
CITY OF PALM DESERT
COMMUNITY FACILITIES DISTRICT NO. 2021-1
(UNIVERSITY PARK)

and

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION

as Trustee

FIRST SUPPLEMENTAL INDENTURE

Dated as of [March] 1, 2024

Relating to

[\$principal amount]
City of Palm Desert
Community Facilities District No. 2021-1
(University Park)
Special Tax Bonds
Series 2024

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FIRST SUPPLEMENTAL INDENTURE

This First Supplemental Indenture, dated as of [March] 1, 2024, is entered into by and between City of Palm Desert Community Facilities District No. 2021-1 (University Park), a community facilities district established under the Mello-Roos Community Facilities Act of 1982 (the “District”), and U.S. Bank Trust Company, National Association, a national banking association duly organized and existing under laws of the United States of America and authorized to accept and execute trusts of the character herein set forth, as trustee (the “Trustee”).

Recitals

A. The District is a community facilities district established under the Mello-Roos Community Facilities Act of 1982, as amended, being Chapter 2.5, Part 1, Division 2, Title 5, of the Government Code of the State of California (the “Act”), duly created, established and authorized to finance certain public facilities and services and exercise its powers, all under and pursuant to the Act (as defined in the Master Indenture hereinafter described), and the powers of the District include the power to issue bonds for the financing of authorized public facilities.

B. The City Council of the City of Palm Desert, located in Riverside County, California (hereinafter sometimes referred to as the “legislative body of the District” or the “City”), has heretofore undertaken proceedings and declared the necessity to issue bonds on behalf of the District pursuant to the terms and provisions of the Act.

C. Based upon Resolution Nos. 2021-10 and 2021-11 adopted by the legislative body of the District on April 22, 2021 and an election held May 13, 2021 authorizing the levy of a special tax and the issuance of bonds by the District, the District is authorized to issue bonds for one or more series, pursuant to the Act, in an aggregate principal amount not to exceed \$50,000,000, for the purpose of financing the Project.

D. Pursuant to a Bond Indenture, dated as of July 1, 2021 (the “Master Indenture”), by and between the District and U.S. Bank Trust Company, National Association, as trustee, the District has heretofore issued its Special Tax Bonds, Series 2021 (the “Series 2021 Bonds”) in the initial aggregate principal amount of \$15,200,000.

E. The District deems it necessary and desirable to issue Parity Bonds (as defined in the Master Indenture) for the purpose of financing additional costs of the Project.

F. To accomplish such purpose, the District has determined to issue its Special Tax Bonds, Series 2024 (the “Series 2024 Bonds”), in the aggregate principal amount of \$[principal amount], all pursuant to and secured by the Master Indenture, as amended and supplemented by this First Supplemental Indenture (together, the “Indenture”) in the manner provided therein and herein.

G. The execution and delivery of the Series 2024 Bonds and of this First Supplemental Indenture have been duly authorized and all things necessary to make the Series 2024 Bonds, when executed by the District and authenticated by the Trustee, valid and binding legal obligations

of the District and to make this First Supplemental Indenture a valid and binding legal instrument for the security of the Series 2024 Bonds, have been done.

NOW THEREFORE, THIS FIRST SUPPLEMENTAL INDENTURE WITNESSETH, that in order to secure the payment of the principal of, and the interest and premium, if any, on, all Series 2024 Bonds at any time issued and Outstanding under the 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 2024 Bonds are to be issued, and in consideration of the premises and of the mutual covenants herein contained and of the purchase and acceptance of the Series 2024 Bonds by the owners thereof, and for other valuable consideration, the receipt whereof is hereby acknowledged, the District does hereby covenant and agree with the Trustee, for the benefit of the respective holders from time to time of the Series 2024 Bonds, as follows:

ARTICLE I AUTHORITY AND DEFINITIONS

SECTION 1.01. Supplemental Indenture. This First Supplemental Indenture is supplemental to the Master Indenture. Save and except as amended and supplemented by this First Supplemental Indenture, the Master Indenture shall remain in full force and effect.

SECTION 1.02. Authority for First Supplemental Indenture. This First Supplemental Indenture is adopted (i) pursuant to the provisions of the Act and (ii) in accordance with Section 6.1 and Article IX of the Master Indenture.

SECTION 1.03. Definitions. Except as provided by this First Supplemental Indenture, all terms which are defined in Section 1.1 of the Master Indenture shall have the same meanings, respectively, in this First Supplemental Indenture. The following additional terms shall, for all purposes of the Indenture, have the following meanings:

“Bonds” means the Series 2021 Bonds, the Series 2024 Bonds and any additional Parity Bonds.

“Capitalized Interest Subaccount” means the subaccount by that name created and established in the Interest Account of the Special Tax Fund pursuant to Section 3.1 of the Master Indenture and Section 2.07 of this First Supplemental Indenture.

“Closing Date” means, with respect to the Series 2024 Bonds, [Closing Date], 2024.

“Continuing Disclosure Agreement” means that certain Continuing Disclosure Agreement dated as of __, 2024, by and between the District and Willdan Financial Services, as dissemination agent, together with any amendments thereto.

“Master Indenture” means the Bond Indenture, dated as of July 1, 2021, by and between the District and U.S. Bank Trust Company, National Association, as trustee.

“Reserve Requirement” shall mean, as of the date of calculation, an amount equal to the least of (i) Maximum Annual Debt Service on the then Outstanding Bonds and Parity Bonds; (ii) 10% of the original amount of the Bonds and Parity Bonds; or (iii) 125% of average Annual Debt Service on the then Outstanding Bonds and Parity Bonds; provided, if as of a date following the Delivery Date for a Series of Bonds, the foregoing calculation results in an amount greater than the initial Reserve Requirement for such Series of Bonds (calculated as of the Delivery Date for such Series of Bonds), then the amount of the “Reserve Requirement” shall not increase and in such event shall mean the amount of the initial Reserve Requirement for such Series of Bonds (calculated as of the Delivery Date for such Series of Bonds) until such time as the foregoing calculation results in a lower amount; provided however, notwithstanding the foregoing, the required deposit from the proceeds of Parity Bonds shall not exceed the least of the three prong test described above as if calculated on a stand-alone basis for such Parity Bonds.

“Series 2024 Bonds” means the City of Palm Desert Community Facilities District No. 2021-1 (University Park) Special Tax Bonds, Series 2024, issued pursuant to this First Supplemental Indenture, in the aggregate principal amount of \$[principal amount].

“Series 2024 Term Bonds” the Series 2024 Bonds maturing on September 1, 20__ and September 1, 20__.

“Underwriter” means, with respect to the Series 2024 Bonds, Piper Sandler & Co.

ARTICLE II
THE SERIES 2024 BONDS

SECTION 2.01. Authorization. The Series 2024 Bonds are hereby authorized to be issued in the aggregate principal amount of \$[principal amount] for the purpose of financing a portion of the cost of the Project.

SECTION 2.02. Terms of Series 2024 Bonds. The Series 2024 Bonds authorized to be issued by the District under and subject to the terms of the Indenture and the Act shall be designated the “City of Palm Desert Community Facilities District No. 2021-1 (University Park) Special Tax Bonds, Series 2024” and shall be in the aggregate principal amount of \$[principal amount]. The Series 2024 Bonds shall be dated as of the Closing Date for the Series 2024 Bonds, shall bear interest at such rates (payable on March 1 and September 1 in each year, commencing [September 1, 2024]), and shall mature and become payable as to principal on September 1 in each of the years in the amounts set forth below:

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

Interest on the Series 2024 Bonds shall be computed on the basis of a 360-day year of twelve 30-day months. The Series 2024 Bonds shall be issued as fully registered bonds in the

denomination of \$5,000, or any integral multiple of \$5,000 (not exceeding the principal amount of Series 2024 Bonds maturing at any one time). The Series 2024 Bonds shall be numbered as determined by the Trustee.

Principal of and redemption premiums, if any, and interest on the Series 2024 Bonds shall be paid in lawful money of the United States of America. Principal and interest on, and redemption premiums, if any, on the Series 2024 Bonds shall be payable upon the surrender thereof at maturity or the earlier redemption thereof at the Principal Office of the Trustee.

The Series 2024 Bonds shall bear interest from the Interest Payment Date next preceding the date of authentication thereof, unless (i) such date of authentication is an Interest Payment Date in which event interest shall be payable from such date of authentication, (ii) the date of authentication is after a Record Date but prior to the immediately succeeding Interest Payment Date, in which event interest shall be payable from the Interest Payment Date immediately succeeding the date of authentication, or (iii) the date of authentication is prior to the close of business on the first Record Date occurring after the issuance of the Series 2024 Bonds, in which event interest shall be payable from the dated date thereof; provided, however, that if at the time of authentication of any Series 2024 Bond, interest is in default on the Outstanding Series 2024 Bonds, interest on the Series 2024 Bond shall be payable from the last Interest Payment Date to which the interest has been paid or made available for payment or, if no interest has been paid or made available for payment on such Series 2024 Bond, interest on that Bond shall be payable from its dated date.

Interest on the Series 2024 Bonds shall be paid to the person whose name appears in the Bond Register as the Owner of such Series 2024 Bond as of the close of business on the Record Date. Such interest shall be paid by check of the Trustee mailed on the Interest Payment Date by first class mail, postage prepaid, to such Bondowner at his or her address as it appears on the Bond Register. In addition, upon a request in writing received by the Trustee on or before the applicable Record Date from an Owner of \$1,000,000 or more in principal amount of the Series 2024 Bonds, payment shall be made on the Interest Payment Date by wire transfer in immediately available funds to an account designated by such Owner.

SECTION 2.03. Book-Entry System. The Series 2024 Bonds shall be initially issued as Book-Entry Bonds, in accordance with Section 2.12 of the Master Indenture.

SECTION 2.04. Form of Series 2024 Bonds. The Series 2024 Bonds, the authentication and registration endorsement and the assignment to appear thereon shall be substantially in the forms attached hereto as Appendix A, with necessary or appropriate variations, omissions and insertions as permitted or required by this First Supplemental Indenture.

SECTION 2.05. Execution and Authentication. The provisions set forth in Section 2.7 of the Master Indenture shall apply to the Series 2024 Bonds.

SECTION 2.06. Redemption of Series 2024 Bonds.

(a) Optional Redemption.

The Series 2024 Bonds maturing on or before September 1, 20__ are not subject to optional redemption prior to maturity. The Series 2024 Bonds maturing on or after September 1, 20__ shall be subject to call and redemption prior to maturity and may be redeemed, at the option of the District, from any source of funds on any date on or after September 1, 20__ in whole, or in part, from such maturities as are selected by the District and by lot within a maturity, at the following redemption prices, expressed as a percentage of the principal amount to be redeemed, together with accrued interest to the redemption date:

<u>Redemption Dates</u>	<u>Redemption Prices</u>
September 1, 20__ through August 31, 20__	103%
September 1, 20__ through August 31, 20__	102
September 1, 20__ through August 31, 20__	101
September 1, 20__ and any date thereafter	100

In the event the District elects to redeem Series 2024 Bonds as provided above, the District shall give written notice to the Trustee of its election to so redeem, the redemption date and the principal amount of the Series 2024 Bonds of each maturity to be redeemed. The notice to the Trustee shall be given at least forty-five (45) but no more than ninety (90) days prior to the redemption date, or by such later date as is acceptable to the Trustee, in its sole discretion.

(b) Mandatory Sinking Fund Redemption.

(i) The Series 2024 Bonds maturing on September 1, 20__ **and September 1, 20__** (the "Series 2024 Term Bonds") shall be called before maturity and redeemed, from the Sinking Fund Payments that have been deposited into the Redemption Account, beginning on September 1, 20__ **and September 1, 20__**, respectively, and on each September 1 thereafter prior to maturity, in accordance with the schedule of Sinking Fund Payments set forth below. The Series 2024 Term Bonds so called for redemption shall be selected by the Trustee by lot and shall be redeemed at a redemption price for each redeemed Series 2024 Term Bond equal to the principal amount thereof, plus accrued interest to the redemption date, without premium, as follows:

SERIES 2024 BONDS MATURING SEPTEMBER 1, 20__

Redemption Date (September 1)	Principal Amount
_____	_____
	\$
(maturity)	

SERIES 2024 BONDS MATURING SEPTEMBER 1, 20__

Redemption Date (September 1)	Principal Amount
	\$
(maturity)	

In the event of a partial optional redemption or extraordinary redemption of the Series 2024 Term Bonds, each of the remaining Sinking Fund Payments for such Series 2024 Term Bonds, as described above, will be reduced, as nearly as practicable, on a pro rata basis, in integral multiples of \$5,000.

(ii) Purchase of Term Bonds in Lieu of Redemption. As provided in Section 3.5(d) of the Master Indenture, if during the Fiscal Year immediately preceding one of the redemption dates specified above, the District purchases Series 2024 Term Bonds, at least forty-five (45) days prior to the redemption date, the District shall notify the Trustee as to the principal amount purchased and the amount of Series 2024 Term Bonds so purchased shall be credited at the time of purchase, to the extent of the full principal amount thereof, to reduce such upcoming Sinking Fund Payment for the applicable maturity of the Series 2024 Term Bonds so purchased. All Series 2024 Term Bonds purchased pursuant to this subsection shall be cancelled pursuant to Section 10.1 of the Master Indenture.

(c) Extraordinary Redemption. The Series 2024 Bonds are subject to extraordinary redemption as a whole, or in part on a pro rata basis among maturities, in integral multiples of \$5,000 as nearly as possible, on any Interest Payment Date, and shall be redeemed by the Trustee, from Prepayments deposited to the Redemption Account pursuant to Section 3.2 of the Master Indenture, plus amounts transferred from the Reserve Account pursuant to Section 3.6(c) of the Master Indenture, at the following redemption prices, expressed as a percentage of the principal amount to be redeemed, together with accrued interest to the redemption date:

<u>Redemption Dates</u>	<u>Redemption Prices</u>
Any Interest Payment Date through March 1, 20__	103%
September 1, 20__ and March 1, 20__	102
September 1, 20__ and March 1, 20__	101
September 1, 20__ and Interest Payment Dates thereafter	100

The District shall give written notice to the Trustee of its intention to redeem Series 2024 Bonds pursuant to this subsection, the redemption date, and the principal amount of the Series 2024 Bonds of each maturity to be redeemed at least 45 but no more than 90 days prior to the redemption date, or by such later date as is acceptable to the Trustee, in its sole discretion.

(d) Purchase In Lieu of Redemption. As provided in Section 3.5(d) of the Master Indenture and Section 2.06(b)(ii), as applicable, in lieu or partially in lieu of any optional

redemption, extraordinary redemption or mandatory sinking fund redemption as described above, moneys deposited in the Redemption Account, other than Prepayments, may be used to purchase Outstanding Series 2024 Bonds. Such purchases of Series 2024 Bonds may be made by the District at public or private sale as and when and at such prices as the District may in its discretion determine but only at prices (including brokerage or other expenses) not more than par plus accrued interest, plus, in the case of moneys set aside for an optional redemption or an extraordinary redemption, the premium applicable at the next following call date. Any accrued interest payable upon the purchase of Bonds may be paid from the amount reserved in the Interest Account of the Special Tax Fund for the payment of interest on the next following Interest Payment Date. All Series 2024 Bonds purchased pursuant to this subsection shall be cancelled pursuant to Section 10.1 of the Master Indenture.

(e) General Redemption Provisions. Except with respect to the foregoing, the provisions set forth in Sections 4.2 through 4.5 of the Master Indenture shall apply to the Series 2024 Bonds.

SECTION 2.07. Application of Proceeds of Series 2024 Bonds. On the Closing Date, the Trustee shall receive proceeds from the sale of the Series 2024 Bonds in the amount of \$___ (representing the aggregate principal amount of the Series 2024 Bonds, less a net original issue discount of \$___, and less an underwriter's discount of \$___). Immediately upon receipt, the Trustee shall set aside and deposit or transfer such proceeds as follows:

(a) \$___ shall be deposited in the Reserve Account of the Special Tax Fund the amount of \$___ (being the Reserve Requirement for all Outstanding Bonds);

(b) \$___ shall be deposited in the Series 2024 Improvement Account of the Improvement Fund;

(c) \$___ shall be deposited in the Series 2024 Costs of Issuance Account of the Costs of Issuance Fund to pay the Costs of Issuance of the Bonds;

(d) \$___ shall be deposit in the 2024 Bonds Capitalized Interest Subaccount (which subaccount the Trustee shall establish) of the Interest Account of the Special Tax Fund to pay interest on the Series 2024 Bonds through and including September 1, 2024.

The Trustee may, in its discretion, establish a temporary fund or account in its books and records to facilitate such transfers.

ARTICLE III MISCELLANEOUS

SECTION 3.01. Executions in Counterparts. This First Supplemental Indenture may be executed in any number of counterparts, each of such counterparts shall for all purposes be deemed to be an original; and all such counterparts, as many of them as the District and the Trustee shall preserve undestroyed, shall together constitute but one and the same instrument.

IN WITNESS WHEREOF, CITY OF PALM DESERT COMMUNITY FACILITIES DISTRICT NO. 2021-1 (UNIVERSITY PARK) has caused this First Supplemental Indenture to be signed by the Mayor of the City of Palm Desert, acting as the legislative body of the District and attested thereto by the City Clerk of the City of Palm Desert, and U.S. Bank Trust Company, National Association, in token of its acceptance of the trust created hereunder, has caused this First 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 PALM DESERT COMMUNITY FACILITIES
DISTRICT NO. 2021-1 (UNIVERSITY PARK)

By: _____
Mayor of the City of Palm Desert, California

ATTEST:

City Clerk of the City of Palm Desert, California

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

By: _____
Its: Authorized Officer

EXHIBIT A

FORM OF SPECIAL TAX BOND, SERIES 2024

Unless this Series 2024 Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation (“DTC”), to the District or the Trustee for registration of transfer, exchange, or payment, and any Series 2024 Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

R-__

\$_____

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

**CITY OF PALM DESERT
COMMUNITY FACILITIES DISTRICT NO. 2021-1
(UNIVERSITY PARK)
SPECIAL TAX BOND, SERIES 2024**

INTEREST RATE	MATURITY DATE	DATED DATE	CUSIP
_____%	September 1, ____	____, 2024	_____

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: _____ DOLLARS

CITY OF PALM DESERT COMMUNITY FACILITIES DISTRICT NO. 2021-1 (UNIVERSITY PARK) (the “District”) which was formed by the City of Palm Desert (the “City”) and is situated in the County of Riverside, State of California, FOR VALUE RECEIVED, hereby promises to pay, solely from certain amounts held under the Indenture (as hereinafter defined), to the Registered Owner named above, or registered assigns, on the Maturity Date set forth above, unless redeemed prior thereto as hereinafter provided, the Principal Amount set forth above, and to

pay interest on such Principal Amount from the Interest Payment Date (as hereinafter defined) next preceding the date of authentication hereof, unless (i) the date of authentication is an Interest Payment Date in which event interest shall be payable from such date of authentication, (ii) the date of authentication is after a Record Date (as hereinafter defined) but prior to the immediately succeeding Interest Payment Date, in which event interest shall be payable from the Interest Payment Date immediately succeeding the date of authentication, or (iii) the date of authentication is prior to the close of business on the first Record Date in which event interest shall be payable from the Dated Date set forth above. Notwithstanding the foregoing, if at the time of authentication of this Series 2024 Bond interest is in default, interest on this Series 2024 Bond shall be payable from the last Interest Payment Date to which the interest has been paid or made available for payment or, if no interest has been paid or made available for payment, interest on this Series 2024 Bond shall be payable from the Dated Date set forth above. Interest will be paid semiannually on March 1 and September 1 (each, an "Interest Payment Date"), commencing [September 1, 2024], at the Interest Rate set forth above, until the Principal Amount hereof is paid or made available for payment.

The principal of and premium, if any, on this Series 2024 Bond are payable to the Registered Owner hereof in lawful money of the United States of America upon presentation and surrender of this Series 2024 Bond at the Principal Office of the Trustee (as such term is defined in the Bond Indenture), initially U.S. Bank Trust Company, National Association (the "Trustee"). Interest on this Series 2024 Bond shall be paid by check of the Trustee mailed by first class mail, postage prepaid, or in certain circumstances described in the Indenture by wire transfer to an account within the United States of America, to the Registered Owner hereof as of the close of business on the fifteenth day of the month preceding the month in which the Interest Payment Date occurs (the "Record Date") at such Registered Owner's address as it appears on the registration books maintained by the Trustee.

This Series 2024 Bond is one of a duly authorized issue of "City of Palm Desert Community Facilities District No. 2021-1 (University Park) Special Tax Bonds, Series 2024" (the "Series 2024 Bonds") issued in the aggregate principal amount of \$[principal amount] pursuant to the Mello-Roos Community Facilities Act of 1982, as amended, being Sections 53311, *et seq.*, of the California Government Code (the "Act") for the purpose of financing certain public facilities, funding a reserve account, and paying certain costs related to the issuance of the Series 2024 Bonds. The issuance of the Series 2024 Bonds and the terms and conditions thereof are provided for by a resolution adopted by the City Council of the City acting in its capacity as the legislative body of the District (the "Legislative Body") on February 15, 2024 and a Bond Indenture dated as of July 1, 2021 (the "Master Indenture"), as amended and supplemented by a First Supplemental Indenture, dated as of [March] 1, 2024, by and between the District and the Trustee executed in connection therewith (the Master Indenture, as so amended and supplemented, and as the same may be further amended and supplemented from time to time in accordance with the terms thereof, the "Indenture"), and this reference incorporates the Indenture herein, and by acceptance hereof the Registered Owner of this Series 2024 Bond assents to said terms and conditions. The Indenture is executed under and

this Series 2024 Bond is issued under, and both are to be construed in accordance with, the laws of the State of California.

Pursuant to the Act and the Indenture, the principal of, premium, if any, and interest on this Series 2024 Bond are payable solely from the portion of the annual special taxes authorized under the Act to be levied and collected within the District (the “Special Taxes”) and certain other amounts pledged to the repayment of the Series 2024 Bonds as set forth in the Indenture. Any amounts for the payment hereof shall be limited to the Special Taxes pledged and collected or foreclosure proceeds received following a default in payment of the Special Taxes and other amounts deposited to the Special Tax Fund (other than the Administrative Expenses Account therein) established under the Indenture, except to the extent that other provision for payment has been made by the Legislative Body, as may be permitted by law. The District has covenanted for the benefit of the owners of the Series 2024 Bonds that under certain circumstances described in the Indenture it will commence and diligently pursue to completion foreclosure proceedings in the event of delinquencies of Special Tax installments levied for payment of principal and interest on the Series 2024 Bonds.

The Series 2024 Bonds maturing on or before September 1, 20__ are not subject to optional redemption prior to maturity. The Series 2024 Bonds maturing on or after September 1, 20__ shall be subject to call and redemption prior to maturity and may be redeemed, at the option of the District, from any source of funds on any date on or after September 1, 20__ in whole, or in part, from such maturities as are selected by the District and by lot within a maturity, at the following redemption prices, expressed as a percentage of the principal amount to be redeemed, together with accrued interest to the redemption date:

<u>Redemption Dates</u>	<u>Redemption Prices</u>
September 1, 20__ through August 31, 20__	103%
September 1, 20__ through August 31, 20__	102
September 1, 20__ through August 31, 20__	101
September 1, 20__ and any date thereafter	100

The Series 2024 Bonds maturing on September 1, 20__ and September 1, 20__ (the “Series 2024 Term Bonds”) shall be called before maturity and redeemed, from Sinking Fund Payments deposited into the Redemption Account, beginning on September 1, 20__ and September 1, 20__, respectively, and on each September 1 thereafter prior to maturity, in accordance with the schedule of Sinking Fund Payments set forth in the Indenture at a redemption price equal to the principal amount thereof, plus accrued interest to the redemption date, without premium.

The Series 2024 Bonds are subject to extraordinary redemption as a whole, or in part on a pro rata basis among maturities, on any Interest Payment Date, and shall be redeemed by the Trustee, from Prepayments of Special Taxes deposited to the Redemption Account, plus amounts transferred from the Reserve Account in connection with such transfers, at the

following redemption prices expressed as a percentage of the principal amount to be redeemed, together with accrued interest to the redemption date:

Redemption Dates

Redemption Prices

Notice of redemption with respect to the Series 2024 Bonds to be redeemed shall be mailed to the registered owners thereof not less than thirty (30) nor more than forty-five (45) days prior to the redemption date by first class mail, postage prepaid, to the addresses set forth in the registration books. Neither a failure of the Registered Owner hereof to receive such notice nor any defect therein will affect the validity of the proceedings for redemption. All Series 2024 Bonds or portions thereof so called for redemption will cease to accrue interest on the specified redemption date, provided that funds for the redemption are on deposit with the Trustee on the redemption date. Thereafter, the registered owners of such Series 2024 Bonds shall have no rights except to receive payment of the redemption price upon the surrender of the Series 2024 Bonds.

This Series 2024 Bond shall be registered in the name of the Registered Owner hereof, as to both principal and interest, and the District and the Trustee may treat the Registered Owner hereof as the absolute owner for all purposes and shall not be affected by any notice to the contrary.

The Series 2024 Bonds are issuable only in fully registered form in the denomination of \$5,000 or any integral multiple thereof and may be exchanged for a like aggregate principal amount of Series 2024 Bonds of other authorized denominations of the same issue and maturity, all as more fully set forth in the Indenture. This Series 2024 Bond is transferable by the Registered Owner hereof, in person or by his attorney duly authorized in writing, at the Principal Office of the Trustee, but only in the manner, subject to the limitations and upon payment of the charges provided in the Indenture, upon surrender and cancellation of this Series 2024 Bond. Upon such transfer, a new registered Series 2024 Bond of authorized denomination or denominations for the same aggregate principal amount of the same issue and maturity will be issued to the transferee in exchange therefor.

The Trustee shall not be required to register transfers or make exchanges of (i) any Series 2024 Bonds for a period of fifteen (15) days next preceding any selection of the Series 2024 Bonds to be redeemed, or (ii) any Series 2024 Bonds chosen for redemption.

The rights and obligations of the District and of the registered owners of the Series 2024 Bonds may be amended at any time, and in certain cases without notice to or the consent of the registered owners, to the extent and upon the terms provided in the Indenture.

THE SERIES 2024 BONDS DO NOT CONSTITUTE OBLIGATIONS OF THE CITY OF PALM DESERT OR OF THE DISTRICT FOR WHICH THE CITY OF PALM DESERT OR THE DISTRICT IS OBLIGATED TO LEVY OR PLEDGE, OR HAS LEVIED OR PLEDGED, GENERAL OR SPECIAL TAXES, OTHER THAN THE SPECIAL TAXES REFERENCED HEREIN. THE SERIES 2024 BONDS ARE LIMITED OBLIGATIONS OF THE DISTRICT PAYABLE FROM THE PORTION OF THE SPECIAL TAXES AND OTHER AMOUNTS PLEDGED UNDER THE INDENTURE BUT ARE NOT A DEBT OF THE CITY OF PALM DESERT, THE STATE OF CALIFORNIA OR ANY OF ITS POLITICAL SUBDIVISIONS WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY LIMITATION OR RESTRICTION.

This Series 2024 Bond shall not become valid or obligatory for any purpose until the certificate of authentication and registration hereon endorsed shall have been dated and signed by the Trustee.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required by law to exist, happen and be performed precedent to and in the issuance of this Series 2024 Bond do exist, have happened and have been performed in due time, form and manner as required by law, and that the amount of this Series 2024 Bond, together with all other indebtedness of the District, does not exceed any debt limit prescribed by the laws or Constitution of the State of California.

IN WITNESS WHEREOF, City of Palm Desert Community Facilities District No. 2021-1 (University Park) has caused this Series 2024 Bond to be dated as of ____, 2024, to be signed on behalf of the District by the Mayor of the City by his manual signature and attested by the manual signature of the City Clerk of the City.

CITY OF PALM DESERT COMMUNITY
FACILITIES DISTRICT NO. 2021-1
(UNIVERSITY PARK)

Mayor of the City of Palm Desert, California

ATTEST:

City Clerk of
the City of Palm Desert, California

[FORM OF TRUSTEE'S CERTIFICATE
OF AUTHENTICATION AND REGISTRATION]

This is one of the Series 2024 Bonds described in the within-mentioned Indenture which has been registered on the Bond registration books.

Dated: [Closing Date], 2024

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

By: _____
Its: Authorized Signatory

[FORM OF ASSIGNMENT]

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

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

the within-mentioned Series 2024 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 must be guaranteed by a member of an institution which is a participant in the Securities Transfer Agent Medallion Program (STAMP) or other similar program.

Note: The signature(s) on this Assignment must correspond with the name(s) as written on the face of the within Series 2024 Bond in every particular without alteration or enlargement or any change whatsoever.

