DELIVERY OF ADDITIONAL SERIES OF BONDS

4.1 Issuance of Additional Series of Bonds .....22  
4.2 Proceedings for Issuance of Additional Series of Bonds.....25  
4.3 Application of Proceeds of Additional Bonds .....26  
4.4 Limitations on the Issuance of Obligations Payable from Net Special Taxes.....26

ARTICLE 5  
REDEMPTION OF BONDS

5.1 General Applicability of Article .....26  
5.2 Notice to Fiscal Agent .....26  
5.3 Selection by Fiscal Agent of Bonds to be Redeemed .....26  
5.4 Notice of Redemption .....27  
5.5 Deposit of Redemption Price .....27  
5.6 Bonds Payable on Redemption Date.....28  
5.7 Bonds Redeemed in Part.....28

ARTICLE 6  
DEFEASANCE

6.1 Discharge of Fiscal Agent Agreement.....28  
6.2 Discharge of Liability on Bonds .....29  
6.3 Deposit of Money or Securities with Fiscal Agent.....30  
6.4 Payment of Bonds After Discharge of Fiscal Agent Agreement.....30

ARTICLE 7  
PAYMENT OF BONDS

7.1 Liability of District Limited to Special Taxes .....30  
7.2 Deposit of Special Taxes .....31  
7.3 Pledge of Net Special Taxes .....31  
7.4 Allocation of Net Special Taxes .....31  
7.5 Application of Interest Fund; Capitalized Interest Accounts.....32  
7.6 Application of Principal Fund; Sinking Accounts .....33  
7.7 Funding and Application of Bond Reserve Fund .....34  
7.8 Application of Prepayment Fund .....36  
7.9 Rebate Fund .....37  
7.10 Investment of Moneys in Funds and Accounts.....37  
7.11 Funds and Accounts.....38  
7.12 Money Held for Particular Bonds.....39

ARTICLE 8  
COVENANTS OF THE DISTRICT

8.1 Power to Issue Bonds and Make Pledge .....	39
8.2 Limitations on Liens .....	39
8.3 Levy and Collection of the Special Taxes; Maintenance of Net Special Taxes; Expense Budget .....	39
8.4 Punctual Payment and Performance .....	40
8.5 Extension of Payment of Bonds.....	40
8.6 Limits on Special Tax Waivers and Bond Tenders .....	41
8.7 Covenant to Foreclose.....	41
8.8 Preservation of Rights of Owners .....	41
8.9 Waiver of Laws.....	41
8.10 Federal Income Tax Covenants .....	41
8.11 Accounting for Special Taxes .....	42
8.12 Annual and Extraordinary Reports .....	42
8.13 Continuing Disclosures .....	43
8.14 Further Assurances.....	43

ARTICLE 9  
EVENTS OF DEFAULT AND REMEDIES OF BONDHOLDERS

9.1 Events of Default .....	43
9.2 Remedies of Bondholders .....	44
9.3 Application of Money Collected.....	44
9.4 Restoration of Positions .....	44
9.5 Rights and Remedies Cumulative.....	45
9.6 Delay or Omission Not Waiver.....	45

ARTICLE 10  
THE FISCAL AGENT

10.1 Appointment of Fiscal Agent.....	45
10.2 Certain Duties and Responsibilities .....	45
10.3 Notice of Default.....	46
10.4 Certain Rights of Fiscal Agent; Liabilities of Fiscal Agent.....	46
10.5. Fiscal Agent Not Responsible for Recitals, etc. ....	47
10.6 Fiscal Agent May Hold Bonds.....	48
10.7 Compensation and Indemnification of Fiscal Agent .....	48
10.8 Fiscal Agent Required; Eligibility .....	48
10.9 Removal and Resignation; Appointment of Successor.....	49
10.10 Acceptance of Appointment by Successor .....	50
10.11 Merger or Consolidation .....	50
10.12 Preservation and Inspection of Documents.....	50
10.13 Accounting Records.....	51
10.14 Reports to CDIAC.....	51

**TABLE OF CONTENTS**

<u>Section</u>	<u>Page</u>
<b>ARTICLE 1</b>	
<b>DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION</b>	
1.1 Definitions.....	2
1.2 Equality of Security .....	9
1.3 Acts of Bondholders .....	9
1.4 Notices, etc., to District and Fiscal Agent .....	10
1.5 Notices to Bondholders; Waiver .....	10
1.6 Form and Content of Documents Delivered to Fiscal Agent.....	10
1.7 Effect of Headings and Table of Contents.....	11
1.8 Successors and Assigns.....	11
1.9 Benefits of Fiscal Agent Agreement.....	11
1.10 Payments/Actions Otherwise Scheduled on Non-Business Days.....	11
1.11 No Personal Liability for Debt Service.....	11
1.12 Separability Clause .....	11
1.13 Governing Law .....	12
1.14 Execution in Counterparts.....	12

**ARTICLE 2**  
**THE BONDS**

2.1 Title; Issuable in Series; General Limitations.....	12
2.2 Terms of Particular Series.....	12
2.3 Forms and Denominations .....	12
2.4 Execution and Authentication.....	13
2.5 Registration, Transfer, and Exchange.....	13
2.6 Mutilated, Destroyed, Lost, or Stolen Bonds.....	14
2.7 Payment of Interest on Bonds; Interest Rights Preserved.....	14
2.8 Persons Deemed Owners .....	15
2.9 Cancellation .....	15
2.10 Book-Entry Provisions.....	15

**ARTICLE 3**  
**TERMS AND ISSUE OF SERIES 2005 BONDS**

3.1 Terms and Form of Series 2005 Bonds.....	17
3.2 Redemption of Series 2005 Bonds.....	19
3.3 Application of Proceeds of Series 2005 Bonds.....	20
3.4 Establishment and Application of Costs of Issuance Fund.....	21
3.5 Establishment and Application of Acquisition and Construction Fund.....	21
3.6 Validity of Series 2005 Bonds .....	22



ARTICLE 11  
MODIFICATION OR AMENDMENT OF THIS FISCAL AGENT AGREEMENT

11.1 Supplemental Fiscal Agent Agreements without Consent of Bondholders.....51  
11.2 Supplemental Fiscal Agent Agreements w/ Consent of Bondholders or Credit Providers.. 52  
11.3 Execution of Supplemental Fiscal Agent Agreements .....53  
11.4 Effect of Supplemental Fiscal Agent Agreements.....53  
11.5 Endorsement of Bonds; Preparation of New Bonds .....54  
11.6 Amendment of Particular Bonds.....54

Exhibit A -- Form of Series 2005 Bonds

## FISCAL AGENT AGREEMENT

This FISCAL AGENT AGREEMENT, dated April 1, 2005, by and between U.S. BANK NATIONAL ASSOCIATION, a national banking association duly operating under the laws of the United States of America, as fiscal agent (the "Fiscal Agent"), and the Olivehurst Public Utility District, a public utility district formed and operating under the California Public Utilities Code sections 15501 *et seq.* ("District");

### WITNESSETH:

WHEREAS, the Board of Directors of the Olivehurst Public Utility District (the "Board of Directors") on November 1, 2002, duly adopted its Resolution No. 2037 establishing the Olivehurst Public Utility District Plumas Lake Community Facilities District No. 2002-1 (the "Plumas Lake CFD No. 2002-1") for the purpose of providing for the financing of certain public facilities in and for the Plumas Lake CFD No. 2002-1;

WHEREAS, on November 21, 2002, the Board of Directors duly adopted its Resolution No. 2038 determining the necessity to incur a bonded indebtedness in the amount of \$27,000,000 with respect to the Plumas Lake CFD No. 2002-1;

WHEREAS, on November 21, 2002, the qualified electors of the Plumas Lake CFD No. 2002-1 authorized the Board of Directors to levy special taxes upon the land within the Plumas Lake CFD No. 2002-1 and to issue bonds in the principal amount of not to exceed \$27,000,000 (the "Bonds"), secured by the special taxes;

WHEREAS, the District now is fully authorized pursuant to the Mello-Roos Community Facilities Act of 1982 (Sections 53311 et seq. of the Government Code of the State of California, as amended) (the "Law") to issue the Bonds;

WHEREAS, the District has determined to enter into this Fiscal Agent Agreement in order to provide for the authentication and delivery of the Bonds, to establish and declare the terms and conditions upon which the Bonds shall be issued and secured and to secure the payment of the principal thereof and premium (if any) and interest thereon;

WHEREAS, the execution and delivery of this Fiscal Agent Agreement has in all respects been duly and validly authorized by a resolution duly adopted by the Board of Directors; and

WHEREAS, the District has determined that all acts, conditions and things required by law to exist, to have happened and to have been performed precedent to and in connection with the execution and the entering into of this Fiscal Agent Agreement do exist, have happened, and have been performed in regular and due time, form, and manner as required by law, and the parties hereto are now duly authorized to execute and enter into this Fiscal Agent Agreement;

NOW, THEREFORE, THIS FISCAL AGENT AGREEMENT WITNESSETH that, in order to secure the payment of the principal of and premium (if any) and the interest on all Bonds at any time issued, authenticated and delivered hereunder and to provide the terms and conditions under which all property, rights, and interests hereby assigned and pledged are to be

dealt with and disposed of, and to secure performance and observance of the terms, conditions, stipulations, covenants, agreements, trusts, uses, and purposes hereinafter expressed, and in consideration of the premises and of the material covenants herein contained and of the purchase and acceptance of the Bonds by the registered owners thereof, and for other valuable consideration, the receipt of which is hereby acknowledged, the District does hereby agree and covenant with the Fiscal Agent for the benefit of the respective registered owners, from time to time, of the Bonds, or any part thereof, as follows:

**ARTICLE 1**  
**DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION**

**SECTION 1.1. Definitions.** For all purposes of this Fiscal Agent Agreement and of any Supplemental Fiscal Agent Agreement and of any certificate, opinion, or other document herein mentioned, unless the context otherwise requires:

(a) The terms defined in this Section shall have the meanings herein specified and include the plural as well as the singular.

(b) All accounting terms not otherwise defined herein have the meanings assigned to them, and all computations herein provided for shall be made, in accordance with generally accepted accounting principles.

(c) All references herein to “generally accepted accounting principles” refer to such principles as they exist at the date of applicability thereof.

(d) All references herein to “Articles,” “Sections,” and other subdivisions are to the designated Articles, Sections, and other subdivisions of this Fiscal Agent Agreement as originally executed.

(e) The words “herein,” “hereof,” “hereby,” “hereunder,” and other words of similar import refer to this Fiscal Agent Agreement as a whole and not to any particular Article, Section, or other subdivision.

(f) Words of the masculine gender shall mean and include words of the feminine and neuter genders.

(g) Unless otherwise defined in this Fiscal Agent Agreement, all terms used herein shall have the meanings assigned to such terms in the Law.

**Acquisition and Construction Fund** means the fund by that name established pursuant to Section 3.5 (Establishment and Application of Acquisition and Construction Fund).

**Administrative Expenses** means all expenses paid or incurred by the District as administrator of the Plumas Lake CFD No. 2002-1 to determine, levy, and collect the Special Taxes, including salaries of District employees and the fees of consultants, legal counsel, paying agents, fiscal agents, and trustees; the costs of collecting installments of the Special Taxes upon the general tax rolls; the cost of arbitrage calculation and arbitrage rebates; the cost of

preparation of required reports; and any other costs required to administer the Plumas Lake CFD No. 2002-1 as determined by the District.

**Annual Debt Service** means for each Bond Year the aggregate amount of principal and interest becoming due and payable on all Bonds, but excluding any interest for which there are moneys deposited in the Interest Fund from the proceeds of any Series of Bonds or other source and reserved as capitalized interest to pay such interest.

**Board of Directors** means the Board of Directors of the District.

**Bond Register** has the meaning stated in Section 2.5 (Registration, Transfer, and Exchange).

**Bond Reserve Fund** means the fund by that name established pursuant to Section 7.4 (Allocation of Net Special Taxes).

**Bond Reserve Requirement** means, as of any date of calculation, the least of (i) Maximum Annual Debt Service as of such date, (ii) 125% of average Annual Debt Service on all Bonds Outstanding as of such date and (iii) 10% of the original principal amount of the Bonds; provided that, when calculating the Bond Reserve Requirement, (x) principal of and interest on Escrow-Secured Bonds shall be deducted from the calculation of Annual Debt Service and Maximum Annual Debt Service, and (y) the principal amount of Escrow-Secured Bonds shall be deducted from the original principal amount of the Bonds.

**Bonds** means the Olivehurst Public Utility District Plumas Lake Community Facilities District No. 2002-1 Special Tax Bonds authorized by, and at any time Outstanding pursuant to, this Fiscal Agent Agreement.

**Bond Year** means the period ending on September 1 of each year with the first Bond Year ending on September 1, 2005, and the last Bond Year ending on the date on which none of the Bonds remain outstanding.

**Business Day** means any day other than a Saturday, Sunday, or a day on which banking institutions in the state in which the Corporate Trust Office is located or the State of New York are authorized or obligated by law or executive order to be closed.

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

**Certificate, Statement, Request, Requisition, or Order of the District** mean, respectively, a written certificate, statement, request, requisition, or order signed in the name of the District by the President of its Board of Directors or the General Manager or any other person authorized by the President or the General Manager to execute such instruments. Any such instrument and supporting opinions or representations, if any, may, but need not, be combined in a single instrument with any other instrument, opinion or representation, and the two or more so combined shall be read and construed as a single instrument. If and to the extent required by Section 1.6 (Form and Consent of Documents Delivered to Fiscal Agent), each such instrument

shall include the statements provided for in Section 1.6 (Form and Consent of Documents Delivered to Fiscal Agent).

**Code** means the Internal Revenue Code of 1986 and the regulations applicable to or issued thereunder.

**Community Facilities Fund** means the fund by that name established pursuant to Section 7.4 (Allocation of Net Special Taxes).

**Continuing Disclosure Agreement** means the Continuing Disclosure Agreement dated the date of delivery of the Series 2005 Bonds, as originally executed by the District or as it may from time to time be supplemented or amended in accordance with its terms.

**Corporate Trust Office** or **corporate trust office** means the corporate trust office of the Fiscal Agent at One California Street, Suite 2550, San Francisco, CA 94111, Attention: Corporate Trust Services, or such other or additional offices as may be designated by the Fiscal Agent.

**Costs of Issuance** means all items of expense directly or indirectly payable by or reimbursable to the District and related to the original authorization, execution, sale, and delivery of the Bonds, including but not limited to advertising and printing costs, costs of preparation and reproduction of documents, costs of printing and distribution of the preliminary and final official statements, filing and recording fees, initial fees and charges of the Fiscal Agent, legal fees and charges, fees and disbursements of consultants and professionals, financial advisor fees and expenses, rating agency fees, fees and charges for preparation, execution, transportation and safekeeping of Bonds, and any other cost, charge, or fee in connection with the original delivery of Bonds.

**Costs of Issuance Fund** means the fund by that name established pursuant to Section 3.5 (Establishment and Application of Costs of Issuance Fund).

**Defeasance Securities** means the following:

(A) United States Treasury Certificates, Notes, and Bonds (including State and Local Government Series -- "SLGS").

(B) Direct obligations of the Treasury that have been stripped by the Treasury itself, CATS, TGRS, and similar securities.

(C) The interest component of Resolution Funding Corp. (REFCORP) strips that have been stripped by request to the Federal Reserve Bank of New York in book-entry form.

(D) Pre-refunded municipal bonds rated "Aaa" by Moody's and "AAA" by Standard & Poor's. If, however, the pre-refunded bonds are rated by Standard & Poor's but are not rated by Moody's, then the pre-refunded bonds must have been pre-refunded with cash, direct U.S. or U.S. guaranteed obligations, or Aaa-rated pre-refunded municipal bonds.

(E) Obligations issued or guaranteed by the following agencies that are backed by the full faith and credit of the U.S.:

- (1) U.S. Export-Import Bank (Eximbank)  
Direct obligations or fully guaranteed certificates of beneficial ownership
- (2) Farmers Home Administration (FmHA)  
Certificates of beneficial ownership
- (3) Federal Financing Bank
- (4) General Services Administration  
Participation certificates
- (5) U.S. Maritime Administration  
Guaranteed Title XI financing
- (6) U.S. Department of Housing and Urban Development (HUD)  
Project Notes  
Local Authority Bonds  
New Communities Debentures - U.S. government guaranteed debentures  
U.S. Public Housing Notes and Bonds - U.S. government guaranteed public housing notes and bonds

**District** means the Olivehurst Public Utility District, a public utility district formed and operating under the California Public Utilities Code sections 15501 *et seq.*

**District Treasurer** means the Yuba County Treasurer who is *ex officio* the treasurer of the District.

**Escrow-Secured Bonds** means any Bonds the interest on which, the redemption of which, and required deposit into the Bond Reserve Fund with respect to which are fully secured by amounts deposited into an escrow fund held by the Fiscal Agent or secured by an irrevocable letter of credit issued by a financial institution having unsecured long-term debt obligations rated in one of the three highest Rating Categories of Moody's or Standard & Poor's and short-term obligations rated in the highest Rating Category of Moody's or Standard & Poor's.

**Event of Default** means any of the events specified in Section 9.1 (Events of Default).

**Facilities** means those public facilities as described in Resolution No. 2037 adopted by the Board of Directors on November 21, 2002, establishing the Plumas Lake CFD No. 2002-1.

**Fiscal Agent** means U.S. Bank National Association, a national banking association duly operating under the laws of the United States of America, or its successor as Fiscal Agent as provided in Section 10.9 (Removal and Resignation; Appointment of Successor).

**Fiscal Year** means the period beginning on July 1 of each year and ending on the next succeeding June 30 or any other twelve-month period hereafter selected and designated as the official fiscal year period of the District.

**Fiscal Agent Agreement** means this Fiscal Agent Agreement dated April 1, 2005, by and between the Fiscal Agent and the District, as originally executed or as it may from time to time be supplemented or amended by any Supplemental Fiscal Agent Agreement delivered pursuant to the provisions hereof.

**Information Service** means Financial Information Inc.'s Called Bond Service, 30 Montgomery Street, Jersey City, NJ 07302; or, in accordance with then-current guidelines of the Securities and Exchange Commission, such other addresses and or such other services providing information with respect to called bonds, or no such services, as the District may designate in a Request of the District delivered to the Fiscal Agent.

**Interest Fund** means the fund by that name established pursuant to Section 7.4 (Allocation of Net Special Taxes).

**Interest Payment Date** with respect to Bonds of any Series means the date or dates specified in such Bonds on which installments of interest on such Bonds are due and payable.

**Investment Securities** means any securities in which funds of the District may now or hereafter be legally invested as provided by applicable law in effect at the time of such investment, subject to any limitations imposed by the investment policy approved by the Board of Directors, but without regard to any limitations contained therein concerning the maximum percentage limitations for any particular investment. Investment Securities also include (a) money market funds, including funds of the Fiscal Agent or any of its affiliates, and (b) investment agreements, including guaranteed investment contract.

**Law** means the Mello-Roos Community Facilities Act of 1982 (Sections 53311 et seq. of the Government Code of the State of California, as amended), as now in effect and as it may from time to time hereafter be amended or supplemented.

**Mandatory Sinking Account Payment** means, with respect to Bonds of any Series and maturity, the amount required by this Fiscal Agent Agreement or a Supplemental Fiscal Agent Agreement hereto to be deposited by the District in a Sinking Account for the payment of Term Bonds of such Series and maturity.

**Maximum Annual Debt Service** shall mean the greatest amount of principal and interest becoming due and payable on all Bonds in any Bond Year including the Bond Year in which the calculation is made or any subsequent Bond Year.

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

**Net Special Taxes** means the Special Taxes less an amount equal to thirty-five thousand dollars (\$35,000) retained each Fiscal Year by the District for the payment of Administrative Expenses.

**Opinion of Bond Counsel** means a written opinion of a law firm experienced in matters relating to obligations the interest on which is excluded from gross income for federal income tax purposes, selected by the District.

**Outstanding**, when used as of any particular time with reference to Bonds, means all Bonds theretofore, or thereupon being, authenticated and delivered by the Fiscal Agent under this Fiscal Agent Agreement except (1) Bonds theretofore cancelled by the Fiscal Agent or surrendered to the Fiscal Agent for cancellation; (2) Bonds with respect to which all liability of the District shall have been discharged in accordance with Section 6.2 (Discharge of Liability on Bonds), including Bonds (or portions of Bonds) referred to in Section 7.12 (Money Held for Particular Bonds); and (3) Bonds for the transfer or exchange of or in lieu of or in substitution for which other Bonds shall have been authenticated and delivered by the Fiscal Agent pursuant to this Fiscal Agent Agreement.

**Owner or Bondholder or Bondowner**, whenever used herein with respect to a Bond, means the person in whose name such Bond is registered.

**Person** means a corporation, firm, association, partnership, trust, or other legal entity or group of entities, including a governmental entity or any agency or political subdivision thereof.

**Plumas Lake CFD No. 2002-1** means the Olivehurst Public Utility District Plumas Lake Community Facilities District No. 2002-1, a community facilities district duly established within the geographical jurisdiction of the District pursuant to the Law.

**Prepayment Fund** means the fund by that name established pursuant to Section 7.8 (Application of Prepayment Fund).

**Principal Fund** means the fund by that name established pursuant to Section 7.4 (Allocation of Net Special Taxes).

**Principal Payment Date** with respect to Bonds of any Series means the date or dates specified in such Bonds on which the principal of such Bonds is due and payable.

**Rate and Method of Apportionment** means the rate, method of apportionment, and manner of collection of the Special Taxes included as *Exhibit B* to Resolution No. 2037 adopted by the Board of Directors on November 21, 2002, establishing the Plumas Lake CFD No. 2002-1, as the same may be amended from time to time in accordance with the Law.

**Rating Category** means (i) with respect to any long-term rating category, all ratings designated by a particular letter or combination of letters, without regard to any numerical modifier, plus or minus sign, or other modifier, and (ii) with respect to any short-term or commercial paper rating category, all ratings designated by a particular letter or combination of letters and taking into account any numerical modifier, but not any plus or minus sign or other modifier.



**Rebate Fund** means the fund by that name established pursuant to Section 7.9 (Rebate Fund).

**Redemption Price** means, with respect to any Bond (or portion thereof) the principal amount of such Bond (or portion) plus the applicable premium, if any, payable upon redemption thereof pursuant to the provisions of such Bond and this Fiscal Agent Agreement.

**Regular Record Date** for interest payable on any Interest Payment Date on the Bonds of any Series means the date specified in the provisions of this Fiscal Agent Agreement creating such Series.

**Securities Depositories** means the following: The Depository Trust Company, 711 Stewart Avenue, Garden City, New York 11530, Fax-(516) 227-4039 or 4190; or, in accordance with then-current guidelines of the Securities and Exchange Commission, to such other addresses and/or such other securities depositories, or no such depositories, as the District may designate in a Request of the District delivered to the Fiscal Agent.

**Serial Bonds** means the Bonds, maturing in specified years, for which no Mandatory Sinking Account Payments are provided.

**Series**, whenever used herein with respect to Bonds, means all of the Bonds designated as being of the same series, authenticated and delivered in a simultaneous transaction, regardless of variations in maturity, interest rate, redemption, and other provisions, and any Bonds thereafter authenticated and delivered upon transfer or exchange or in lieu of or in substitution for (but not to refund) such Bonds as herein provided.

**Series 2005 Capitalized Interest Account** means the account by that name established in the Interest Fund pursuant to Section 7.5(C) (Series 2005 Capitalized Interest Account).

**Sinking Accounts** means the accounts in the Principal Fund so designated and established pursuant to Section 7.6 (Application of Principal Fund; Sinking Accounts) for the payment of Term Bonds.

**Special Record Date** for the payment of any defaulted interest on Bonds of any Series means a date fixed by the Fiscal Agent pursuant to Section 2.7 (Payment of Interest on Bonds; Interest Rights Preserved).

**Special Tax Fund** means the fund by that name established pursuant to Section 7.2 (Deposit of Special Taxes in the Special Tax Fund).

**Special Taxes** means the special taxes authorized to be levied and collected annually on property in the Plumas Lake CFD No. 2002-1.

**Standard & Poor's** means Standard & Poor's, a division of The McGraw Hill Companies, Inc., and its successors and assigns, except that if such rating agency shall no longer perform the functions of a securities rating agency, then the term "Standard & Poor's" shall be deemed to refer to any other nationally recognized securities rating agency selected by the District.

**State** means the State of California.

**Supplemental Fiscal Agent Agreement** means any fiscal agent agreement hereafter duly executed and delivered, supplementing, modifying, or amending this Fiscal Agent Agreement, but only if and to the extent that such Supplemental Fiscal Agent Agreement is specifically authorized hereunder.

**Tax Certificate** means the master tax certificate delivered by the District at the time of the issuance and delivery of the first Series of Bonds issued hereunder, as supplemented by the supplemental tax certificates delivered at the time of issuance and delivery of each Series of Bonds and as the same may be further amended or supplemented in accordance with its terms.

**Taxable Property** means all property described by the definition of the term "Taxable Property" in the Rate and Method of Apportionment.

**Term Bonds** means the Bonds payable at or before their specified maturity date or dates from Mandatory Sinking Account Payments established for that purpose and calculated to retire such Bonds on or before their specified maturity date or dates.

SECTION 1.2. Equality of Security. In consideration of the acceptance of the Bonds by the Owners thereof from time to time, this Fiscal Agent Agreement shall be deemed to be and shall constitute a contract between the District, the Fiscal Agent and the Owners from time to time of the Bonds and the covenants and agreements herein set forth to be performed by or on behalf of the District or the Fiscal Agent shall be for the equal and proportionate benefit, security and protection of all Owners of the Bonds, without preference, priority or distinction as to security or otherwise of any of the Bonds over any of the others by reasons of the Series, time of issue, sale, or negotiation thereof or for any cause whatsoever, except as expressly provided therein or herein. Nothing herein shall prevent additional security from being provided to particular Bonds under any Supplemental Fiscal Agent Agreement.

SECTION 1.3. Acts of Bondholders. Any request, consent, or other instrument required or permitted by this Fiscal Agent Agreement to be signed and executed by Bondholders may be in any number of concurrent instruments of substantially similar tenor and shall be signed or executed by such Bondholders in person or by an agent or agents duly appointed in writing. Proof of the execution of any such request, consent or other instrument or of a writing appointing any such agent, or of the holding by any person of Bonds transferable by delivery, shall be sufficient for any purpose of this Fiscal Agent Agreement and shall be conclusive in favor of the Fiscal Agent and of the District if made in the manner provided in this Section.

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

Any request, consent, or other instrument or writing of the Owner of any Bond shall bind every future Owner of the same Bond and the Owner of every Bond issued in exchange therefor

or in lieu thereof, in respect of anything done or suffered to be done by the Fiscal Agent or the District in accordance therewith or reliance thereon.

SECTION 1.4. Notices, etc., to District and Fiscal Agent. Any notice to or demand upon the Fiscal Agent may be served or presented, and such demand may be made, at the Corporate Trust Office. Any notice to or demand upon the District, shall be deemed to have been sufficiently given or served for all purposes by being deposited, first-class mail postage prepaid, in a post office letter box, addressed, as the case may be, to the District at 1970 9<sup>th</sup> Avenue, Olivehurst, CA 95961, Attention: General Manager (or such other address as may have been filed in writing by the District with the Fiscal Agent).

SECTION 1.5. Notices to Bondholders; Waiver. In any case where notice to Bondholders is given by mail, 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.

Where this Fiscal Agent Agreement 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 Fiscal Agent, but such filing shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

SECTION 1.6. Form and Content of Documents Delivered to Fiscal Agent. Every certificate or opinion provided for in this Fiscal Agent Agreement with respect to compliance with any provision hereof shall include (1) a statement that the person making or giving such certificate or opinion has read such provision and the definitions herein relating thereto, (2) a brief statement as to the nature and scope of the examination or investigation upon which the certificate or opinion is based; (3) a statement that, in the opinion of such person, he has made or caused to be made such examination or investigation as is necessary to enable him to express an informed opinion with respect to the subject matter referred to in the instrument to which his signature is affixed; and (4) a statement as to whether, in the opinion of such person, such provision has been complied with.

Any such certificate or opinion made or given by an officer of the District may be based, insofar as it relates to legal or accounting matters, upon a certificate or opinion of or representation by counsel, an accountant, or an independent consultant, unless such officer knows, or in the exercise of reasonable care should have known, that the certificate, opinion or representation with respect to the matters upon which such certificate or statement may be based, as aforesaid, is erroneous. Any such certificate or opinion made or given by counsel, an accountant, or an independent consultant may be based, insofar as it relates to factual matters (with respect to which information is in the possession of the District) upon a certificate or opinion of or representation by an officer of the District, unless such counsel, accountant, or independent consultant knows, or in the exercise of reasonable care should have known, that the certificate or opinion or representation with respect to the matters upon which such person's certificate or opinion or representation may be based, as aforesaid, is erroneous. The same officer of the District, or the same counsel, or accountant or independent consultant, as the case may be, need not certify to all of the matters required to be certified under any provision of this

Fiscal Agent Agreement, but different officers, counsel, accountants, or independent consultants may certify to different matters, respectively.

SECTION 1.7. Effect of Headings and Table of Contents. The headings or titles of the several Articles and Sections hereof, and any table of contents appended to copies hereof, shall be solely for convenience of reference and shall not affect the meaning, construction, or effect of this Fiscal Agent Agreement.

SECTION 1.8. Successors and Assigns. Whenever in this Fiscal Agent Agreement either the District or the Fiscal Agent is named or referred to, such reference shall be deemed to include the successors or assigns thereof, and all the covenants and agreements in this Fiscal Agent Agreement contained by or on behalf of the District or the Fiscal Agent shall bind and inure to the benefit of the respective successors and assigns thereof whether so expressed or not.

SECTION 1.9. Benefits of Fiscal Agent Agreement. Nothing in this Fiscal Agent Agreement or in the Bonds expressed or implied is intended or shall be construed to give to any person other than the District, the Fiscal Agent, and the Owners of the Bonds, any legal or equitable right, remedy or claim under or in respect of this Fiscal Agent Agreement or any covenant, condition or provision therein or herein contained; and all such covenants, conditions and provisions are and shall be held to be for the sole and exclusive benefit of the District, the Fiscal Agent, and the Owners of the Bonds.

SECTION 1.10. Payments/Actions Otherwise Scheduled on Non-Business Days. Except as specifically set forth in a Supplemental Fiscal Agent Agreement, any payments or transfers that would otherwise become due on any day that is not a Business Day shall become due or shall be made on the next succeeding Business Day. When any other action is provided for herein to be done on a day named or within a specified time period and the day named or the last day of the specified period falls on a day other than a Business Day, such action may be performed on the next succeeding Business Day with the same effect as though performed on the appointed day or within the specified period.

SECTION 1.11. No Personal Liability for Debt Service. No Board member, officer, agent, or employee of the District or the Fiscal Agent shall be individually or personally liable for the payment of the principal or Redemption Price of or interest on the Bonds or be subject to any personal liability or accountability by reason of the issuance thereof; but nothing herein contained shall relieve any such Board member, officer, agent, or employee of the District or the Fiscal Agent from the performance of any official duty provided by law or by this Fiscal Agent Agreement.

SECTION 1.12. Separability Clause. If any one or more of the provisions contained in this Fiscal Agent Agreement or in the Bonds shall for any reason be held to be invalid, illegal or unenforceable in any respect, then such provision or provisions shall be deemed severable from the remaining provisions contained in this Fiscal Agent Agreement and such invalidity, illegality, or unenforceability shall not affect any other provision of this Fiscal Agent Agreement, and this Fiscal Agent Agreement shall be construed as if such invalid or illegal or unenforceable provision had never been contained herein. The District hereby declares that it would have adopted this Fiscal Agent Agreement and each and every other Section, paragraph, sentence,

clause, or phrase hereof and authorized the issuance of the Bonds pursuant thereto irrespective of the fact that any one or more Sections, paragraphs, sentences, clauses, or phrases of this Fiscal Agent Agreement may be held illegal, invalid, or unenforceable.

SECTION 1.13. Governing Law. This Fiscal Agent Agreement shall be construed and governed in accordance with the laws of the State.

SECTION 1.14. Execution in Counterparts. This Fiscal Agent Agreement may be executed in several counterparts, each of which shall be deemed an original, and all of which shall constitute but one and the same instrument.

## ARTICLE 2 THE BONDS

SECTION 2.1. Title; Issuable in Series; General Limitations. The general title of the Bonds of all Series shall be "Olivehurst Public Utility District Plumas Lake Community Facilities District No. 2002-1 Special Tax Bonds." With respect to the Bonds of any particular Series, the District may incorporate into or add to the general title of such Bonds any words, letters, or figures designed to distinguish that Series.

The District may issue Bonds in Series hereunder, in book-entry form or otherwise, as from time to time authorized by the Board of Directors, subject to the covenants, provisions, and conditions contained in this Fiscal Agent Agreement.

Other than Bonds issued to refund Outstanding Bonds, the District shall not issue more than \$27,000,000 aggregate principal amount of Bonds.

SECTION 2.2. Terms of Particular Series. Each Series of Bonds, except the Series 2005 Bonds created by Article 3, shall be created by a fiscal agent agreement supplemental hereto authorized by the Board of Directors and establishing the terms and provisions of such Series of Bonds and the form of the Bonds of such Series. The several Series of Bonds may differ from the Series 2005 Bonds and as between Series in any respect not in conflict with the provisions of this Fiscal Agent Agreement and as may be prescribed in the supplemental fiscal agent agreement creating such Series.

The District shall determine, at the time of issuance of each Series of Bonds, the terms thereof, including the interest rate or rates at which interest is borne by the Bonds of such Series or the manner in which the interest rate or rates are determined (not to exceed the maximum rate of interest permitted by law), the intervals at which interest on the Bonds of such Series shall be payable, the date or dates on which and the year or years in which the Bonds of such Series shall mature and become payable, and the manner in which principal of and interest on the Bonds of such Series shall be payable.

SECTION 2.3. Forms and Denominations. The form of the Bonds of each Series shall be established by the provisions of this Fiscal Agent Agreement creating such Series. The Bonds of each Series shall be distinguished from the Bonds of other Series as may be determined by the officers of the District executing particular Bonds, as evidenced by their execution thereof.

The District may issue the Bonds of any Series (i) in such denominations as it specifies at the time of issuance thereof and (ii) in fully registered form without coupons or in fully registered book-entry form.

SECTION 2.4. Execution and Authentication. The Bonds shall be executed in the name and on behalf of the District by the President of the Board of Directors and countersigned by the Deputy District Clerk. The signature of any of these officers on the Bonds may be facsimile or manual. Unless otherwise provided in any Supplemental Fiscal Agent Agreement, the Bonds shall then be delivered to the Fiscal Agent for authentication by it.

In case any of the officers who shall have signed or countersigned any of the Bonds shall cease to be such officer or officers of the District before the Bonds so signed or countersigned shall have been authenticated, or delivered by the Fiscal Agent, or issued by the District, such Bonds may nevertheless be authenticated, delivered, and issued and, upon such authentication, delivery, and issue, shall be as binding upon the District as though those who signed and countersigned the same had continued to be such officers of the District. Any Bond may be signed and attested on behalf of the District by such persons as at the actual date of execution such Bond shall be the proper officers of the District although at the nominal date of such Bond any such person shall not have been such officer of the District.

Except as may be provided in any Supplemental Fiscal Agent Agreement, no Bond shall be valid or obligatory for any purpose or entitled to the benefits of this Fiscal Agent Agreement unless there appears on such Bond a certificate of authentication substantially in the form provided for herein, manually executed by the Fiscal Agent. Such certificate of authentication when manually executed by the Fiscal Agent shall be conclusive evidence, and the only evidence, that such Bond has been duly executed, authenticated, and delivered hereunder.

SECTION 2.5. Registration, Transfer, and Exchange. The Fiscal Agent will keep or cause to be kept, at its Corporate Trust Office, a register (herein sometimes referred to as the "Bond Register") in which, subject to such reasonable regulations as it may prescribe, the Fiscal Agent shall provide for the registration and transfer of Bonds. The Bond Register shall at all times be open to inspection during normal business hours by the District.

Upon surrender of a Bond for transfer at the Corporate Trust Office, the District shall execute and the Fiscal Agent shall authenticate and deliver, in the name of the designated transferee or transferees, one or more new Bonds of the same Series, tenor, and maturity and for an equivalent aggregate principal amount.

Bonds of any Series may be exchanged for an equivalent aggregate principal amount of Bonds of other authorized denominations of the same Series, tenor, and maturity, upon surrender of the Bonds for exchange at the Corporate Trust Office. Upon surrender of Bonds for exchange, the District shall execute and the Fiscal Agent shall authenticate and deliver the Bonds that the Bondholder making the exchange is entitled to receive.

All Bonds surrendered upon any exchange or transfer provided for in this Fiscal Agent Agreement shall be promptly cancelled by the Fiscal Agent and thereafter disposed of as provided for in Section 2.9 (Cancellation).

All Bonds issued upon any transfer or exchange of Bonds shall be the valid obligations of the District, evidencing the same debt, and entitled to the same security and benefits under this Fiscal Agent Agreement, as the Bonds surrendered upon such transfer or exchange.

Every Bond presented or surrendered for transfer or exchange shall be accompanied by a written instrument of transfer, in a form approved by the Fiscal Agent, that is duly executed by the Owner or by his attorney duly authorized in writing.

No service charge shall be made for any transfer or exchange of Bonds, but the Fiscal Agent shall require the Bondholder requesting such transfer or exchange to pay any tax or other governmental charge required to be paid with respect to such transfer or exchange.

The Fiscal Agent shall not be required to transfer or exchange (i) Bonds of any Series during the period established by the Fiscal Agent for the selection of Bonds of such Series for redemption or (ii) any Bond that has been selected for redemption in whole or in part, except the unredeemed portion of such Bond selected for redemption in part, from and after the day that such Bond has been selected for redemption in whole or in part.

**SECTION 2.6. Mutilated, Destroyed, Lost, or Stolen Bonds.** If (i) any mutilated Bond is surrendered to the Fiscal Agent, or the Fiscal Agent receives evidence to its satisfaction of the destruction, loss, or theft of any Bond, and (ii) there is delivered to the Fiscal Agent such security or indemnity as may be required by it to save it harmless, then the District shall execute, and upon its request the Fiscal Agent shall authenticate and deliver, in exchange for or in lieu of any such mutilated, destroyed, lost, or stolen Bond, a new Bond of the same Series and of like tenor and principal amount, bearing a number not contemporaneously outstanding.

Upon the issuance of any new Bond under this Section, the District may require payment of a sum sufficient to pay the cost of preparing such Bond, any tax or other governmental charge that may be imposed in relation thereto, and any other expenses connected therewith.

Every new Bond issued pursuant to this Section in lieu of any destroyed, lost, or stolen Bond shall constitute an original additional contractual obligation of the District, whether or not the destroyed, lost, or stolen Bond shall be at any time enforceable by anyone, and shall be entitled to all the security and benefits of this Fiscal Agent Agreement equally and ratably with all other Outstanding Bonds secured by this Fiscal Agent Agreement. Neither the District nor the Fiscal Agent shall be required to treat both the new Bond and the Bond it replaces as being Outstanding for the purpose of determining the principal amount of Bonds that may be issued hereunder, but both the new Bond and the Bond it replaces shall be treated as one and the same.

**SECTION 2.7. Payment of Interest on Bonds; Interest Rights Preserved.** Interest on any Bond of any Series that is payable, and is punctually paid or duly provided for, on any Interest Payment Date shall be paid to the Owner thereof as of the close of business on the Regular Record Date for such interest specified in the provisions of this Fiscal Agent Agreement.

Any interest on any Bond of any Series that is payable but is not punctually paid or duly provided for on any Interest Payment Date shall forthwith cease to be payable to the Owner on the relevant Regular Record Date. Such defaulted interest shall be paid to the Person in whose name the Bond is registered at the close of business on a Special Record Date for the payment of

such defaulted interest to be fixed by the Fiscal Agent. In the name and at the expense of the District, the Fiscal Agent shall cause notice of the payment of such defaulted interest and the Special Record Date to be mailed, first-class postage prepaid, to each Owner of a Bond of such Series at his address as it appears in the Bond Register not fewer than ten (10) days prior to such Special Record Date.

Subject to the foregoing provisions of this Section, each Bond delivered under this Fiscal Agent Agreement 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, that were carried by such other Bond. Each such Bond shall bear interest from such date that neither loss nor gain in interest shall result from such transfer, exchange, or substitution.

SECTION 2.8. Persons Deemed Owners. The District and the Fiscal Agent shall be entitled to treat the person in whose name any Bond is registered as the owner thereof for all purposes of the Fiscal Agent Agreement and any applicable laws, notwithstanding any notice to the contrary received by the Fiscal Agent or the District. The ownership of Bonds shall be proved by the Bond Register. The Fiscal Agent may establish a record date as of which to measure consent of the Bondowners in order to determine whether the requisite consents are received.

SECTION 2.9. Cancellation. All Bonds surrendered for payment, redemption, transfer, or exchange, if surrendered to the Fiscal Agent, shall be promptly cancelled by the Fiscal Agent and, if surrendered to any person other than the Fiscal Agent, shall be delivered to the Fiscal Agent and, if not already cancelled, shall be promptly cancelled by the Fiscal Agent.

The District shall deliver to the Fiscal Agent for cancellation any Bonds acquired in any manner by the District, and the Fiscal Agent shall promptly cancel such Bonds.

No Bond shall be authenticated in lieu of or in exchange for any Bond cancelled as provided in this Section, except as expressly provided by this Fiscal Agent Agreement. The Fiscal Agent shall destroy all cancelled Bonds (in the presence of an officer of the District, if the District shall so require) and deliver a certificate of such destruction to the District.

SECTION 2.10. Book-Entry Provisions. Notwithstanding any provision of this Fiscal Agent Agreement to the contrary, if a Series of Bonds is issued in book-entry form the following provisions shall apply:

(A) Limitations on Transfer. Registered ownership of Bonds issued in book-entry form, or any portions thereof, may not be transferred except:

(1) To any successor of The Depository Trust Company or its nominee, or to any substitute depository designated pursuant to clause (2) of this subsection ("substitute depository"); provided that any successor of The Depository Trust Company or substitute depository shall be qualified under any applicable laws to provide the service proposed to be provided by it;

(2) To any substitute depository not objected to by the Fiscal Agent, upon (a) the resignation of The Depository Trust Company or its successor (or any substitute