
FIRST SUPPLEMENTAL INDENTURE

by and between

**CITY OF FONTANA
COMMUNITY FACILITIES DISTRICT NO. 31
(CITRUS HEIGHTS NORTH)**

and

**U.S. BANK NATIONAL ASSOCIATION,
AS TRUSTEE**

Dated as of [_____], 2021

**Relating to
City of Fontana
Community Facilities District No. 31
(Citrus Heights North)
Special Tax Bonds, Series 2021**

TABLE OF CONTENTS

ARTICLE XII SERIES 2021 BONDS

| | | |
|--|---|-----|
| Section 12.01. | Definitions..... | 3 |
| Section 12.02. | Terms of Series 2021 Bonds..... | 3 |
| Section 12.03. | Issuance of Series 2021 Bonds | 5 |
| Section 12.04. | Application of Proceeds of the Series 2021 Bonds..... | 5 |
| Section 12.05. | Costs of Issuance Fund | 6 |
| Section 12.06. | Redemption of Series 2021 Bonds..... | 6 |
| Section 12.07. | Series 2021 Rebate Fund | 8 |
| Section 12.08. | Series 2021 Tax Covenants..... | 8 |
| Section 12.09. | Continuing Disclosure | 9 |
| Section 12.10. | Effect of First Supplemental Indenture..... | 10 |
| Section 12.11. | Execution in Several Counterparts..... | 10 |
| Section 12.12. | Effective Date | 10 |
| EXHIBIT C - FORM OF SERIES 2021 BOND | | C-1 |

FIRST SUPPLEMENTAL INDENTURE

THIS FIRST SUPPLEMENTAL INDENTURE (this “First Supplemental Indenture”), dated as of [_____], 2021, is by and between the CITY OF FONTANA COMMUNITY FACILITIES DISTRICT NO. 31 (CITRUS HEIGHTS NORTH), a community facilities district organized and existing under the laws of the State of California (the “Community Facilities District”), and U.S. BANK NATIONAL ASSOCIATION, a national banking association organized and existing under the laws of the United States of America, as Trustee (as defined herein).

WITNESSETH:

WHEREAS, the City Council of the City of Fontana has formed the Community Facilities District under the provisions of the Mello-Roos Community Facilities Act of 1982 (the “Act”);

WHEREAS, the Community Facilities District is authorized under the Act to levy special taxes (the “Special Taxes”) to pay for the costs of certain public facilities (the “Facilities”) and to issue bonds payable from the Special Taxes;

WHEREAS, in order to provide funds to finance certain of the Facilities, the Community Facilities District previously issued its City of Fontana Community Facilities District No. 31 (Citrus Heights North) Special Tax Bonds, Series 2006 (the “Series 2006 Bonds”), in the aggregate principal amount of \$26,815,000;

WHEREAS, in order to provide funds to refund all of the outstanding Series 2006 Bonds, the Community Facilities District issued \$18,485,000 aggregate principal amount of City of Fontana Community Facilities District No. 31 (Citrus Heights North) Special Tax Refunding Bonds, Series 2018 (the “Series 2018 Bonds”), pursuant to the Indenture, dated as of July 1, 2018 (the “Original Indenture”), by and between the Community Facilities District and U.S. Bank National Association, as trustee (the “Trustee”);

WHEREAS, the Original Indenture provides that the Community Facilities District may at any time issue one or more Series of Additional Bonds (in addition to the Series 2018 Bonds) payable from Net Special Tax Revenues as provided therein on a parity with all other Bonds theretofore issued thereunder, but only subject to the conditions set forth therein;

WHEREAS, in order to provide funds to finance certain additional Facilities, the Community Facilities District has determined to issue a Series of Additional Bonds, to be designated the City of Fontana Community Facilities District No. 31 (Citrus Heights North) Special Tax Bonds, Series 2021 (the “Series 2021 Bonds”), in the aggregate principal amount of \$[_____];

WHEREAS, the Original Indenture provides that the Original Indenture and the rights and obligations of the Community Facilities District, the Trustee and the Owners thereunder may be modified or amended from time to time and at any time by a Supplemental Indenture, which the Community Facilities District and the Trustee may enter into without the consent of any Owners to provide for the issuance of one or more Series of Additional Bonds, and to provide the terms and

conditions under which such Series of Additional Bonds may be issued, subject to and in accordance with the provisions of the Original Indenture;

WHEREAS, in order to provide for the authentication and delivery of the Series 2021 Bonds, to establish and declare the terms and conditions upon which the Series 2021 Bonds are to be issued and secured and to secure the payment of the principal thereof, premium, if any, and interest thereon, the Community Facilities District has authorized the execution and delivery of this First Supplemental Indenture; and

WHEREAS, the Community Facilities District has determined that all acts and proceedings required by law necessary to make the Series 2021 Bonds, when executed by the Community Facilities District, authenticated and delivered by the Trustee and duly issued, the valid, binding and legal special obligations of the Community Facilities District, and to constitute this First 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 First Supplemental Indenture has been in all respects duly authorized;

NOW, THEREFORE, for and in consideration of the mutual promises and covenants herein contained, the receipt of which is hereby acknowledged, the Community Facilities District and the Trustee do hereby agree that the Original Indenture is hereby modified and amended by adding thereto an additional Article, as follows:

ARTICLE XII

SERIES 2021 BONDS

Section 12.01. Definitions. Unless the context otherwise requires, the terms defined in this Section shall for all purposes of this First Supplemental Indenture and of any certificate, opinion or other document herein or therein mentioned, have the meanings herein specified.

“First Supplemental Indenture” means the First Supplemental Indenture, dated as of [_____] 1, 2021, by and between the Community Facilities District and U.S. Bank National Association, as Trustee.

“Series 2021 Bonds” means the City of Fontana Community Facilities District No. 31 (Citrus Heights North) Special Tax Bonds, Series 2021, issued hereunder.

“Series 2021 Closing Date” means the date upon which the Series 2021 Bonds are delivered to the Series 2021 Original Purchaser, being [_____] 2021.

“Series 2021 Continuing Disclosure Agreement” means the Continuing Disclosure Agreement, dated as of [_____] 2021, by and between the Community Facilities District and U.S. Bank National Association, in its capacity as Trustee and in its capacity as dissemination agent thereunder, as originally executed and as it may be amended, supplemented or otherwise modified from time to time in accordance with the terms thereof.

“Series 2021 Original Purchaser” means the original purchaser of the Series 2021 Bonds from the Community Facilities District.

“Series 2021 Participating Underwriter” has the meaning ascribed to the term “Participating Underwriter” in the Series 2021 Continuing Disclosure Agreement.

“Series 2021 Rebate Fund” means the fund by that name established and held by the Trustee pursuant to Section 12.07.

“Series 2021 Rebate Requirement” has the meaning ascribed to the term “Rebate Requirement” in the Series 2021 Tax Certificate.

“Series 2021 Tax Certificate” means the Tax Certificate executed by the Community Facilities District at the time of issuance of the Series 2021 Bonds relating to the requirements of Section 148 of the Code, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

Section 12.02. Terms of Series 2021 Bonds. (a) The Series 2021 Bonds shall be designated “City of Fontana Community Facilities District No. 31 (Citrus Heights North) Special Tax Bonds, Series 2021.” The aggregate principal amount of Series 2021 Bonds that may be issued and Outstanding under the Indenture shall not exceed \$[_____], except as may be otherwise provided in Section 2.08.

(b) The Series 2021 Bonds shall be issued in fully registered form without coupons in denominations of \$5,000 and any integral multiple thereof, so long as no Series 2021 Bond shall have more than one maturity date. The Series 2021 Bonds shall be dated as of the Series 2021 Closing Date, shall be issued in the aggregate principal amount of \$[_____], shall mature on September 1 of each year, shall bear interest at the rates per annum (calculated on the basis of a 360-day year comprised of twelve 30-day months) and shall be in the principal amounts as follows:

| <u>Maturity Date</u> <u>(September 1)</u> | <u>Principal</u> <u>Amount</u> | <u>Interest</u> <u>Rate</u> |
|--|-----------------------------------|--------------------------------|
| | \$ | % |

(c) Interest on the Series 2021 Bonds shall be payable on each Interest Payment Date, commencing [_____], 20[___].

(d) Interest on the Series 2021 Bonds shall be payable from the Interest Payment Date next preceding the date of authentication thereof unless (i) a Series 2021 Bond is authenticated on or before an Interest Payment Date and after the close of business on the preceding Record Date, in which event interest thereon shall be payable from such Interest Payment Date, (ii) a Series 2021 Bond is authenticated on or before the first Record Date, in which event interest thereon shall be payable from the Series 2021 Closing Date, or (iii) interest on any Series 2021 Bond is in default as of the date of authentication thereof, in which event interest thereon shall be payable from the date to which interest has previously been paid or duly provided for. Interest shall be paid in lawful money of the United States on each Interest Payment Date. Interest shall

be paid by check of the Trustee mailed by first-class mail, postage prepaid, on each Interest Payment Date to the Owners of the Series 2021 Bonds at their respective addresses shown on the Registration Books as of the close of business on the preceding Record Date. Notwithstanding the foregoing, interest on any Series 2021 Bond which is not punctually paid or duly provided for on any Interest Payment Date shall, if and to the extent that amounts subsequently become available therefor, be paid on a payment date established by the Trustee to the Person in whose name the ownership of such Series 2021 Bond is registered on the Registration Books at the close of business on a special record date to be established by the Trustee for the payment of such defaulted interest, notice of which shall be given to such Owner not less than ten days prior to such special record date.

(e) The principal of the Series 2021 Bonds shall be payable in lawful money of the United States of America upon presentation and surrender thereof upon maturity or earlier redemption at the Office of the Trustee.

(f) The Series 2021 Bonds shall be subject to redemption as provided in Section 12.06.

(g) The Series 2021 Bonds shall be in substantially the form set forth in Exhibit C hereto, with appropriate or necessary insertions, omissions and variations as permitted or required hereby.

(h) The Series 2021 Bonds shall initially be issued as Book-Entry Bonds.

Section 12.03. Issuance of Series 2021 Bonds. The Community Facilities District may, at any time, execute the Series 2021 Bonds and deliver the same to the Trustee. The Trustee shall authenticate the Series 2021 Bonds and deliver the Series 2021 Bonds to the Series 2021 Original Purchaser upon receipt of a Written Request of the Community Facilities District and upon receipt of the purchase price therefor.

Section 12.04. Application of Proceeds of the Series 2021 Bonds. On the Series 2021 Closing Date, the proceeds of the sale of the Series 2021 Bonds received by the Trustee, \$[_____], shall be deposited by the Trustee as follows:

(a) the Trustee shall deposit the amount of \$[_____] in the Costs of Issuance Fund;

(b) the Trustee shall deposit the amount of \$[_____] in the Reserve Fund;

(c) the Trustee shall deposit the amount of \$[_____] in the Interest Account of the Bond Fund; and

(d) the Trustee shall deposit the amount of \$[_____] in the [_____] within the Improvement Fund.

The Trustee may establish and use temporary funds or accounts in its records to facilitate and record such deposits.

Section 12.05. Costs of Issuance Fund. (a) The Trustee shall reopen and reestablish the Costs of Issuance Fund. On the Series 2021 Closing Date, the Trustee shall deposit in the Costs of Issuance Fund the amount required to be deposited therein pursuant to Section 12.04.

(b) On the last Business Day that is no later than six months after the Series 2021 Closing Date, the Trustee shall transfer any amount remaining in the Costs of Issuance Fund to the Special Tax Fund and, upon making such transfer, the Costs of Issuance Fund shall be closed.

Section 12.06. Redemption of Series 2021 Bonds. (a) *Optional Redemption.* The Series 2021 Bonds maturing on and after September 1, 20[] shall be subject to optional redemption, in whole or in part, in Authorized Denominations, on any Interest Payment Date on or after September 1, 20[], from any source of available funds, at the following respective Redemption Prices (expressed as percentages of the principal amount of the Series 2021 Bonds to be redeemed), plus accrued interest thereon to the date of redemption:

| <u>Redemption Dates</u> | <u>Redemption Price</u> |
|---------------------------------------|-------------------------|
| September 1, 20[] and March 1, 20[] | 103% |
| September 1, 20[] and March 1, 20[] | 102 |
| September 1, 20[] and March 1, 20[] | 101 |
| September 1, 20[] and thereafter | 100 |

The Community Facilities District shall give the Trustee written notice of its intention to redeem Series 2021 Bonds pursuant to this subsection not less than 45 days (or a lesser number of days acceptable to the Trustee) prior to the applicable redemption date, unless such notice shall be waived by the Trustee.

(b) *Mandatory Redemption from Special Tax Prepayments.* The Series 2021 Bonds shall be subject to mandatory redemption, in whole or in part, in Authorized Denominations, on any Interest Payment Date, from and to the extent of prepaid Special Taxes required to be applied thereto pursuant to Section 5.02(a) and any amount required to be applied thereto pursuant to Section 5.04(c), at the following respective Redemption Prices (expressed as percentages of the principal amount of the Series 2021 Bonds to be redeemed), plus accrued interest thereon to the date of redemption:

| <u>Redemption Dates</u> | <u>Redemption Price</u> |
|---------------------------------------|-------------------------|
| September 1, 20[] and March 1, 20[] | 103% |
| September 1, 20[] and March 1, 20[] | 102 |
| September 1, 20[] and March 1, 20[] | 101 |
| September 1, 20[] and thereafter | 100 |

(c) *Mandatory Sinking Fund Redemption.* The Series 2021 Bonds maturing September 1, 20[] shall be subject to mandatory sinking fund redemption, in part, on September 1 in each year, commencing September 1, 20[], at a Redemption Price equal to the principal amount of the Series 2021 Bonds maturing September 1, 20[] to be redeemed, without premium, plus accrued interest thereon to the date of redemption, in the aggregate respective principal amounts in the respective years as follows:

Sinking Fund
Redemption Date
(September 1)

Principal Amount
to Be
Redeemed
\$

*

*Maturity

If some but not all of the Series 2021 Bonds maturing on September 1, 20[] are redeemed pursuant to Section 12.06(a), the principal amount of Series 2021 Bonds maturing on September 1, 20[] to be redeemed pursuant to Section 12.06(c) on any subsequent September 1 shall be reduced, by \$5,000 or an integral multiple thereof, as designated by the Community Facilities District in a Written Certificate of the Community Facilities District filed with the Trustee; provided, however, that the aggregate amount of such reductions shall not exceed the aggregate amount of Series 2021 Bonds maturing on September 1, 20[] redeemed pursuant to Section 12.06(a). If some but not all of the Series 2021 Bonds maturing on September 1, 20[] are redeemed pursuant to Section 12.06(b), the principal amount of Series 2021 Bonds maturing on September 1, 20[] to be redeemed pursuant to Section 12.06(c) on any subsequent September 1 shall be reduced by the aggregate principal amount of the Series 2021 Bonds maturing on September 1, 20[] so redeemed pursuant to Section 12.06(b), such reduction to be allocated among redemption dates as nearly as practicable on a *pro rata* basis in amounts of \$5,000 or integral multiples thereof, as determined by the Trustee, notice of which determination shall be given by the Trustee to the Community Facilities District.

The Series 2021 Bonds maturing September 1, 20[] shall be subject to mandatory sinking fund redemption, in part, on September 1 in each year, commencing September 1, 20[], at a Redemption Price equal to the principal amount of the Series 2021 Bonds maturing September 1, 20[] to be redeemed, without premium, plus accrued interest thereon to the date of redemption, in the aggregate respective principal amounts in the respective years as follows:

Sinking Fund
Redemption Date
(September 1)

Principal Amount
to Be
Redeemed
\$

*

*Maturity

If some but not all of the Series 2021 Bonds maturing on September 1, 2021 are redeemed pursuant to Section 12.06(a), the principal amount of Series 2021 Bonds maturing on September 1, 20[] to be redeemed pursuant to Section 12.06(c) on any subsequent September 1

shall be reduced, by \$5,000 or an integral multiple thereof, as designated by the Community Facilities District in a Written Certificate of the Community Facilities District filed with the Trustee; provided, however, that the aggregate amount of such reductions shall not exceed the aggregate amount of Series 2021 Bonds maturing on September 1, 20[] redeemed pursuant to Section 12.06(a). If some but not all of the Series 2021 Bonds maturing on September 1, 20[] are redeemed pursuant to Section 12.06(b), the principal amount of Series 2021 Bonds maturing on September 1, 20[] to be redeemed pursuant to Section 12.06(c) on any subsequent September 1 shall be reduced by the aggregate principal amount of the Series 2021 Bonds maturing on September 1, 20[] so redeemed pursuant to Section 12.06(b), such reduction to be allocated among redemption dates as nearly as practicable on a *pro rata* basis in amounts of \$5,000 or integral multiples thereof, as determined by the Trustee, notice of which determination shall be given by the Trustee to the Community Facilities District.

Section 12.07. Series 2021 Rebate Fund. (a) The Trustee shall establish and maintain a special fund designated the “Series 2021 Rebate Fund.” There shall be deposited in the Series 2021 Rebate Fund such amounts as are required to be deposited therein pursuant to the Series 2021 Tax Certificate, as specified in a Written Request of the Community Facilities District. All money at any time deposited in the Series 2021 Rebate Fund shall be held by the Trustee in trust, to the extent required to satisfy the Series 2021 Rebate Requirement, for payment to the United States of America. Notwithstanding defeasance of the Series 2021 Bonds pursuant to Article X or anything to the contrary contained herein, all amounts required to be deposited into or on deposit in the Series 2021 Rebate Fund shall be governed exclusively by this Section and by the Series 2021 Tax Certificate (which is incorporated herein by reference). The Trustee shall be deemed conclusively to have complied with such provisions if it follows the written directions of the Community Facilities District, and shall have no liability or responsibility to enforce compliance by the Community Facilities District with the terms of the Series 2021 Tax Certificate. The Trustee may conclusively rely upon the Community Facilities District’s determinations, calculations and certifications required by the Series 2021 Tax Certificate. The Trustee shall have no responsibility to independently make any calculation or determination or to review the Community Facilities District’s calculations.

(b) Any funds remaining in the Series 2021 Rebate Fund after payment in full of all of the Series 2021 Bonds and after payment of any amounts described in this Section, shall, upon receipt by the Trustee of a Written Request of the Community Facilities District, be withdrawn by the Trustee and remitted to the Community Facilities District.

Section 12.08. Series 2021 Tax Covenants. (a) The Community Facilities District shall not take any action, or fail to take any action, if such action or failure to take such action would adversely affect the exclusion from gross income of interest on the Series 2021 Bonds under Section 103 of the Code. Without limiting the generality of the foregoing, the Community Facilities District shall comply with the requirements of the Series 2021 Tax Certificate, which is incorporated herein as if fully set forth herein. This covenant shall survive payment in full or defeasance of the Series 2021 Bonds.

(b) In the event that at any time the Community Facilities District is of the opinion that for purposes of this Section it is necessary or helpful to restrict or limit the yield on the investment of any moneys held by the Trustee in any of the funds or accounts established

hereunder, the Community Facilities District shall so instruct the Trustee in writing, and the Trustee shall take such action as may be necessary in accordance with such instructions.

(c) Notwithstanding any provisions of this Section, if the Community Facilities District shall provide to the Trustee an opinion of Bond Counsel to the effect that any specified action required under this Section is no longer required or that some further or different action is required to maintain the exclusion from federal income tax of interest on the Series 2021 Bonds, the Trustee may conclusively rely on such opinion in complying with the requirements of this Section and of the Series 2021 Tax Certificate, and the covenants hereunder shall be deemed to be modified to that extent.

Section 12.09. Continuing Disclosure. Each of the Community Facilities District and the Trustee shall comply with and carry out all of the provisions of the Series 2021 Continuing Disclosure Agreement applicable to it. Notwithstanding any other provision of the Indenture, failure of the Community Facilities District or the Trustee to comply with the Series 2021 Continuing Disclosure Agreement shall not be considered an Event of Default; provided, however, that the Trustee may (and, at the written direction of the Series 2021 Participating Underwriter or the Owners of at least 25% of the aggregate principal amount of Outstanding Series 2021 Bonds, and upon receipt of indemnification reasonably satisfactory to the Trustee, shall) or any Owner or Beneficial Owner of the Series 2021 Bonds may, take such actions as may be necessary and appropriate to compel performance, including seeking mandate or specific performance by court order.

Section 12.10. Effect of First Supplemental Indenture. This First Supplemental Indenture and all of the terms and provisions herein contained shall form part of the Indenture as fully and with the same effect as if all such terms and provisions had been set forth in the Indenture. The Indenture is hereby ratified and confirmed and shall continue in full force and effect in accordance with the terms and provisions thereof, as amended and supplemented hereby. If there shall be any conflict between the terms of this First Supplemental Indenture and the terms of the Indenture (as in effect on the day prior to the effective date of this First Supplemental Indenture), the terms of this First Supplemental Indenture shall prevail.

Section 12.11. Execution in Several Counterparts. This First Supplemental Indenture may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original, and all such counterparts shall together constitute but one and the same instrument.

Section 12.12. Effective Date. This First Supplemental Indenture shall take effect upon the Series 2021 Closing Date.

IN WITNESS WHEREOF, the Community Facilities District has caused this First Supplemental Indenture to be signed in its name by its representative thereunto duly authorized, and the Trustee has caused this First Supplemental Indenture to be signed in its corporate name by its officer thereunto duly authorized, all as of the day and year first above written.

**CITY OF FONTANA
COMMUNITY FACILITIES DISTRICT
NO. 31 (CITRUS HEIGHTS NORTH)**

By: _____
Mark Denny, City Manager
of the City of Fontana

**U.S. BANK NATIONAL
ASSOCIATION, AS TRUSTEE**

By: _____
Authorized Officer

EXHIBIT C

FORM OF SERIES 2021 BOND

No. _____

\$ _____

**CITY OF FONTANA
COMMUNITY FACILITIES DISTRICT NO. 31
(CITRUS HEIGHTS NORTH)
SPECIAL TAX BOND, SERIES 2021**

| | | | |
|----------------------|----------------------|-------------------|--------------|
| INTEREST RATE | MATURITY DATE | DATED DATE | CUSIP |
| % | September 1, 20[] | | |

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT:

The City of Fontana Community Facilities District No. 31 (Citrus Heights North) (the “Community Facilities District”), for value received, hereby promises to pay, solely from the sources hereinafter described, to the Registered Owner identified above or registered assigns (the “Registered Owner”), on the Maturity Date identified above or on any earlier redemption date, the Principal Amount identified above in lawful money of the United States of America; and to pay interest thereon at the Interest Rate identified above in like lawful money from the date hereof payable semiannually on March 1 and September 1 in each year, commencing [], 20[] (the “Interest Payment Dates”), until payment of such Principal Amount in full.

This Bond is one of a series of a duly authorized issue of bonds approved by the qualified electors of the Community Facilities District, pursuant to the Mello-Roos Community Facilities Act of 1982, constituting Sections 53311 *et seq.* of the California Government Code (the “Act”), and issued for the purpose of refunding certain previously issued bonds of the Community Facilities District, and is one of the series of bonds designated “City of Fontana Community Facilities District No. 31 (Citrus Heights North) Special Tax Bonds, Series 2021” (the “Series 2021 Bonds”) in the aggregate principal amount of \$[]. The Series 2021 Bonds are issued pursuant to the Indenture, dated as of July 1, 2018, by and between the Community Facilities District and U.S. Bank National Association, as trustee (said entity or any successor thereto as trustee under the Indenture, the “Trustee”), as supplemented by the First Supplemental Indenture of Trust, dated as of [] 1, 2021 (as so supplemented, the “Indenture”), by and between the Community Facilities District and the Trustee, and this reference incorporates the Indenture herein, and by acceptance hereof the owner of this Bond assents to said terms and conditions. The Community Facilities District has previously issued its City of Fontana Community Facilities District No. 31 (Citrus Heights North) Special Tax Refunding Bonds, Series 2018 (the “Series 2018 Bonds”), with which the Series 2021 Bonds are on a parity. Pursuant to and as more particularly provided in the Indenture, additional bonds (“Additional Bonds”) may be issued by the Community Facilities

District on a parity with the Series 2018 Bonds and the Series 2021 Bonds. The Series 2018 Bonds, the Series 2021 Bonds and any Additional Bonds are collectively referred to as the “Bonds.” The Indenture is entered into, and this Bond is issued under, the Act and the laws of the State of California. Capitalized undefined terms used herein shall have the meanings ascribed thereto in the Indenture.

Interest on the Series 2021 Bonds shall be payable from the Interest Payment Date next preceding the date of authentication thereof unless (a) a Series 2021 Bond is authenticated on or before an Interest Payment Date and after the close of business on the preceding Record Date, in which event interest thereon shall be payable from such Interest Payment Date, (b) a Series 2021 Bond is authenticated on or before the first Record Date, in which event interest thereon shall be payable from the Closing Date, or (c) interest on any Series 2021 Bond is in default as of the date of authentication thereof, in which event interest thereon shall be payable from the date to which interest has previously been paid or duly provided for. Interest shall be paid in lawful money of the United States on each Interest Payment Date. Interest shall be paid by check of the Trustee mailed by first-class mail, postage prepaid, on each Interest Payment Date to the Owners of the Series 2021 Bonds at their respective addresses shown on the Registration Books as of the close of business on the preceding Record Date. Notwithstanding the foregoing, interest on any Series 2021 Bond which is not punctually paid or duly provided for on any Interest Payment Date shall, if and to the extent that amounts subsequently become available therefor, be paid on a payment date established by the Trustee to the Person in whose name the ownership of such Series 2021 Bond is registered on the Registration Books at the close of business on a special record date to be established by the Trustee for the payment of such defaulted interest, notice of which shall be given to such Owner not less than ten days prior to such special record date. The principal of the Series 2021 Bonds shall be payable in lawful money of the United States of America upon presentation and surrender thereof upon maturity or earlier redemption at the Office of the Trustee.

The Bonds are special obligations of the Community Facilities District, payable, as provided in the Indenture, solely from Net Special Tax Revenues and the other assets pledged therefor thereunder. Neither the faith and credit nor the taxing power of the Community Facilities District (except to the limited extent set forth in the Indenture), the City of Fontana or the State of California, or any political subdivision thereof, is pledged to the payment of the Bonds.

Pursuant to and as more particularly provided in the Indenture, subject only to the provisions of the Indenture permitting the application thereof for the purposes and on the terms and conditions set forth therein, in order to secure the payment of the principal of, premium, if any, and interest on the Bonds in accordance with their terms, the provisions of the Indenture and the Act, the Community Facilities District pledges to the Owners, and grants thereto a lien on and a security interest in, all of the Net Special Tax Revenues and any other amounts held in the Special Tax Fund, the Bond Fund and the Reserve Fund. Said pledge constitutes a first lien on and security interest in such assets, which shall immediately attach to such assets and be effective, binding and enforceable against the Community Facilities District, its successors, purchasers of any of such assets, creditors and all others asserting rights therein, to the extent set forth in, and in accordance with, the Indenture, irrespective of whether those parties have notice of the pledge of, lien on and security interest in such assets and without the need for any physical delivery, recordation, filing or further act.

The Series 2021 Bonds are subject to redemption on the dates, at the Redemption Prices and pursuant to the terms set forth in the Indenture. Notice of redemption of any Series 2021 Bond or any portion thereof shall be given as provided in the Indenture.

The Series 2021 Bonds are issuable as fully-registered Bonds without coupons in Authorized Denominations (\$5,000 and any integral multiple thereof).

Any Series 2021 Bond may be transferred upon the Registration Books by the Person in whose name it is registered, in person or by such Person's duly authorized attorney, upon surrender of such Series 2021 Bond to the Trustee for cancellation, accompanied by delivery of a written instrument of transfer, duly executed in a form acceptable to the Trustee. Whenever any Series 2021 Bond or Series 2021 Bonds shall be so surrendered for transfer, the Community Facilities District shall execute and the Trustee shall authenticate and shall deliver a new Series 2021 Bond or Series 2021 Bonds of the same maturity in a like aggregate principal amount, in any Authorized Denomination. The Trustee shall require the Owner requesting such transfer to pay any tax or other governmental charge required to be paid with respect to such transfer. The Series 2021 Bonds may be exchanged at the Office of the Trustee for a like aggregate principal amount of Series 2021 Bonds of the same maturity of other Authorized Denominations. The Trustee shall require the payment by the Owner requesting such exchange of any tax or other governmental charge required to be paid with respect to such exchange.

The Indenture and the rights and obligations of the Community Facilities District, the Trustee and the Owners may be modified or amended in the manner, to the extent, and upon the terms provided in the Indenture.

The Indenture contains provisions permitting the Community Facilities District to make provision for the payment of the principal of and the interest and premium, if any, on any of the Bonds so that such Bonds shall no longer be deemed to be Outstanding under the terms of the Indenture.

Unless this Bond is presented by an authorized representative of The Depository Trust Company to the 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.

IN WITNESS WHEREOF, the Community Facilities District has caused this Bond to be signed in its name and on its behalf by the manual or facsimile signature of the Mayor of the City of Fontana attested by the manual or facsimile signature of the City Clerk of the City of Fontana, all as of the Dated Date identified above.

**CITY OF FONTANA COMMUNITY
FACILITIES DISTRICT NO. 31
(CITRUS HEIGHTS NORTH)**

By: _____
Mayor of the City of Fontana

Attest:

By: _____
City Clerk of the City of Fontana

CERTIFICATE OF AUTHENTICATION

This is one of the Series 2021 Bonds described in the within-mentioned Indenture and registered on the Registration Books.

Date: _____

**U.S. BANK NATIONAL
ASSOCIATION, AS TRUSTEE**

By: _____
Authorized Officer

ASSIGNMENT

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

Dated: _____

Signature Guaranteed:

Note: Signature guarantee shall be made by a guarantor institution participating in the Securities Transfer Agents Medallion Program or in such other guarantee program acceptable to the Trustee.

Note: The signature(s) 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.