
SECOND SUPPLEMENT TO BOND INDENTURE

Between

**CITY OF LAKE ELSINORE
COMMUNITY FACILITIES DISTRICT NO. 2003-2 (CANYON HILLS)**

And

**WILMINGTON TRUST, NATIONAL ASSOCIATION
as Trustee**

**CITY OF LAKE ELSINORE
COMMUNITY FACILITIES DISTRICT NO. 2003-2 (CANYON HILLS)
IMPROVEMENT AREA B 2025 SPECIAL TAX BONDS**

Dated as of June 1, 2025

FIRST SUPPLEMENT TO BOND INDENTURE

THIS FIRST SUPPLEMENT TO BOND INDENTURE dated as of June 1, 2025 (the “First Supplement”), governs the terms of the City of Lake Elsinore Community Facilities District No. 2003-2 (Canyon Hills) Improvement Area B 2025 Special Tax Bonds, which are being issued as Parity Bonds in accordance with the Bond Indenture (the “Original Bond Indenture”) dated as of March 1, 2015, by and between City of Lake Elsinore Community Facilities District No. 2003-2 (Canyon Hills) (the “District”) and MUFG Union Bank, N.A. (the “Original Trustee”), as trustee. Wilmington Trust, National Association, as successor Trustee to the Original Trustee shall be referred to herein as the “Trustee.” The Original Bond Indenture, the First Supplement and this Second Supplement are hereinafter collectively referred to as the “Indenture.”

RECITALS:

WHEREAS, the City Council of the City of Lake Elsinore, located in Riverside County, California (hereinafter sometimes referred to as the “legislative body of the District”), has heretofore undertaken proceedings and declared the necessity to issue bonds of the District pursuant to the terms and provisions of 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”); and

WHEREAS, based upon Resolution Nos. 2004-6 and 2004-7 adopted by the legislative body of the District on January 13, 2004 and an election held on January 13, 2004 authorizing the levy of a special tax and the issuance of bonds by the District for Improvement Area B, the District is now authorized to issue bonds in an aggregate principal amount not to exceed \$24,000,000 for Improvement Area B; and

WHEREAS, the District previously issued its Special Tax Bonds (Improvement Area B) 2006 Series A (the “2006 Bonds”) in the aggregate principal amount of \$20,570,000 to finance public improvements; and

WHEREAS, pursuant to the Original Bond Indenture, the District previously issued its Improvement Area B 2015 Special Tax Refunding Bonds (the “2015 Bonds”) in the aggregate principal amount of \$25,795,000 to refund the outstanding 2006 Bonds and to finance additional public improvements; and

WHEREAS, pursuant to the Original Bond Indenture, the District previously issued its Improvement Area B 2017 Special Tax Bonds (the “2017 Bonds”) in the aggregate principal amount of \$7,975,000 to finance additional public improvements; and

WHEREAS, the legislative body of the District intends to refund the outstanding 2015 Bonds through the issuance of bonds in an aggregate principal amount of \$_____ designated as the “City of Lake Elsinore Community Facilities District No. 2003-2 (Canyon Hills) Improvement Area B 2025 Special Tax Bonds” (the “2025 Bonds”); and

WHEREAS, pursuant to Section 6.1(b) and (f) of the Original Bond Indenture, the District desires to amend the Original Bond Indenture as set forth herein in connection with the issuance of the 2025 Bonds; and

WHEREAS, the District has determined all requirements of the Act for the issuance of the 2025 Bonds as Parity Bonds under the terms of the Original Bond Indenture have been satisfied;

NOW, THEREFORE, in order to establish the terms and conditions upon and subject to which the 2025 Bonds are to be issued, and in consideration of the premises and of the mutual covenants contained herein and of the purchase and acceptance of the 2025 Bonds by the Owners thereof, and for other valuable consideration, the receipt of which is hereby acknowledged, the District does hereby covenant and agree, for the benefit of the Owners of the 2015 Bonds, the 2017 Bonds, the 2025 Bonds and any additional Parity Bonds (as defined in the Original Bond Indenture) which may be issued under the Indenture from time to time, as follows:

ARTICLE I

DEFINITIONS

Section 1.1. Definitions. All capitalized terms not otherwise defined herein shall have the meaning set forth in the Original Bond Indenture provided that the following definitions are added and, where applicable, shall supersede any different definition of the same capitalized term provided in the Original Bond Indenture:

“2025 Authority Bonds” means any bonds outstanding under the 2025 Authority Indenture, which are secured by payments made on the 2025 Bonds.

“2025 Authority Indenture” means that certain Indenture of Trust, dated as of June 1, 2025, by and between the Facilities Financing Authority and the 2025 Authority Trustee, pursuant to which the Authority Bonds are issued.

“2025 Authority Trustee” means Wilmington Trust, National Association, or any successor thereto appointed pursuant to the 2025 Authority Indenture.

“Administrative Expenses” means the administrative costs with respect to the calculation and collection of the Special Taxes, including all attorneys’ fees and other costs related thereto, the fees and expenses of the Trustee, any fees and related costs for credit enhancement for Bonds and any Parity Bonds or which are not otherwise paid as Costs of Issuance, any costs related to the District’s compliance with state and federal laws requiring continuing disclosure of information concerning the Bonds, the District, and any other costs otherwise incurred by the City on behalf of the District in order to carry out the purposes of the District as set forth in the Resolution of Formation and any obligation of the District under the Indenture. Administrative Expenses shall also include the administrative costs with respect to the collection of Delinquency Proceeds.

“Authorized Representative of the City” means the Mayor, City Manager, Assistant City Manager, Finance Manager or City Clerk of the City, or any other officer or employee authorized by the City Council of the City or by an Authorized Officer to undertake the action referenced in the Indenture as required to be undertaken by an Authorized Representative of the City.

“City Facilities Account” means the account by that name created and established in the Improvement Fund pursuant to Section 3.1 hereof.

“Continuing Disclosure Certificate” means that certain Continuing Disclosure Certificate executed by the District, dated the date of issuance and delivery of the 2025 Bonds, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

“Costs of Issuance” shall have the meaning set forth in the 2025 Authority Indenture.

“Facilities Financing Authority” means the Lake Elsinore Facilities Financing Authority.

“Interest Payment Date” means each March 1 and September 1, with respect to the Bonds, commencing March 1, 2026, and the final maturity date of the Bonds and the 2025 Bonds; provided, however, that, if any such day is not a Business Day, interest up to the Interest Payment Date, and in the case of the final Interest Payment Date to and including such date, will be paid on the Business Day next preceding such date.

“Proportionate Share” means (i) with respect to the Bonds, the calculation set forth in Section 3.2(b)(4), as of the date of calculation, a fraction equal to (A) the principal amount of the Bonds Outstanding divided by (B) the sum of the principal amount of all of the Local Obligations (as defined in the Authority Indenture) Outstanding, (ii) with respect to the 2025 Bonds, as of the date of calculation, 100% of the Reserve Requirement and (iii) with respect to any additional Parity Bonds, such amount as set forth in a Supplemental Indenture.

“Reserve Account” means, with respect to the Bonds, the District’s Account of the Reserve Fund established under the Authority Indenture, with respect to the 2025 Bonds, the Reserve Fund established under the 2025 Authority Indenture, and with respect to any additional Parity Bonds, such fund or account as may be established under a Supplemental Indenture.

“Reserve Requirement” with respect to the Bonds has the meaning set forth in the Authority Indenture, with respect to the 2025 Bonds, has the meaning set forth in the 2025 Authority Indenture, and with respect to any additional Parity Bonds, such amount as set forth in a Supplemental Indenture.

“Term Bonds” means, with respect to the Bonds, the Bonds maturing on September 1, 20__ and September 1, 20__ and, with respect to the 2025 Bonds, the 2025 Bonds maturing on September 1, 20__.

“Treasurer” means the person who is acting in the capacity as finance director or assistant city manager to the City.

“Water Facilities Account” means the account by that name created and established in the Improvement Fund pursuant to Section 3.1 hereof.

ARTICLE II

GENERAL AUTHORIZATION AND BOND TERMS

Section 2.1. Amount, Issuance, Purpose and Nature of 2025 Bonds. Under and pursuant to this First Supplement, the 2025 Bonds in the aggregate principal amount of \$_____ shall be issued as Parity Bonds governed by the terms of the Original Bond Indenture, as supplemented by this First Supplement, for the purpose of financing additional public facilities within the District, funding a deposit to the Reserve Fund and paying the Costs of Issuance.

Section 2.2. Description of Bonds; Interest Rates. The 2025 Bonds shall be issued in fully registered form in denominations of \$5,000 or any integral multiple thereof within a single maturity. The 2025 Bonds shall be numbered as determined by the Trustee.

The 2025 Bonds shall be designated “CITY OF LAKE ELSINORE COMMUNITY FACILITIES DISTRICT NO. 2003-2 (CANYON HILLS) IMPROVEMENT AREA B 2025 SPECIAL TAX BONDS.” The 2025 Bonds shall be dated as of their Delivery Date and shall mature and be payable on September 1 in the years and in the aggregate principal amounts and shall be subject to and shall bear interest at the rates set forth in the table below payable on March 1, 2026 and each Interest Payment Date thereafter:

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

Section 2.3. Form of 2025 Bonds; Execution and Authentication. The 2025 Bonds and the certificate of authentication shall be substantially in the form attached hereto as Exhibit A, which forms are hereby approved and adopted as the forms of such 2025 Bonds and of the certificate of authentication. Notwithstanding any provision in the Original Bond Indenture to the contrary, the District may, in its sole discretion, elect to issue the 2025 Bonds in book entry form.

Only the 2025 Bonds bearing thereon such certificate of authentication in the form set forth in Exhibit A attached hereto shall be entitled to any right or benefit under the Bond Indenture, and no 2015 Bond or 2017 Bond shall be valid or obligatory for any purpose until such certificate of authentication shall have been duly executed by the Trustee.

Section 2.4. Place and Form of Payment. The principal of the 2025 Bonds and any premiums due upon the redemption thereof shall be payable upon presentation and surrender thereof

at the Principal Office of the Trustee, or at the designated office of any successor Trustee; provided that so long as the Facilities Financing Authority or the 2025 Authority Trustee on its behalf is the registered owner of all the 2025 Bonds, such presentment is not required.

Section 2.5. Conditions to Issuance of 2025 Bonds. The 2025 Bonds shall not be issued unless and until the conditions for the issuance of the 2025 Bonds as Parity Bonds pursuant to 9.2 of the Original Bond Indenture shall have been satisfied or will be satisfied upon the issuance of the 2025 Bonds.

Section 2.6. Amendment to Section 3.2(b)(4) of the Original Bond Indenture. Section 3.2(b)(4) of the Original Bond Indenture is hereby amended and restated in its entirety to read as follows:

“(4) transfer to the Authority Trustee and the 2025 Authority Trustee, without preference or priority and in the event of any insufficiency of such moneys ratably without any discrimination or preference, for deposit in the Reserve Account, the amount necessary to cause the balance on deposit therein to equal the District’s Proportionate Share of the Reserve Requirement.”

Section 2.7. Amendment to Section 3.2(b) of the Original Bond Indenture. Section 3.2(b) is hereby amended in part by restating the last sentence thereof to read as follows:

“The Trustee shall notify the Authority Trustee and the 2025 Authority Trustee at least five (5) Business Days prior to each Interest Payment Date if there is not on deposit with the Trustee, after making all of the transfers required hereunder, moneys sufficient to pay the principal of and interest on the Bonds and any Parity Bonds.”

Section 2.8. Amendment to Section 4.2 of the Original Bond Indenture. Section 4.2 of the Original Bond Indenture is hereby amended in part by adding the following as the last sentence thereto:

“If less than all of the Bonds, the 2025 Bonds and any additional Parity Bonds are to be redeemed, amounts allocated to the redemption thereof shall be applied as nearly as practicable on a pro rata basis among series as set forth in a Certificate of an Authorized Representative.”

Section 2.9. Amendment to Section 9.2 of the Original Bond Indenture. Section 9.2 of the Original Bond Indenture is hereby amended and restated in its entirety to read as follows:

“Conditions for the Issuance of Parity Bonds and Other Additional Indebtedness. The District may at any time after the issuance and delivery of the 2025 Bonds hereunder issue Parity Bonds payable from the Net Special Taxes and other amounts deposited in the Special Tax Fund (other than in the Administrative Expense Fund therein) and secured by a lien and charge upon such amounts equal to the lien and charge securing the Outstanding Bonds, the 2025 Bonds and any other Parity Bonds theretofore issued hereunder or under any Supplemental Indenture; provided, however, that Parity Bonds may only be issued only for the purposes of refunding all or a portion of the Bonds, the 2025 Bonds or Parity Bonds then Outstanding subject to the following specific conditions, which are hereby made conditions precedent to the issuance of any such Parity Bonds:

(a) The District shall be in compliance with all covenants set forth in this Indenture and any Supplemental Indenture then in effect and a certificate of the District to that effect shall have

been filed with the Trustee; provided, however, that Parity Bonds may be issued notwithstanding that the District is not in compliance with all such covenants so long as immediately following the issuance of such Parity Bonds the District will be in compliance with all such covenants.

(b) The issuance of such Parity Bonds shall have been duly authorized pursuant to the Act and all applicable laws, and the issuance of such Parity Bonds shall have been provided for by a Supplemental Indenture duly adopted by the District which shall specify the following:

(i) the purpose for which such Parity Bonds are to be issued and the fund or funds into which the proceeds thereof are to be deposited;

(ii) the authorized principal amount of such Parity Bonds;

(iii) the date and the maturity date or dates of such Parity Bonds; provided that: (1) each maturity date shall fall on a September 1; (2) all such Parity Bonds of like maturity shall be identical in all respects, except as to number; (3) fixed serial maturities or Sinking Fund Payments, or any combination thereof, shall be established to provide for the retirement of all such Parity Bonds on or before their respective maturity dates; and (4) the maturity of such Parity Bonds shall not exceed the maturity of the Bonds being refunded;

(iv) the description of the Parity Bonds, the place of payment thereof and the procedure for execution and authentication;

(v) the denominations and method of numbering of such Parity Bonds;

(vi) the amount and due date of each mandatory Sinking Fund Payment, if any, for such Parity Bonds;

(vii) the amount, if any, to be deposited from the proceeds of such Parity Bonds in into a reserve fund for such Parity Bonds;

(viii) the form of such Parity Bonds; and

(ix) such other provisions as are necessary or appropriate and not inconsistent with this Indenture.

(c) The District shall have received the following documents or money or securities, all of such documents dated or certified, as the case may be, as of the date of delivery of such Parity Bonds by the Trustee (unless the Trustee shall be directed by the District to accept any of such documents bearing a prior date):

(i) a certified copy of the Supplemental Indenture authorizing the issuance of such Parity Bonds;

(ii) a written request of the District as to the delivery of such Parity Bonds;

(iii) an opinion of Bond Counsel and/or general counsel to the District to the effect that: (1) the District has the right and power under the Act to adopt this Indenture and the Supplemental Indentures relating to such Parity Bonds, and this Indenture and all such Supplemental Indentures have been duly and lawfully adopted by the District, are in full force and effect and are

valid and binding upon the District and enforceable in accordance with their terms (except as enforcement may be limited by bankruptcy, insolvency, reorganization and other similar laws relating to the enforcement of creditors' rights); (2) this Indenture creates the valid pledge which it purports to create of the Net Special Taxes and other amounts as provided in this Indenture, subject to the application thereof to the purposes and on the conditions permitted by this Indenture; and (3) such Parity Bonds are valid and binding limited obligations of the District, enforceable in accordance with their terms (except as enforcement may be limited by bankruptcy, insolvency, reorganization and other similar laws relating to the enforcement of creditors' rights) and the terms of this Indenture and all Supplemental Indentures thereto and entitled to the benefits of this Indenture and all such Supplemental Indentures, and such Parity Bonds have been duly and validly authorized and issued in accordance with the Act (or other applicable laws) and this Indenture and all such Supplemental Indentures; and a further opinion of Bond Counsel to the effect that, assuming compliance by the District with certain tax covenants, the issuance of the Parity Bonds will not adversely affect the exclusion from gross income for federal income tax purposes of interest on the Bonds and any Parity Bonds theretofore issued on a tax-exempt basis, or the exemption from State of California personal income taxation of interest on any Outstanding Bonds and Parity Bonds theretofore issued;

(iv) a certificate of the District containing such statements as may be reasonably necessary to show compliance with the requirements of this Indenture;

(v) a certificate of an Independent Financial Consultant certifying that in each Bond Year the Annual Debt Service on the Bonds and Parity Bonds to remain Outstanding following the issuance of the Parity Bonds proposed to be issued is less than the Annual Debt Service on the Bonds and Parity Bonds Outstanding prior to the issuance of such Parity Bonds; and

(vi) such further documents, money and securities as are required by the provisions of this Indenture and the Supplemental Indenture providing for the issuance of such Parity Bonds."

ARTICLE III

APPLICATION OF PROCEEDS OF 2025 BONDS

Section 3.1. Creation of Funds and Application of Proceeds of Sale of 2025 Bonds

(a) There is hereby established with respect to the 2025 Bonds, the City Facilities Account of the Improvement Fund, the Water Facilities Account of the Improvement Fund and the Rebate Fund. Unless otherwise specified herein, any reference in this First Supplement to any of such funds shall be deemed to be a reference to the funds established herein for the 2025 Bonds.

(b) The net proceeds of the sale of the 2025 Bonds in the amount of \$_____ (which amount is net of \$_____ retained by the 2025 Authority Trustee for deposit in the Reserve Fund and \$_____ retained by the 2025 Authority Trustee to be deposited in the Costs of Issuance Fund under the 2025 Authority Indenture) shall be received by the Trustee on behalf of the District and deposited and transferred as follows: \$_____ shall be transferred to the City Facilities Account of the Improvement Fund and \$_____ shall be transferred to the Water Facilities Account of the Improvement Fund to be applied in accordance with Section 3.7 of the Original Bond Indenture.

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

ARTICLE IV

REDEMPTION OF 2025 BONDS

Section 4.1. Redemption of 2025 Bonds

(a) Optional Redemption. The 2025 Bonds maturing on or after September 1, 20__ may be redeemed, at the option of the District from any source of funds on any Interest Payment 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 date of redemption:

<i>Redemption Date</i>	<i>Redemption Price</i>
September 1, 20__ and March 1, 20__	%
September 1, 20__ and March 1, 20__	
September 1, 20__ and March 1, 20__	
September 1, 20__ and any Interest Payment Date thereafter	

For so long as the Facilities Financing Authority is the Owner of the 2025 Bonds, in connection with the calculation of such redemption price, the District shall receive a credit from the Facilities Financing Authority from the reduction in the Reserve Requirement resulting from the redemption of the 2025 Bonds and the 2025 Authority Bonds so redeemed in connection therewith.

In the event the District elects to redeem 2025 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 2025 Bonds to be redeemed. The notice to the Trustee shall be given at least 60 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. So long as the 2025 Bonds are owned by the Facilities Financing Authority, the 2025 Bonds may be redeemed pursuant to this Section 4.1(a) only with the prior consent of the Facilities Financing Authority as set forth in the 2025 Authority Indenture.

(b) Mandatory Sinking Fund Redemption. The Term Bonds maturing on September 1, 20__ shall be called before maturity and redeemed, from the sinking fund payments that have been deposited into the Principal Account, on September 1, 20__, and on each September 1 thereafter prior to maturity, in accordance with the schedule of sinking fund payments set forth below. The 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 Term Bond equal to the principal amount thereof, plus accrued interest to the redemption date, without premium, as follows:

2025 BONDS MATURING SEPTEMBER 1, 20__

*Redemption Dates
(September 1)*

*Redemption
Amount*

If the District purchases Term Bonds and delivers them to the Trustee at least 45 days prior to an applicable redemption date, the principal amount of the Term Bonds so purchased shall be credited to reduce the Sinking Fund Payment due on such redemption date for the applicable maturity of the Term Bonds. All Term Bonds purchased pursuant to this subsection shall be cancelled pursuant to Section 10.1 of the Original Bond Indenture.

In the event of a partial optional redemption or special mandatory redemption of Term Bonds, each of the remaining sinking fund payments for such Term Bonds, as described above, will be reduced, as nearly as practicable, on a pro rata basis.

(c) Extraordinary Redemption. The 2025 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 deposited to the Redemption Account pursuant to Section 3.2 of the Original Bond 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:

Redemption Date

Redemption Price

Any Interest Payment Date through March 1, 20__
September 1, 20__ and March 1, 20__
September 1, 20__ and March 1, 20__
September 1, 20__ and any Interest Payment Date thereafter

For so long as the Facilities Financing Authority is the Owner of the 2025 Bonds, in connection with the calculation of such redemption price, the District shall receive a credit from the Facilities Financing Authority from the reduction in the Reserve Requirement resulting from the redemption of the 2025 Bonds and the 2025 Authority Bonds so redeemed in connection therewith.

Section 4.2. Notice of Redemption. So long as the Facilities Financing Authority or the 2025 Authority Trustee on the Facilities Financing Authority's behalf is the registered owner of the 2025 Bonds, no notices set forth in Section 4.3 need be provided.

ARTICLE V

COVENANTS

Section 5.1. Federal Tax Covenants. Notwithstanding any other provision of the Indenture, absent an opinion of Bond Counsel that the exclusion from gross income of interest on the 2025 Authority Bonds issued on a tax-exempt basis for federal income tax purposes will not be adversely affected for federal income tax purposes, the District covenants to comply with all applicable requirements of the Code necessary to preserve such exclusion from gross income and specifically covenants, without limiting the generality of the foregoing, as follows:

(a) Private Activity. The District will take no action or refrain from taking any action or make any use of the proceeds of the 2025 Bonds or of any other moneys or property which would cause the 2025 Authority Bonds issued on a tax-exempt basis for federal income tax purposes to be “private activity bonds” within the meaning of Section 141 of the Code;

(b) Arbitrage. The District will make no use of the proceeds of the 2025 Bonds or of any other amounts or property, regardless of the source, or take any action or refrain from taking any action which will cause the 2025 Authority Bonds issued on a tax-exempt basis for federal income tax purposes to be “arbitrage bonds” within the meaning of Section 148 of the Code;

(c) Federal Guaranty. The District will make no use of the proceeds of the 2025 Bonds or take or omit to take any action that would cause the 2025 Authority Bonds issued on a tax-exempt basis for federal income tax purposes to be “federally guaranteed” within the meaning of Section 149(b) of the Code;

(d) Hedge Bonds. The District will make no use of the proceeds of the 2025 Bonds or any other amounts or property, regardless of the source, or take any action or refrain from taking any action that would cause the 2025 Authority Bonds issued on a tax-exempt basis for federal income tax purposes to be considered “hedge bonds” within the meaning of Section 149(g) of the Code unless the District takes all necessary action to assure compliance with the requirements of Section 149(g) of the Code to maintain the exclusion from gross income for federal income tax purposes of interest on the 2025 Authority Bonds; and

(e) Other Tax Exempt Issues. The District will not use proceeds of other tax exempt securities to redeem any 2025 Bonds without first obtaining the written opinion of Bond Counsel that doing so will not impair the exclusion from gross income for federal income tax purposes of interest on the 2025 Authority Bonds issued on a tax-exempt basis.

Section 5.2. Continuing Disclosure Certificate. The District hereby covenants and agrees that it will comply with and carry out all of its obligations under the Continuing Disclosure Certificate to be executed and delivered by the District and SCG - Spicer Consulting Group, as dissemination agent, in connection with the issuance of the 2025 Authority Bonds. Notwithstanding any other provision of the Indenture, failure of the District to comply with the Continuing Disclosure Certificate shall not be considered an Event of Default; however, any Owner or Beneficial Owner may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the District to comply with its obligations under this Section 5.2. For purposes of this Section, “Beneficial Owner” means any person which has or shares

the power, directly or indirectly, to make investment decisions concerning ownership of any 2025 Authority Bonds (including persons holding 2025 Authority Bonds through nominees, depositories and other intermediaries).

ARTICLE VI

MISCELLANEOUS

Section 6.1. Provisions of Bond Indenture in Effect. Except as expressly modified herein, all of the provisions of the Original Bond Indenture shall remain in full force and effect.

Section 6.2. Notices to Authority and Authority Trustee. The Trustee shall provide the Facilities Financing Authority and the 2025 Authority Trustee with any notice that is required to be provided to the Authority and the Authority Trustee under the Original Bond Indenture.

Section 6.3. Partial Invalidity. If any section, paragraph, sentence, clause or phrase of this First Supplement shall for any reason be held illegal, invalid or unenforceable, such holding shall not affect the validity of the remaining portions of this First Supplement. The District hereby declares that it would have entered into this First Supplement and each and every other Section, paragraph, sentence, clause or phrase hereof and authorized the issuance of the 2025 Bonds pursuant thereto irrespective of the fact that any one or more Sections, paragraphs, sentences, clauses, or phrases of this Second Supplement may be held illegal, invalid or unenforceable.

Section 6.4. Execution in Counterparts. This Second Supplement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 6.5. Governing Law. This Second Supplement shall be construed and governed in accordance with the laws of the State of California applicable to contracts made and performed in such state.

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IN WITNESS WHEREOF, the District and the Trustee have executed this First Supplement, effective the date first written above.

CITY OF LAKE ELSINORE COMMUNITY
FACILITIES DISTRICT NO. 2003-2 (CANYON
HILLS)

By: _____
Mayor of the City of Lake Elsinore, acting on
behalf of City of Lake Elsinore Community
Facilities District No. 2003-2 (Canyon Hills)

ATTEST:

City Clerk of the City of Lake Elsinore, acting
on behalf of City of Lake Elsinore Community
Facilities District No. 2003-2 (Canyon Hills)

The terms of this First Supplement relating to the Trustee are accepted by Wilmington Trust,
National Association, as Trustee.

WILMINGTON TRUST, NATIONAL
ASSOCIATION, as Trustee

By: _____
Authorized Officer

this Bond are payable to the Registered Owner hereof in lawful money of the United States of America upon presentation and surrender of this Bond at the Principal Office of the Trustee (as such term is defined in the Indenture), initially Wilmington Trust, National Association (the “Trustee”). Interest on this 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 (as defined below).

This Bond is one of a duly authorized issue of “City of Lake Elsinore Community Facilities District No. 2003-2 (Canyon Hills) Improvement Area B 2025 Special Tax Bonds” (the “Bonds”) issued in the aggregate principal amount of \$_____ 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 fund and paying certain costs related to the issuance of the Bonds. The issuance of the 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 November 28, 2017, and a Bond Indenture, dated as of March 1, 2015, as supplemented by the First Supplement to Bond Indenture dated as of December 1, 2017 and as supplemented by the Second Supplement to Bond Indenture dated as of June 1, 2025 (together, the “Indenture”), each by and between the District and Wilmington Trust, National Association, as successor trustee (the “Trustee”), executed in connection therewith, and this reference incorporates the Indenture herein, and by acceptance hereof the Registered Owner of this Bond assents to said terms and conditions. The Indenture is adopted under and this 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 Bond are payable on a parity with the District’s 2017 Bonds, solely from the portion (the “Net Special Taxes”) of the annual special taxes authorized under the Act to be levied and collected within Improvement Area B of the District (the “Special Taxes”) and certain other amounts pledged to the repayment of the Bonds as set forth in the Indenture. Any amounts for the payment hereof shall be limited to the Net Special Taxes pledged and collected, which include foreclosure proceeds received following a default in payment of the Special Taxes and other amounts deposited to the Special Tax Fund 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 Bonds that under certain circumstances described in the Indenture it will commence and diligently pursue to completion appropriate foreclosure proceedings in the event of delinquencies of Special Tax installments levied for payment of principal and interest on the Bonds.

The Bonds maturing on or after September 1, 20__ may be redeemed, at the option of the District from any source of funds on any Interest Payment 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 date of redemption:

Redemption Date

Redemption Price

September 1, 20__ and March 1, 20__
September 1, 20__ and March 1, 20__
September 1, 20__ and March 1, 20__
September 1, 20__ and any Interest Payment Date thereafter

The Bonds maturing on September 1, 20__ shall be called before maturity and redeemed, from Sinking Fund Payments deposited into the Principal Account, on September 1, 20__, 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 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 deposited to the Redemption Account 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 Date

Redemption Price

Any Interest Payment Date through March 1, 20__
September 1, 20__ and March 1, 20__
September 1, 20__ and March 1, 20__
September 1, 20__ and any Interest Payment Date thereafter

Notice of redemption with respect to the Bonds to be redeemed shall be mailed to the registered owners thereof not less than 30 nor more than 45 days prior to the redemption date by first class mail, postage prepaid, to the addresses set forth in the registration books. Notwithstanding the foregoing, so long as the Facilities Financing Authority or the Authority Trustee on the Facilities Financing Authority's behalf is the registered owner of the Bonds, no such notices need be provided. 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 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 Bonds shall have no rights except to receive payment of the redemption price upon the surrender of the Bonds.

This 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 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 Bonds of other authorized denominations of the same issue and maturity, all as more fully set forth in the Indenture. This 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 Bond. Upon such transfer, a new registered 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 Bonds for a period of 15 days next preceding any selection of the Bonds to be redeemed, or (ii) any Bonds chosen for redemption.

The rights and obligations of the District and of the registered owners of the 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 BONDS DO NOT CONSTITUTE OBLIGATIONS OF THE CITY OF LAKE ELSINORE OR OF THE DISTRICT FOR WHICH THE CITY OF LAKE ELSINORE 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 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 LAKE ELSINORE, THE STATE OF CALIFORNIA OR ANY OF ITS POLITICAL SUBDIVISIONS WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY LIMITATION OR RESTRICTION.

This 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 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 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 Lake Elsinore Community Facilities District No. 2003-2 (Canyon Hills) has caused this Bond to be dated as of _____, 2025, to be signed on behalf of the District by the Mayor by his facsimile signature and attested by the facsimile signature of the City Clerk.

Mayor of the City of Lake Elsinore

ATTEST:

City Clerk of the City of Lake Elsinore

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

This is one of the Bonds described in the within-defined Indenture.

Dated: _____, 2025

Wilmington Trust, National Association, as Trustee

By: _____
Authorized Officer

[FORM OF LEGAL OPINION]

The following is a true copy of the opinion rendered by Stradling Yocca Carlson & Rauth LLP, in connection with the issuance of, and dated as of the date of the original delivery of, the Bonds. A signed copy is on file in my office.

City Clerk of the City of Lake Elsinore

[FORM OF ASSIGNMENT]

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

whose tax identification number is _____,
the within-mentioned registered Bond and hereby irrevocably constitute(s) and appoint(s)

attorney to transfer the same on the 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 signatures(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.