
**TWENTIETH
SUPPLEMENTAL INDENTURE OF TRUST**

by and between the

CITY OF SANTA ROSA

and

**U.S. BANK NATIONAL ASSOCIATION,
As Trustee**

Dated as of [_____] 1, 2018

RELATING TO

**[\$_____] CITY OF SANTA ROSA
WASTEWATER REVENUE REFUNDING BONDS,
SERIES 2018A**

**TWENTIETH
SUPPLEMENTAL INDENTURE OF TRUST
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TWENTIETH SUPPLEMENTAL INDENTURE OF TRUST

THIS TWENTIETH SUPPLEMENTAL INDENTURE OF TRUST, dated as of [_____] 1, 2018 (the "Twentieth Supplemental Indenture"), by and between the CITY OF SANTA ROSA, a charter city and municipal corporation organized and existing under the Constitution and laws of the State of California (the "City"), and U.S. BANK NATIONAL ASSOCIATION, as successor by merger to U.S. Bank Trust National Association, successor trustee to Bank of America National Trust and Savings Association, a national banking association organized and existing under the laws of the United States of America, with a corporate trust office in San Francisco, California, and being qualified to accept and administer the trusts hereby created (the "Trustee");

WITNESSETH:

WHEREAS, the City previously authorized, issued and sold multiple series of its wastewater revenue bonds pursuant to an Indenture of Trust dated as of February 1, 1988 (the "Master Indenture"), by and between the City and the Trustee, and multiple supplements to the Master Indenture (the Master Indenture and such supplements being collectively referred to herein as the "Indenture"), including the following:

(i) City of Santa Rosa Wastewater Revenue Bonds, Series 2007A, issued pursuant to the Master Indenture and the Fifteenth Supplemental Indenture, dated as of June 1, 2007 (the "Fifteenth Supplemental Indenture"), in the original principal amount of \$67,010,000 (the "Series 2007A Bonds"); and

(ii) City of Santa Rosa Wastewater Revenue Refunding Bonds, Series 2016A, issued pursuant to the Master Indenture and the Nineteenth Supplemental Indenture, dated as of August 1, 2016 (the "Nineteenth Supplemental Indenture"), in the original principal amount of \$95,805,000 (the "Series 2016A Bonds"), the proceeds of which Series 2016A Bonds were used, in part, to refund the portion of the Series 2007A Bonds that could be refunded with tax-exempt bonds on an advance basis; and

WHEREAS, the City has determined to issue its Wastewater Revenue Refunding Bonds, Series 2018A, in the aggregate principal amount of \$[_____] (the "Series 2018A Bonds") at this time for the purpose of providing funds to defease and redeem the remaining Outstanding Series 2007A Bonds (the "Refunded Bonds"); and

WHEREAS, in order to provide for the authentication and delivery of the Series 2018A Bonds, to establish and declare the terms and conditions upon which the Series 2018A Bonds are to be issued and secured and to secure the payment of the principal thereof and of the interest and premium, if any, thereon, the Council has authorized the execution and delivery of this Twentieth Supplemental Indenture; and

WHEREAS, pursuant to Section 7.01 of the Master Indenture, the City may amend the Indenture at any time by a Supplemental Indenture which shall become binding when the written consent of the Owners of a majority in aggregate principal amount of the Bonds then Outstanding (exclusive of Bonds disqualified as provided in Section 7.03) are filed with the Trustee (a “Springing Amendment”); and

WHEREAS, the Nineteenth Supplemental Indenture contained a Springing Amendment that would, upon its effectiveness, amend the Master Indenture to (i) eliminate the requirement in Section 3.05(c)(iv) for the City to fund the Reserve Account as a condition to the issuance of Parity Bonds, and to make conforming changes to Section 4.06, (ii) amend the requirements set forth in Section 4.06(b) for the delivery of a letter of credit to satisfy the Reserve Requirement and (iii) amend the requirements in Section 4.06(c) for the delivery of an insurance policy to satisfy the Reserve Requirement; and

WHEREAS, the Nineteenth Supplemental Indenture provided that such Springing Amendment would become effective at such time as the Series 2016A Bonds and any series of Parity Bonds issued after the date hereof constitute at least a majority in aggregate principal amount of the Bonds then Outstanding (exclusive of Bonds disqualified as provided in Section 7.03); and

WHEREAS, it is the City’s expectation that upon the issuance of the Series 2018A Bonds as Parity Bonds, the Series 2016A Bonds and the Series 2018A Bonds together will not equal at least a majority in aggregate principal amount of the Bonds then Outstanding and the Springing Amendment in the Nineteenth Supplemental Indenture shall not become effective; consequently, a portion of the proceeds of the Series 2018A Bonds will be used to fund the Reserve Account for the Series 2018A Bonds; and

WHEREAS, in addition, the proceeds of the Series 2018A Bonds will be used to pay the costs of issuing the Series 2018A Bonds; and

WHEREAS, all acts and proceedings required by law necessary to make the Series 2018A Bonds, when executed by the City, authenticated and delivered by the Trustee and duly issued, the valid, binding and legal special obligations of the City, and to constitute this Twentieth Supplemental Indenture a valid and binding agreement for the uses and purposes herein set forth, in accordance with its terms, have been done and taken; and the execution and delivery of this Twentieth Supplemental Indenture have been in all respects duly authorized.

NOW, THEREFORE, THIS TWENTIETH SUPPLEMENTAL INDENTURE WITNESSETH, that in order to secure the payment of the principal of and the interest and premium (if any) on all Series 2018A Bonds at any time issued and Outstanding under this Twentieth Supplemental Indenture, according to their tenor, and to secure the performance and observance of all the covenants and conditions therein and herein set forth, and to declare the terms and conditions upon and subject to which the Series 2018A Bonds are to be issued and received, and in consideration of the premises and of the mutual covenants herein contained and of the purchase and acceptance of the Series 2018A Bonds by the Owners thereof, and for other valuable considerations, the receipt whereof is hereby acknowledged, the City does hereby

covenant and agree with the Trustee, for the benefit of the respective Owners from time to time of the Series 2018A Bonds, as follows:

ARTICLE I

DEFINITIONS; AUTHORIZATION AND PURPOSE OF BONDS; EQUAL SECURITY

Section 1.01. Definitions. All terms which are defined in Section 1.01 of the Master Indenture, as amended and supplemented (the "Indenture"), shall have the same meanings, respectively, in this Twentieth Supplemental Indenture as such terms are given in said Section 1.01. Unless the context otherwise requires, the additional terms defined in this Section shall for all purposes of this Twentieth Supplemental Indenture and of the Series 2018A Bonds and of any certificate, opinion, request or other documents herein mentioned have the meanings specified in the recitals and in this Section 1.01.

"Authorized Denomination" means \$5,000 or any integral multiple thereof.

"Continuing Disclosure Certificate" shall mean that certain Continuing Disclosure Certificate executed by the City and dated the date of issuance and delivery of the Series 2018A Bonds, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

"Depository" means (a) initially DTC, or (b) any other Securities Depository acting as Depository pursuant to Section 2.06.

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

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

"Escrow Bank" means U.S. Bank National Association, acting as Escrow Bank under the Escrow Deposit and Trust Agreement.

"Escrow Deposit and Trust Agreement" means that certain Escrow Deposit and Trust Agreement, dated as of [_____] 1, 2018 by and between the City and the Escrow Bank, whereby the Escrow Fund is established and administered.

"Escrow Fund" means the fund of that name created under the Escrow Deposit and Trust Agreement.

"Interest Payment Date" means, with respect to the Series 2018A Bonds, March 1 and September 1 in each year, beginning March 1, 2019, and continuing so long as any Series 2018A Bonds remain Outstanding.

"Original Purchaser" means Stifel, Nicolaus & Company, Incorporated, as the first purchaser of the Series 2018A Bonds from the City.

“Record Date” for the Series 2018A Bonds means the close of business on the fifteenth (15th) day (whether or not a Business Day) of the month immediately preceding each Interest Payment Date.

“Request of the City” means a request in writing signed by the City Manager, Deputy City Manager, the Chief Financial Officer, or by any other officer of the City duly authorized by the City Council for that purpose.

“Securities Depository” means 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, such other addresses and/or such other securities depositories, as the City may designate in a Certificate of the City delivered to the Trustee or no such depositories if none exist.

“Trust Office” means, with respect to the Series 2018A Bonds, the principal corporate trust office of the Trustee at One California Street, Suite 1000, San Francisco, California 94111, or at such other or additional offices as may be specified to the City by the Trustee in writing, except that with respect to presentation of Series 2018A Bonds for registration, payment, transfer or exchange, such term shall mean the corporate trust office of U.S. Bank National Association in St. Paul, Minnesota, or such other office designated by the Trustee from time to time.

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

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

Section 1.03. Authorization and Purpose of Series 2018A Bonds. The City has reviewed all proceedings heretofore taken relative to the authorization of the Series 2018A Bonds and has found, as a result of such review, and hereby finds and determines that all things, conditions, and acts required by law to exist, happen and/or be performed precedent to and in the issuance of the Series 2018A Bonds do exist, have happened and have been performed in due time, form and manner as required by law, and the City is now authorized, as an exercise of the municipal affairs power of the City as a charter city under the Constitution and laws of the State and pursuant to the Bond Law and each and every requirement of law, to issue the Series 2018A Bonds in the manner and form provided in this Twentieth Supplemental Indenture. Accordingly, the City hereby authorizes the issuance of the Series 2018A Bonds pursuant to the Bond Law, the Indenture and this Twentieth Supplemental Indenture for the purpose of providing funds to refund the Refunded Bonds.

Section 1.04. Amendments to Master Indenture.

(a) Amendments to Tax Code Provisions. For the purpose of amending certain provisions relating to the Tax Code, without adversely affecting the exemption from federal income taxation of interest on any of the Bonds, the following amendments shall take effect immediately:

(i) The definition of "Authorized Investments", set forth in Section 1.01 is hereby amended and restated in its entirety as follows:

"Authorized Investments" means the following, but only to the extent that the same are acquired at Fair Market Value: any securities (other than those identified in paragraphs (a) and (d) of Section 53601 of the Government Code of the State) in which the City may legally invest funds subject to its control, pursuant to Article 1, commencing with Section 53600, of Chapter 4 of Part 1 of Division 2 of Title 5 of the Government Code of the State, as now or hereafter amended."

(ii) The definition of "Tax Code", set forth in Section 1.01 is hereby amended and restated in its entirety as follows:

"Tax Code" means the Internal Revenue Code of 1986 as in effect on the date of issuance of the Bonds or (except as otherwise referenced herein) as it may be amended to apply to obligations issued on the date of issuance of the Bonds, together with applicable temporary and final regulations promulgated, and applicable official public guidance published, under the Tax Code."

(iii) Section 1.01 is hereby amended to include "Fair Market Value" as a defined term, such definition to appear as follows:

"Fair Market Value" means the price at which a willing buyer would purchase the investment from a willing seller in a bona fide, arm's length transaction (determined as of the date the contract to purchase or sell the investment becomes binding) if the investment is traded on an established securities market (within the meaning of section 1273 of the Tax Code) and, otherwise, the term "Fair Market Value" means the acquisition price in a bona fide arm's length transaction (as referenced above) if (i) the investment is a certificate of deposit that is acquired in accordance with applicable regulations under the Tax Code, (ii) the investment is an agreement with specifically negotiated withdrawal or reinvestment provisions and a specifically negotiated interest rate (for example, a guaranteed investment contract, a forward supply contract or other investment agreement) that is acquired in accordance with applicable regulations under the Tax Code, (iii) the investment is a United States Treasury Security--State and Local Government Series that is acquired in accordance with applicable regulations of the United States Bureau of Public Debt, or (iv) any commingled investment fund in which the Issuer and related parties do not own more than a 10% beneficial interest therein if the return paid by the fund is without regard to the source of the investment. To the extent required by the applicable regulations under the Tax Code, the term "investment" will include a hedge."

(iv) Section 4.11 is hereby amended and restated in its entirety as follows:

“SECTION 4.11. Acquisition, Disposition and Valuation of Investments. (a) Except as otherwise provided in subsection (b) of this Section, the City covenants that all investments of amounts deposited in any fund or account created by or pursuant to this Indenture, or otherwise containing gross proceeds of the Bonds (within the meaning of section 148 of the Tax Code) will be acquired, disposed of, and valued (as of the date that valuation is required by this Indenture or the Tax Code) at Fair Market Value.

(b) Investments in funds or accounts (or portions thereof) that are subject to a yield restriction under applicable provisions of the Tax Code and (unless valuation is undertaken at least annually) investments in the Reserve Account will be valued at their present value (within the meaning of section 148 of the Tax Code).

(c) With respect to all Funds and Accounts, valuation shall occur annually, except in the event of a withdrawal from the Reserve Account, whereupon securities shall be valued immediately after such withdrawal. If amounts on deposit in the Reserve Account shall, at any time, be less than the Reserve Requirement, FGIC shall be notified immediately of such deficiency, and such deficiency shall be made up from the first available moneys received after making the required deposits to the Debt Service Fund (i) over a period of not more than four (4) months, in four (4) substantially equal payments, in the event such deficiency results from a decrease in the market value of the Authorized Investments on deposit in the Reserve Account or (ii) over a period of not more than twelve (12) months, in twelve (12) substantially equal payments, in the event such deficiency results from a withdrawal from such Account.

(d) Investment of Amounts Representing Accrued Interest and Capitalized Interest. All amounts representing accrued and capitalized interest shall be held by the Trustee in the Debt Service Fund, pledged solely to the payment of interest on the Bonds and invested only in Federal Securities maturing at such times and in such amounts as are necessary to match the interest payments to which they are pledged.”

(v) Section 5.09 is hereby amended and restated in its entirety as follows:

“SECTION 5.09. No Arbitrage. The City will not take, or permit or suffer to be taken by the Trustee or otherwise, any action with respect to the proceeds of the Bonds which, if such action had been reasonably expected to have been taken, or had been deliberately and intentionally taken, on the date of issuance of the Bonds would have caused the Bonds to be "arbitrage bonds" within the meaning of section 148 of the Tax Code.”

(vi) Section 5.10 is hereby amended and restated in its entirety as follows:

“SECTION 5.10. Rebate Requirement. The City will take any and all actions necessary to assure compliance with section 148(f) of the Tax Code, relating to the rebate of excess investment earnings, if any, to the federal government, to the extent that such section is applicable to the Bonds.”

(vii) Section 5.11 is hereby amended and restated in its entirety as follows:

“SECTION 5.11. Private Activity Bond Limitation. The City will assure that the proceeds of the Bonds are not so used as to cause the Bonds to satisfy the private business tests of section 141(b) of the Tax Code or the private loan financing test of section 141(c) of the Tax Code.”

(viii) Section 5.12 is hereby amended and restated in its entirety as follows:

“SECTION 5.12. Maintenance of Tax Exemption. The City will take all actions necessary to assure the exclusion of interest on the Bonds from the gross income of the Owners of the Bonds to the same extent as such interest is permitted to be excluded from gross income under the Tax Code as in effect on the date of issuance of the Bonds.”

(ix) ARTICLE 5 is hereby amended to add Section 5.16, as follows:

“SECTION 5.16. Record Retention. The City will retain its records of all accounting and monitoring it carries out with respect to Bonds issued after January 1, 2018 for at least 3 years after such Bonds mature or are redeemed (whichever is earlier); however, if such Bonds are redeemed and refunded, the City will retain its records of accounting and monitoring at least 3 years after the earlier of the maturity or redemption of the obligations that refunded such Bonds.”

(b) Amendment and Restatement of Provisions Related to Redemption of Bonds. For the purpose of eliminating any ambiguity in the provisions of the Indenture relating to the selection of Bonds for redemption, the following provisions are hereby amended and restated with immediate effect:

(i) Section 2.02(k) is hereby amended and restated in its entirety as follows: “(k) Manner of Redemption. The Bonds shall be selected for redemption as set forth in subsection (m). Upon the payment of the Redemption Price of the Bonds being redeemed, each check or other transfer of funds issued for such purpose shall bear the CUSIP number identifying, by issue and maturity, the Bonds being redeemed with the proceeds of such check or other transfer.”

(i) Section 2.02(m) is hereby amended and restated in its entirety as follows:

“(m) Selection of Bonds for Redemption. Whenever any Bonds are to be selected for redemption and unless otherwise provided herein, the City shall determine the Bonds or portions thereof to be redeemed among series and maturities within a series and notify the Trustee, and the Trustee shall select the Bonds or portions thereof to be redeemed by lot within a maturity and notify the City.”

ARTICLE II

TERMS OF SERIES 2018A BONDS

Section 2.01. Terms of Series 2018A Bonds. The Series 2018A Bonds authorized to be issued by the City under and subject to the Bond Law and the terms of the Indenture and this Twentieth Supplemental Indenture shall be designated the "City of Santa Rosa Wastewater Revenue Bonds, Series 2018A", and shall be issued in the original principal amount of [_____] Dollars (\$[____]).

The Series 2018A Bonds shall be issued in fully registered form without coupons in denominations of \$5,000 or any integral multiple thereof, so long as no Series 2018A Bond shall have more than one maturity date. The Series 2018A Bonds shall mature on September 1 in each of the years and in the amounts, and shall bear interest at the rates (based on a 360-day year of twelve 30-day months), as follows:

Maturity Date	Principal Amount	Interest Rate Per Annum
[__]	\$[__]	[__]%

Interest on the Series 2018A Bonds shall be payable on each Interest Payment Date to the person whose name appears on the Bond Registration Books as the Owner thereof as of the Record Date immediately preceding each such Interest Payment Date, such interest to be paid by check mailed by first class mail on said Interest Payment Date to the Owner or, at the option of any Owner of at least \$1,000,000 aggregate principal amount of the Series 2018A Bonds and upon written notice received by the Trustee on or prior to the Record Date, by wire transfer, at the address of such Owner as it appears on the Bond Registration Books, or to such account as shall have been identified by the Owner in the notice requesting payment by wire transfer. Principal of and premium (if any) on any Series 2018A Bond shall be paid upon presentation and surrender

thereof at the Trust Office of the Trustee. Both the principal of and interest and premium (if any) on the Series 2018A Bonds shall be payable by the Trustee in lawful money of the United States of America.

The Series 2018A Bonds shall be dated the date of their initial issuance and bear interest from the Interest Payment Date next preceding the date of authentication thereof, unless said date of authentication is after the Record Date and on or preceding the next Interest Payment Date, in which event such interest is payable from such Interest Payment Date, and unless said date of authentication is prior to [_____] 15, 2018, in which event such interest is payable from their dated date; provided, however, that if, as of the date of authentication of any Series 2018A Bond, interest thereon is in default, such Series 2018A Bond shall bear interest from the date to which interest has previously been paid or made available for payment thereon in full.

Section 2.02. Redemption of Series 2018A Bonds.

(a) Optional Redemption.

The Series 2018A Bonds maturing on or before September 1, 20[___] are not subject to optional redemption prior to maturity. The Series 2018A Bonds maturing on or after September 1, 20[___] are subject to redemption prior to their respective maturity dates, at the option of the City, as a whole, or in part as determined by the City, on any date on or after September 1, 2026, from any source of available funds, at the principal amount of the Series 2018A Bonds to be redeemed), plus accrued interest thereon to the date of redemption, without premium.

(b) Applicable Provisions of the Indenture. All of the provisions of Section 2.02(e) to (m), inclusive, of the Master Indenture, are applicable to the Series 2018A Bonds.

Section 2.03. Form of Series 2018A Bonds. The Series 2018A Bonds, the Trustee's certificate of authentication, and the assignment to appear thereon, shall be substantially in the respective forms set forth in Exhibit A attached hereto and by this reference incorporated herein, with necessary or appropriate variations, omissions and insertions, as permitted or required by this Twentieth Supplemental Indenture. The Series 2018A Bonds shall be signed in the name and on behalf of the City with the manual or facsimile signature of its City Manager and attested by the manual or facsimile signature of its City Clerk.

Section 2.04. Book Entry System. (a) Original Delivery. The Series 2018A Bonds shall be initially delivered in the form of a separate single fully registered Bond (which may be typewritten) for each maturity of the Series 2018A Bonds. Upon initial delivery, the ownership of each such Series 2018A Bond shall be registered in the registration books kept by the Trustee in the name of Cede & Co. (the "Nominee"). Except as provided in subsection (c), the ownership of all of the Outstanding Series 2018A Bonds shall be registered in the name of the Nominee on the Bond Registration Books.

With respect to the Series 2018A Bonds the ownership of which shall be registered in the name of the Nominee, the City and the Trustee shall have no responsibility or obligation to any Depository System Participant or to any person on behalf of which such Depository holds an interest in the Series 2018A Bonds. Without limiting the generality of the immediately preceding

sentence, the City and the Trustee shall have no responsibility or obligation with respect to (i) the accuracy of the records of the Depository, the Nominee or any Depository System Participant with respect to any ownership interest in the Series 2018A Bonds, (ii) the delivery to any Depository System Participant or any other person, other than a Series 2018A Bond Owner as shown in the Bond Registration Books, of any notice with respect to the Series 2018A Bonds, including any notice of redemption, (iii) the selection by the Depository of the beneficial interest in the Series 2018A Bonds to be redeemed in the event the City elects to redeem the Series 2018A Bonds in part, (iv) the payment to any Depository System Participant or any other person, other than a Series 2018A Bond Owner as shown in the Bond Registration Books, of any amount with respect to principal, premium, if any, or interest represented by the Series 2018A Bonds or (v) any consent given or other action taken by the Depository as Owner of the Series 2018A Bonds. The City and the Trustee may treat and consider the person in whose name each Series 2018A Bond is registered as the absolute owner of such Series 2018A Bond for the purpose of payment of principal, premium and interest represented by such Series 2018A Bond, for the purpose of giving notices of redemption and other matters with respect to such Series 2018A Bond, for the purpose of registering transfers of ownership of such Series 2018A Bond, and for all other purposes whatsoever. The Trustee shall pay the principal of and interest and premium, if any, on the Series 2018A Bonds only to the respective Owners or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge all obligations with respect to payment of principal of and interest and premium, if any, on the Series 2018A Bonds to the extent of the sum or sums so paid. No person other than a Series 2018A Bond Owner shall receive a Series 2018A Bond evidencing the obligation of the City to make payments of principal, interest and premium, if any, pursuant to this Indenture. Upon delivery by the Depository to the Nominee of written notice to the effect that the Depository has determined to substitute a new Nominee in its place, and subject to the provisions herein with respect to Record Dates, such new Nominee shall become the Nominee hereunder for all purposes; and upon receipt of such a notice the City shall promptly deliver a copy of the same to the Trustee.

(b) Representation Letter. In order to qualify the Series 2018A Bonds for the Depository's book-entry system, the City and the Trustee shall execute, countersign and deliver to such Depository, to the extent not already on file with the Depository, a letter representing such matters as shall be necessary to so qualify the Series 2018A Bonds. The execution and delivery of such letter shall not in any way limit the provisions of subsection (a) above or in any other way impose upon the City or Trustee any obligation whatsoever with respect to persons having interests in the Series 2018A Bonds other than the Series 2018A Bond Owners. Upon the written acceptance by the Trustee, the Trustee shall agree to take all action necessary for all representations of the City in such letter with respect to the Trustee to at all times be complied with. In addition to the execution and delivery of such letter, the City may take any other actions, not inconsistent with the Indenture and the Twentieth Supplemental Indenture, to qualify the Series 2018A Bonds for the Depository's book-entry program.

(c) Transfers Outside Book-Entry System. In the event that either (i) the Depository determines not to continue to act as Depository for the Series 2018A Bonds, or (ii) the City determines to terminate the Depository as such, the City shall thereupon discontinue the book-entry system with such Depository. In such event, the Depository shall cooperate with the City and the Trustee in the issuance or replacement of any Series 2018A Bonds by providing the Trustee with a list showing the interests of the Depository System Participants in the Series 2018A

Bonds, and by surrendering the Series 2018A Bonds, registered in the name of the Nominee, to the Trustee on or before the date such replacement Series 2018A Bonds are to be issued. The Depository, by accepting delivery of the Series 2018A Bonds, agrees to be bound by the provisions of this subsection (c). If, prior to the termination of the Depository acting as such, the City fails to identify another Securities Depository to replace the Depository, then the Series 2018A Bonds shall no longer be required to be registered in the Bond Registration Books in the name of the Nominee, but shall be registered in whatever name or names the Owners transferring or exchanging such Series 2018A Bonds shall designate, in accordance with the provisions of this Article II.

In the event the City determines that it is in the best interest of the beneficial owners of the Series 2018A Bonds that they be able to obtain certificated Series 2018A Bonds, the City may notify the Depository System Participants of the availability of such certificated Series 2018A Bonds through the Depository. In such event, the City will prepare and the Trustee will transfer and exchange Series 2018A Bonds as required by the Depository and others in appropriate amounts; and whenever the Depository requests, the Trustee and the City shall cooperate with the Depository in taking appropriate action (y) to make available one or more separate certificates evidencing the Series 2018A Bonds to any Depository System Participant having Series 2018A Bonds credited to its account with the Depository, or (z) to arrange for another Securities Depository to maintain custody of a single certificate evidencing such Series 2018A Bonds, all at the City's expense.

(d) Payments to the Nominee. Notwithstanding any other provision of this Indenture to the contrary, so long as any Series 2018A Bond is registered in the name of the Nominee, all payments with respect to principal of and interest and premium, if any, on such Series 2018A Bond and all notices with respect to such Series 2018A Bond shall be made and given, respectively, as provided in the letter described in subsection (b) or as otherwise instructed by the Depository.

ARTICLE III

ISSUANCE OF SERIES 2018A BONDS

Section 3.01. Issuance of Series 2018A Bonds. Upon the execution and delivery of this Twentieth Supplemental Indenture, the City shall execute and deliver Series 2018A Bonds in the aggregate principal amount of [_____] Dollars (\$[____]) to the Trustee for authentication and delivery to the Original Purchaser thereof upon the Request of the City.

Section 3.02. Application of Proceeds of Sale of Series 2018A Bonds and Other Funds.

(a) On the Closing Date, the Trustee will receive the proceeds of sale of the Series 2018A Bonds (being \$[____], which is equal to the principal amount of the Series 2018A Bonds, [plus a net original issue premium of \$[____]]and less an underwriter's discount of \$[____]), and will deposit the proceeds in the Bond Proceeds Fund, which is hereby established as a separate fund to be held by the Trustee in trust. After making the transfers from the Bond Proceeds Fund described in Section 3.02(b), and after transferring any moneys that remain in the Bond Proceeds Fund to the Debt Service Fund, the Trustee shall close the Bond Proceeds Fund.

(b) On the Closing Date, the Trustee shall apply the proceeds of sale of the Series 2018A Bonds in the Bond Proceeds Fund as follows:

(i) The Trustee shall deposit in the Costs of Issuance Fund the amount of \$[____].

(ii) The Trustee shall transfer to the Escrow Bank, for deposit to the Escrow Fund, the amount of \$[____], which amount will be sufficient to defease the Refunded Bonds.

(iii) The Trustee shall deposit in the Reserve Account the amount of \$[____].

(c) The Trustee may establish a temporary fund or account in its records to facilitate such deposits and transfer.

Section 3.03. Costs of Issuance Fund. There is hereby created a fund known as the "City of Santa Rosa Wastewater Revenue Bonds, Series 2018A, Costs of Issuance Fund" (the "Costs of Issuance Fund"), which the City hereby covenants and agrees to cause to be maintained and which shall be held in trust by the Trustee. The moneys in the Costs of Issuance Fund shall be used in the manner provided by law solely for the purpose of the payment of Costs of Issuance upon receipt by the Trustee of a sequentially-numbered requisition therefor, specifying the payee, the amount of such payment and the purpose thereof and certifying that the amounts to be paid have been properly incurred, on or after the Closing Date.

On [_____] 1, 20[___], or upon receipt by the Trustee of a written Certificate of the City stating that all Costs of Issuance have been paid or provision for payment thereof has been made, whichever occurs first, any amounts remaining in the Costs of Issuance Fund shall be transferred to the Debt Service Fund, and the Costs of Issuance Fund shall be closed.

ARTICLE IV

REVENUES; FUNDS AND ACCOUNTS

Section 4.01. Pledge of Revenues; Revenue Fund. The City has heretofore transferred, placed a charge upon, assigned and set over to the Trustee, for the benefit of the Owners, that portion of the Net Revenues which is necessary to pay the principal or Redemption Price of and interest on the Bonds (including the Series 2018A Bonds) in any Fiscal Year, together with all moneys on deposit in the Debt Service Fund, to the punctual payment of the principal or Redemption Price of and interest on the Bonds (including the Series 2018A Bonds).

Section 4.02. Administration of Funds and Accounts. All funds and accounts created pursuant to the Indenture shall continue to be administered by the Trustee and the City in the manner provided by the Indenture and this Twentieth Supplemental Indenture as if there were a single issue of Bonds concurrently sold and delivered.

Section 4.03. Valuation of Investments. All Authorized Investments in accounts held by the Trustee shall be valued by the Trustee on each September 2, at the market value thereof, exclusive of accrued interest. Deficiencies in the amount on deposit in any fund or account resulting from a decline in market value established as the result of such evaluation shall be restored no later than twelve months after such valuation date. In making any valuations hereunder, the Trustee may utilize and rely upon computerized securities pricing services that may be available to it, including those available through its regular accounting system. Investments purchased with funds on deposit in the Reserve Account shall have a term to maturity not greater than five years.

ARTICLE V

COVENANTS OF THE CITY; RIGHTS AND REMEDIES UPON EVENT OF DEFAULT; SPECIAL TAX COVENANTS

Section 5.01. Confirmation of Indenture. All covenants made in Sections 5.01, 5.02, 5.03, 5.04, 5.05, 5.06, 5.07, 5.08 and 5.15 of the Master Indenture are hereby confirmed as applicable to the Series 2018A Bonds under this Twentieth Supplemental Indenture.

Section 5.02. Compliance with Tax Certificate. The City will comply with the provisions of the Tax Certificate and the Use of Proceeds Certificate with respect to the Series 2018A Bonds, which are incorporated herein as if fully set forth herein. The covenants of this Section will survive payment in full or defeasance of the Series 2018A Bonds.

Error! Bookmark not defined.**Section 5.03. Continuing Disclosure.** The City hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate. Notwithstanding any other provision of this Indenture, failure of the City to comply with the Continuing Disclosure Certificate shall not be considered an Event of Default; however, the Trustee shall, at the request of any Participating Underwriter or the holders of at least 25% aggregate principal amount of Outstanding Bonds, and upon receipt of indemnity satisfactory to the Trustee, or any holder or beneficial owner of the Series 2018A Bonds may, take such actions as may be necessary and appropriate to compel performance, including seeking mandate or specific performance by court order.

IN WITNESS WHEREOF, the CITY OF SANTA ROSA has caused this Twentieth Supplemental Indenture to be signed in its name by its Chief Financial Officer and its seal to be affixed hereon and attested to by its City Clerk, and U.S. BANK NATIONAL ASSOCIATION, in token of its acceptance of the trust created hereunder, has caused this Twentieth Supplemental Indenture to be signed in its corporate name by its officer identified below, all as of the day and year first above written.

CITY OF SANTA ROSA

By _____
Chief Financial Officer

[SEAL]

ATTEST:

City Clerk

U.S. BANK NATIONAL ASSOCIATION, as
Trustee

By _____
Authorized Officer

EXHIBIT A

FORM OF SERIES 2018A BOND

**UNITED STATES OF AMERICA
STATE OF CALIFORNIA
COUNTY OF SONOMA**

NUMBER R-_____

\$ _____

**CITY OF SANTA ROSA
WASTEWATER REVENUE BOND,
SERIES 2018A**

INTEREST RATE:

MATURITY DATE:
September 1, ____

BOND DATE:
[____], 2018

CUSIP:

REGISTERED OWNER:

CEDE & CO.

PRINCIPAL AMOUNT:

DOLLARS

The CITY OF SANTA ROSA, a municipal corporation and chartered city duly organized and existing under its charter and the Constitution and laws of the State of California (the "City"), for value received, hereby promises to pay to the Registered Owner named above or registered assigns (the "Owner"), on the Maturity Date stated above (subject to any right of prior redemption hereinafter provided for), the Principal Amount stated above in lawful money of the United States of America, and to pay interest thereon in like lawful money from the March 1 or September 1 (each an "Interest Payment Date") next preceding the date of authentication hereof, unless said date of authentication is after a Record Date (as hereinafter defined) and on or preceding the next Interest Payment Date, in which event such interest is payable from such Interest Payment Date, and unless said date of authentication is prior to February 15, 2019, in which event such interest is payable from the dated date of this Bond; provided, however, that if at the time of authentication of this Bond, interest is in default on this Bond, this Bond shall bear interest from the date to which interest has previously been paid or made available for payment on this Bond in full at the Interest Rate per annum stated above, payable semiannually on each Interest

Payment Date, commencing March 1, 2019. The principal amount of this Bond is payable at the principal corporate Trust Office (as defined in the Indenture) of U.S. Bank National Association (the "Trustee"), upon presentation and surrender of this Bond to the Trustee. Payment of the interest on this Bond will be made to the person whose name appears on the bond registration books of the Trustee as the Owner thereof as of the fifteenth day of the month immediately preceding an Interest Payment Date (the "Record Date"), such interest to be paid by check mailed by the Trustee by first class mail on the Interest Payment Date to the Owner or, at the option of any Owner of at least \$1,000,000 aggregate principal amount of Bonds and upon written notice received by the Trustee on or prior to the Record Date, by wire transfer, at the Owner's address as it appears on such bond registration books or to such account as shall have been identified by the Owner in the notice requesting payment by wire transfer.

Capitalized terms used herein and not otherwise defined are used with the meanings ascribed to them in the Indenture (as hereinafter defined).

This Bond is one of a series of bonds designated as "City of Santa Rosa Wastewater Revenue Bonds, Series 2018A" (the "Bonds"), issued in the aggregate principal amount of \$[____], all of like tenor, and issued under the charter of the City and Chapter 3-12 (commencing with Section 3-12.010) of the Santa Rosa City Code (the "Bond Law"), under the Master Indenture (as amended and supplemented), and a Twentieth Supplemental Indenture of Trust (the "Twentieth Supplemental Indenture") by and between the City and the Trustee, dated as of [_____] 1, 2018, and approved by the City by a resolution adopted by the Council of the City on [_____] 1, 2018. The Master Indenture (as amended and supplemented) and the Twentieth Supplemental Indenture are hereinafter collectively referred to as the "Indenture". A copy of the Indenture is on file at the office of the Trustee, and reference to the Indenture and any and all supplements thereto and modifications and amendments thereof and to the Bond Law is made for a description of the terms on which the Series 2018A Bonds are issued, the provisions with regard to the nature and extent of the Net Revenues, as that term is defined in the Indenture, and the rights of the Owners of the Series 2018A Bonds. All the terms of the Indenture and the Bond Law are hereby incorporated herein and constitute a contract between the City and the Owners from time to time of this Bond, and to all the provisions thereof the Owner of this Bond, by his acceptance hereof, consents and agrees. Each taker and subsequent Owner hereof shall have recourse to all of the provisions of the Bond Law and the Indenture and shall be bound by all of the terms and conditions thereof.

The Bonds are issued to provide funds to refund the outstanding City of Santa Rosa Wastewater Revenue Bonds, Series 2007A, issued pursuant to the Master Indenture and the Fifteenth Supplemental Indenture, dated as of June 1, 2007, in the original principal amount of \$67,010,000.

The Bonds are special obligations of the City and are payable, as to interest thereon, principal thereof and any premiums upon the redemption of any thereof, from the Net Revenues of the City's wastewater enterprise (the "Enterprise"). All of the Series 2018A Bonds are equally secured by a pledge of, and charge and lien upon, that portion of the Net Revenues necessary to pay the principal or Redemption Price of and interest on the Series 2018A Bonds in any Fiscal Year, and the Net Revenues constitute a trust fund for the security and payment of the principal or Redemption Price of and interest on all of the Series 2018A Bonds. Additional series of Bonds

payable from the Net Revenues may be issued on a parity with the Series 2018A Bonds, but only subject to the conditions and limitations contained in the Indenture.

The principal or Redemption Price of and interest on the Bonds are payable solely from the Net Revenues, and the City is not obligated to pay the Bonds except from the Net Revenues. The general fund of the City is not liable, and the full faith and credit or taxing power of the City is not pledged, for the payment of the principal or Redemption Price of and interest on the Bonds. The Bonds are not secured by a legal or equitable pledge of, or charge, lien or encumbrance upon, any of the properties of the City or any of its income or receipts, except the Net Revenues.

The City covenants that, so long as any of the Series 2018A Bonds are Outstanding, it will fix, prescribe and collect Charges so as to yield Net Revenues at least equal to the amounts thereof prescribed by the Indenture and sufficient to pay the principal or Redemption Price of and interest on the Series 2018A Bonds in accordance with the provisions of the Indenture.

The Series 2018A Bonds maturing on or before September 1, 20[] are not subject to optional redemption prior to maturity. The Series 2018A Bonds maturing on or after September 1, 20[] are subject to redemption prior to their respective maturity dates, at the option of the City, as a whole, or in part, as determined by the City, on any date on or after September 1, 20[], from any source of available funds, at the principal amount of the Series 2018A Bonds to be redeemed), plus accrued interest thereon to the date of redemption, without premium.

As provided in the Indenture, notice of redemption shall be given by first class mail by the Trustee not less than thirty nor more than sixty days prior to the redemption date to the respective Owners of the Series 2018A Bonds designated for redemption at their addresses appearing on the bond registration books, but no defect in the notice so mailed shall affect the sufficiency of the proceedings for redemption.

As provided in the Indenture, when less than all of a Series of Bonds are to be redeemed, the Trustee shall select the Bonds to be redeemed from all of the same Series of Bonds or such given portion thereof not previously called for redemption, by lot in a manner which results in the Bonds Outstanding after such redemption to be in Authorized Denominations (unless the City otherwise consents in writing) and which the Trustee in its sole discretion shall deem appropriate and fair.

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

If an Event of Default, as defined in the Indenture, shall occur, the principal of all Bonds may be declared due and payable upon the conditions, in the manner and with the effect provided in the Indenture, but such declaration and its consequences may be rescinded and annulled as further provided in the Indenture.

This Bond is transferable, as provided in the Indenture, only upon the registration books of the City kept for that purpose at the office of the Trustee, by the Owner hereof in person, or by his attorney duly authorized in writing, upon the surrender of this Bond together with a written

instrument of transfer satisfactory to the Trustee duly executed by the Owner or his attorney duly authorized in writing, and thereupon a new Bond or Bonds, without coupons, and in the same aggregate principal amount and of the same maturity, shall be issued to the transferee in exchange herefor, as provided in the Indenture, and upon the payment of charges, if any, including, after the first exchange, the cost of preparing new Bonds therein prescribed.

The Trustee shall not be required to register the transfer or exchange of any Series 2018A Bond during the period the Trustee is selecting Bonds for redemption or as to any Series 2018A Bond selected for redemption.

The rights and obligations of the City and of the Owners of the Series 2018A Bonds may be modified or amended at any time in the manner, to the extent and upon the terms provided in the Indenture. No such modification or amendment shall permit a change in the terms of redemption or maturity of the principal of any Outstanding Bond or of any installment of interest thereon or a reduction in the principal amount or the redemption price thereof or in the rate of interest thereon without the consent of the Owner of such Bond, or shall reduce the percentages or otherwise affect the classes of Bonds, the consent of the Owners of which is required to effect any such modification or amendment, all as more fully set forth in the Indenture.

Unless this Bond is presented by an authorized representative of The Depository Trust Company to the City or Trustee for registration of transfer, exchange or payment, and any bond issued is registered in the name of Cede & Co. or such other name as requested by an authorized representative of The Depository Trust Company and any payment is made to Cede & Co., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL since the registered owner hereof, Cede & Co., has an interest herein.

It is hereby certified that all of the conditions, things and acts required to exist, to have happened or to have been performed precedent to and in the issuance of this Bond do exist, have happened or have been performed in due time, form and manner as required by law and that the amount of this Bond, together with all other indebtedness of the City, does not exceed any limit prescribed by the Constitution or laws of the State of California, and is not in excess of the amount of Bonds permitted to be issued under the Indenture.

IN WITNESS WHEREOF, the City of Santa Rosa has caused this Bond to be executed in its name and on its behalf by the facsimile signatures of its City Manager and by the facsimile signature of its City Clerk and its seal to be reproduced hereon all as of the dated date of this Bond.

[S E A L]

CITY OF SANTA ROSA

By: _____
City Manager

ATTEST:

By: _____
City Clerk

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This is one of the Series 2018A Bonds described in the within-mentioned Indenture.

Dated: _____

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

By _____
Authorized Signatory

FORM OF ASSIGNMENT

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

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

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

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

Dated: _____

Signature Guaranteed:

Notice: The signature on this assignment must be guaranteed by an eligible guarantor institution.

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