
MASTER INDENTURE

between the

CITY OF SAN JOSE FINANCING AUTHORITY

and

WILMINGTON TRUST, NATIONAL ASSOCIATION,
as Trustee

RELATING TO
CITY OF SAN JOSE FINANCING AUTHORITY
WASTEWATER REVENUE BONDS

Dated as of December 1, 2022

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MASTER INDENTURE

This Master Indenture (this “Master Indenture”), dated as of December 1, 2022, between the City of San José Financing Authority, a joint exercise of powers authority duly organized and existing under the laws of the State of California (the “Authority”), and Wilmington Trust, National Association, a national banking association duly organized and existing under the laws of the United States of America, as Trustee (the “Trustee”);

WITNESSETH:

WHEREAS, the Authority is a joint exercise of powers authority duly organized and existing under and by virtue of a Joint Exercise of Powers Agreement, dated December 8, 1992, by and between the City of San José (the “City”) and the former Redevelopment Agency of the City of San José (the “Former Agency”) and Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California, as amended (the “Act”); and

WHEREAS, the Former Agency, as of February 1, 2012, has been dissolved and the City has become the successor agency of the Former Agency pursuant to Part 1.85 of Division 24 of the California Health and Safety Code and pursuant to California Health and Safety Code Section 34178(b)(3), the joint exercise of powers agreement establishing the Authority remains in effect; and

WHEREAS, the Act authorizes and empowers the Authority to issue revenue bonds to assist local agencies with the financing and refinancing of public capital improvements, and to issue bonds to refund such bonds; and

WHEREAS, the Authority has determined to issue its Wastewater Revenue Bonds (the “Bonds”) to assist the City with the financing and refinancing of the acquisition, construction and installation from time to time of certain improvements, additions, and betterments to, and extensions and rehabilitations of, the Wastewater System (as defined herein); and

WHEREAS, in order to provide for the authentication and delivery of the Bonds and to establish and declare the conditions and terms upon which the Bonds shall be issued and secured and to secure the payment of the interest on and the principal of and the redemption premiums, if any, on the Bonds, the Authority has authorized the execution and delivery of this Master Indenture; and

WHEREAS, all acts, conditions and things required by law to exist, to have happened and to have been performed necessary to make the Bonds, when duly executed by the Authority and authenticated and delivered by the Trustee, valid and binding special obligations of the Authority payable in accordance with their terms, and to constitute this Master Indenture a valid and binding agreement of the parties hereto for the uses and purposes set forth herein in accordance with the conditions and terms hereof, do exist, have happened and have been performed in the time, form and manner required by law, and the execution and entering into of this Master Indenture by the parties hereto has been in all respects duly authorized;

NOW, THEREFORE, THIS MASTER INDENTURE WITNESSETH, that in order to secure the payment of the interest on and the principal of and the redemption premiums,

if any, on all Bonds executed, authenticated and delivered hereunder according to their tenor, and to secure the performance and observance of all the agreements, conditions, covenants and terms set forth therein and herein, and to declare the conditions and terms upon and subject to which the Bonds will be executed, authenticated and delivered, and in consideration of the premises and of the mutual covenants contained herein and of the purchase and acceptance of the Bonds by the respective registered owners thereof from time to time, and for other valuable consideration, the receipt whereof is hereby acknowledged, the Authority does hereby agree and covenant with the Trustee, for the benefit of the respective registered owners from time to time of the Bonds, as follows:

ARTICLE I

DEFINITIONS; EQUAL SECURITY

SECTION 1.01. Definitions. Unless the context otherwise requires, the terms defined in this section shall for all purposes hereof and of any Supplemental Indenture and of any certificate, opinion, report, request or other document mentioned herein or therein have the meanings defined herein:

Act

“Act” means Chapter 5 of Division 7 of Title 1 of the Government Code of the State, and all laws amendatory thereof or supplemental thereto.

Authority

“Authority” means the City of San José Financing Authority, a joint exercise of powers authority duly organized and existing under the Act.

Authorized Representative

“Authorized Representative” means, when used with respect to the Authority, the Executive Director of the Authority, the Treasurer of the Authority, the Deputy Director of Finance of the City responsible for managing the City’s debt programs, the Assistant Finance Director of the City responsible for managing the City’s debt programs, or any other person designated as an Authorized Representative of the Authority for purposes of this Master Indenture in a Certificate of the Authority signed by the Executive Director of the Authority or the Treasurer of the Authority and filed with the Trustee.

Bonds; Serial Bonds; Term Bonds

“Bonds” means all revenue bonds of the Authority authorized, issued and delivered hereunder in accordance with Article II that are at any time Outstanding under and pursuant to the terms hereof and of all Supplemental Indentures. “Serial Bonds” means Bonds for which no Sinking Fund Account Payments are established. “Term Bonds” means Bonds which are redeemable or payable on or before their specified maturity date from Sinking Fund Account Payments established for the purpose of redeeming or paying such Bonds on or before their specified maturity date.

Business Day

“Business Day” means any day (other than a Saturday, a Sunday or a legal holiday) on which the Trustee is open for business at its Corporate Trust Office and on which the Federal Reserve System is open for business.

Certificate of the Authority

“Certificate of the Authority” means an instrument in writing signed by an Authorized Representative of the Authority.

Chair

“Chair” means the Chair of the Authority.

City

“City” means the City of San José, a municipal corporation, duly organized and existing under and by virtue of its charter and the Constitution of the State.

Code

“Code” means the Internal Revenue Code of 1986 and the regulations of the United States Department of the Treasury issued thereunder, and in this regard reference to any particular section of the Code shall include reference to all successors to such section of the Code.

Continuing Disclosure Certificates

“Continuing Disclosure Certificates” means collectively all the Continuing Disclosure Certificates executed by the City at the time of the original execution and delivery of each Series of the Bonds, as the same may be amended and supplemented in accordance with their respective terms.

Corporate Trust Office

“Corporate Trust Office” means the principal corporate trust office of the Trustee in [San Francisco, California]; provided, that with respect to the presentation of any Bonds hereunder for registration, payment, transfer or exchange, such term shall mean for such purposes the principal corporate trust office of the Trustee in [Los Angeles, California], or such other office as may be designated in writing from time to time to the Authority and the City by the Trustee.

Costs of Issuance

“Costs of Issuance” means all costs, expenses and fees directly or indirectly payable by or reimbursable to the Authority or the City related to the authorization, execution and delivery of the Installment Purchase Contract, any Supplemental Contract, this Master Indenture and all Supplemental Indentures and the Bonds, including, but not limited to, costs of preparation and reproduction of documents, costs of Rating Agencies and costs to provide information required by

Rating Agencies, charges and fees of the Trustee, premiums, fees or similar charges for any Reserve Facility, legal charges and fees, fees and disbursements of financing consultants and professionals, costs for the preparation, execution and safekeeping of the Bonds, and any other cost, expense or fee in connection with the initial execution and delivery of the Bonds.

Costs of Issuance Fund

“Costs of Issuance Fund” means the City of San José Financing Authority Wastewater Revenue Bonds Costs of Issuance Fund established under Section 2.04, to be maintained by the Trustee.

Defeasance Securities

“Defeasance Securities” means any of the following obligations to the extent then permitted by law:

- (1) Cash;
- (2) Direct obligations of the United States of America (including stripped securities derived from direct obligations of the United States of America); and
- (3) Obligations fully guaranteed as to principal and interest by the United States of America.

Event of Default

“Event of Default” means an event defined as such in Section 9.01.

Fiscal Year

“Fiscal Year” means the twelve-month period terminating on June 30 of each year, or any other annual accounting period hereafter selected and designated by the Authority as its Fiscal Year in accordance with applicable law.

Fitch

“Fitch” means Fitch, Inc., or its successors or assigns, except that if such entity shall be dissolved or liquidated or shall no longer perform the services of a municipal securities rating agency, then “Fitch” shall be deemed to refer to any other nationally recognized municipal securities rating agency selected by the Authority.

Holder

“Holder” means any person who shall be the registered owner of any Outstanding Bond, as shown on the bond registration books maintained by the Trustee under Section 3.05.

Installment Payments

“Installment Payments” means all installment payments required to be paid by the City under the Installment Purchase Contract, including under any Supplemental Contract.

Installment Purchase Contract

“Installment Purchase Contract” means the Master Installment Purchase Contract, dated as of December 1, 2022, between the Authority and the City, as originally executed and as it may from time to time be amended and supplemented in accordance with its terms.

Interest Account

“Interest Account” means the account within the Revenue Fund by that name established pursuant to Section 5.03.

Interest Payment Date

“Interest Payment Date” means a date on which interest is due on any Bonds.

Investment Policy

“Investment Policy” means the City’s Investment Policy, as previously adopted and as it may be supplemented, amended or restated from time to time.

Kroll

“Kroll” means Kroll Bond Rating Agency, LLC, or its successors or assigns, except that if such entity shall be dissolved or liquidated or shall no longer perform the services of a municipal securities rating agency, then “Kroll” shall be deemed to refer to any other nationally recognized municipal securities rating agency selected by the Authority.

Master Indenture

“Master Indenture” means this Master Indenture, dated as of December 1, 2022, between the Authority and the Trustee, as originally executed and entered into and as from time to time amended and supplemented in accordance with its terms.

Moody’s

“Moody’s” means Moody’s Investors Service, or its successors or assigns, except that if such entity shall be dissolved or liquidated or shall no longer perform the services of a municipal securities rating agency, then “Moody’s” shall be deemed to refer to any other nationally recognized municipal securities rating agency selected by the Authority.

Opinion of Counsel

“Opinion of Counsel” means a written opinion of counsel of recognized national standing in the field of law relating to municipal bonds retained by the Authority.

Outstanding

“Outstanding,” when used as of any particular time with reference to Bonds, means (subject to the provisions of Section 8.02) all Bonds except --

- (1) Bonds theretofore cancelled by the Trustee or surrendered to the Trustee for cancellation;
- (2) Bonds paid or deemed to have been paid under Section 10.01; and
- (3) Bonds in lieu of or in substitution for which other Bonds shall have been authenticated and delivered by the Trustee under this Master Indenture.

Permitted Investments

“Permitted Investments” means any of the following investments which at the time acquired or made are legal investments for the Authority under applicable State laws and as directed by the Director of Finance of the City for the moneys held hereunder then proposed to be invested therein:

- (1) Defeasance Securities;
- (2) Obligations of any of the following federal agencies which obligations represent the full faith and credit of the United States of America, including:
 - Export-Import Bank
 - Rural Economic Community Development Administration
 - U.S. Maritime Administration
 - Small Business Administration
 - U.S. Department of Housing & Urban Development (PHAs)
 - Federal Housing Administration
 - Federal Financing Bank;
- (3) Direct obligations of any of the following federal agencies which obligations are not fully guaranteed by the full faith and credit of the United States of America:
 - Senior debt obligations issued by the Federal National Mortgage Association (FNMA) or the Federal Home Loan Mortgage Corporation (FHLMC)
 - Obligations of the Resolution Funding Corporation (REFCORP)
 - Senior debt obligations of the Federal Home Loan Bank System

(4) U.S. dollar denominated deposit accounts, federal funds and bankers' acceptances with domestic commercial banks which have a rating on their short-term certificates of deposit on the date of purchase of "P-1" by Moody's and "A-1" or "A-1+" by S&P and maturing not more than three hundred sixty (360) calendar days after the date of purchase. (Ratings on holding companies are not considered as the rating of the bank):

(5) Commercial paper which is rated at the time of purchase in the single highest classification, "P-1" by Moody's and "A-1+" by S&P and which matures not more than two hundred seventy (270) calendar days after the date of purchase;

(6) Investments in a money market fund rated "AAAm" or "AAAm-G" or better by S&P, excluding those with a floating net asset value, including funds for which the Trustee or an affiliate provides investment advice or other services;

(7) Pre-refunded municipal obligations defined as follows: Any bonds or other obligations of any state of the United States of America or of any agency, instrumentality or local governmental unit of any such state which are not callable at the option of the obligor prior to maturity or as to which irrevocable instructions have been given by the obligor to call on the date specified in the notice; and

(A) which are rated, based on an irrevocable escrow account or fund (the "escrow"), in the highest rating category of Moody's and S&P or any successors thereto; or

(B) (i) which are fully secured as to principal and interest and redemption premium, if any, by an escrow consisting only of cash or obligations described in paragraph (2) of the definition of Defeasance Securities, which escrow may be applied only to the payment of such principal of and interest and redemption premium, if any, on such bonds or other obligations on the maturity date or dates thereof or the specified redemption date or dates pursuant to such irrevocable instructions, as appropriate, and (ii) which escrow is sufficient, as verified by a nationally recognized verification agent, to pay principal of and interest and redemption premium, if any, on the bonds or other obligations described in this paragraph on the maturity date or dates specified in such irrevocable instructions, as appropriate;

(8) Municipal obligations rated "Aaa/AAA" or general obligations of states with a rating of at least "A2/A" or higher by both Moody's and S&P;

(9) Investments in the City's investment pool;

(10) United States dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development, International Finance Corporation, or Inter-American Development Bank, with a maximum remaining maturity of five years or less, and eligible for purchase and sale within the United States;

(11) Local Agency Investment Fund of the State of California (LAIF); and

(12) Investment agreements (supported by appropriate opinions of counsel).

Principal Payment Date

“Principal Payment Date” means a date on which principal is due on any Bonds, whether at maturity or upon prior redemption.

Principal Subaccount

“Principal Subaccount” means the subaccount within the Redemption Account by that name established pursuant to Section 5.03.

Project Fund

“Project Fund” means the City of San José Financing Authority Wastewater Revenue Bonds Project Fund established under Section 2.05, to be maintained by the Trustee.

Project

“Project” means any improvements, additions, and betterments to, and extensions and rehabilitations of, the Wastewater System.

Rating Agencies

“Rating Agencies” means collectively Fitch, Kroll, Moody’s and S&P, but in each case only to the extent that such municipal securities rating agency is then maintaining a rating on any of the Bonds at the request of the Authority.

Rebate Fund

“Rebate Fund” means the City of San José Financing Authority Wastewater Revenue Bonds Rebate Fund established under Section 6.03, to be maintained by the Trustee.

Record Date

“Record Date” means, with respect to any Interest Payment Date or Principal Payment Date, the fifteenth (15th) day of the calendar month immediately preceding such Interest Payment Date or Principal Payment Date, as the case may be, whether or not such day is a Business Day.

Redemption Account

“Redemption Account” means the account within the Revenue Fund by that name established pursuant to Section 5.03.

Reserve Account

“Reserve Account” means any account by that name established with respect to one or more Series of Bonds pursuant a Supplemental Indenture.

Reserve Facility

“Reserve Facility” means any insurance policy, letter of credit, surety bond, or other instrument delivered to the Trustee in satisfaction of all or a portion of the Reserve Requirement applicable to one or more Series of Bonds.

Reserve Requirement

“Reserve Requirement” means, with respect to any Reserve Account, the amount specified as such in the Supplemental Indenture providing for the establishment of such Reserve Account.

Revenue Fund

“Revenue Fund” means the City of San José Financing Authority Wastewater Revenue Bonds Revenue Fund established under Section 5.02, to be maintained by the Trustee.

Revenues

“Revenues” means all Installment Payments and all other payments required to be paid by the City to the Authority under the Installment Purchase Contract, including under all Supplemental Contracts, together with all income from any investment pursuant to Section 11.06 of any money in any account or fund established hereunder.

Sanitary Sewer Collection System

“Sanitary Sewer Collection System” means the whole and each and every part of the sanitary sewer collection and conveyance system of the City including the portion thereof existing on the date of this Master Indenture, and including all additions, betterments, extensions, improvements and rehabilitations to such system or any part thereof and hereafter acquired or constructed but excluding the Treatment Plant.

Securities Depository

“Securities Depository” means The Depository Trust Company, or, in accordance with then-current guidelines of the Securities and Exchange Commission, such other securities depository, or no such depositories, as the Authority may designate in a Written Request of the Authority delivered to the Trustee.

Series of Bonds

“Series of Bonds” means any series of the Bonds authorized, executed and authenticated pursuant hereto and pursuant to one or more Supplemental Indentures that constitute a single series of the Bonds and that are delivered on initial issuance in a simultaneous transaction pursuant to Section 2.02, and any Bonds thereafter executed, authenticated and delivered in lieu thereof or in substitution therefore pursuant to Section 3.06.

Sinking Fund Account Payments

“Sinking Fund Account Payments” means the payments required by all Supplemental Indentures to be deposited in the Sinking Fund Subaccount for the payment of the Term Bonds.

Sinking Fund Payment Date

“Sinking Fund Payment Date” means a date on which any Sinking Fund Account Payment is due for any of the Bonds.

Sinking Fund Subaccount

“Sinking Fund Subaccount” means the subaccount by that name within the Redemption Account established pursuant to Section 5.03.

S&P

“S&P” means S&P Global Ratings, or its successors or assigns, except that if such entity shall be dissolved or liquidated or shall no longer perform the services of a municipal securities rating agency, then “S&P” shall be deemed to refer to any other nationally recognized municipal securities rating agency selected by the Authority.

State

“State” means the State of California.

Supplemental Contract

“Supplemental Contract” has the meaning ascribed thereto in the Installment Purchase Contract.

Supplemental Indenture

“Supplemental Indenture” means any indenture then in full force and effect which has been duly executed and delivered by the Authority and the Trustee amendatory hereof or supplemental hereto; but only if and to the extent that such Supplemental Indenture is specifically authorized hereunder.

Tax Certificates

“Tax Certificates” means collectively all the Tax Certificates delivered by the Authority and the City at the time of issuance of any Tax-Exempt Bonds, as the same may be amended or supplemented in accordance with their respective terms.

Tax-Exempt Bonds

“Tax-Exempt Bonds” means any Bonds the interest on which is intended to be excluded from gross income for federal income tax purposes whether or not such interest is

includable as an item of tax preference or otherwise includable directly or indirectly for purposes of calculating tax liabilities, including any alternative minimum tax or environmental tax under the Code.

Treatment Plant

“Treatment Plant” means the existing “San Jose-Santa Clara Water Pollution Control Plant” currently known as the “San José-Santa Clara Regional Wastewater Facility” and all improvements, additions and betterments thereto and extensions and rehabilitations thereof.

Trustee

“Trustee” means Wilmington Trust, National Association, a national banking association duly organized and existing under the laws of the United States of America, at its Corporate Trust Office, or any successor Trustee, which may at any time be substituted in place of the original or any successor Trustee hereunder pursuant to Section 7.01.

Wastewater System

“Wastewater System” means, collectively, the Sanitary Sewer Collection System and the Treatment Plant.

Written Request of the Authority

“Written Request of the Authority” means a request in writing signed by an Authorized Representative of the Authority.

SECTION 1.02. Equal Security. In consideration of the acceptance of the Bonds by the Holders thereof, this Master Indenture shall be deemed to be and shall constitute a contract by and among the Authority, the Trustee and the Holders from time to time of all Bonds authorized, executed, authenticated and delivered hereunder and then Outstanding to secure the full and final payment of the interest on and the principal of and the redemption premiums, if any, on all Bonds which may from time to time be authorized, executed, authenticated and delivered hereunder, subject to the agreements, conditions, covenants and terms contained herein; and all agreements and covenants set forth herein to be performed by or on behalf of the Authority shall be for the equal and proportionate benefit, protection and security of all Holders of the Bonds without distinction, preference or priority as to security or otherwise of any Bonds over any other Bonds by reason of the number or date thereof or the time of authorization, sale, execution, authentication or delivery thereof or for any cause whatsoever, except as expressly provided herein or therein.

ARTICLE II

ISSUANCE OF BONDS

SECTION 2.01. Authorization and Purpose of Bonds.

(a) The Authority has reviewed all proceedings heretofore taken relative to the authorization of the Bonds and has found, as a result of such review, and hereby finds and determines that all acts, conditions and things required by law to exist, to have happened and to have been performed precedent to and in the execution, authentication and delivery of the Bonds as provided herein do exist, have happened and have been performed in due time, form and manner as required by law, and that, pursuant to each and every requirement of the Act or other applicable law and hereof, the Authority is now duly authorized to issue the Bonds in one or more Series of Bonds that from time to time shall be authorized and established by the Authority pursuant to the Act or other applicable law and pursuant hereto and pursuant to one or more Supplemental Indentures, which Series of Bonds shall be entitled to the benefit, protection and security of the provisions hereof. The Bonds shall be designated the “City of San José Financing Authority Wastewater Revenue Bonds,” together with such further appropriate particular designation added to or incorporated in the title of the Bonds of any Series of Bonds as the Authority may determine or as shall be required by the Act or other applicable law, and each Bond shall bear upon its face the designation so determined for the Series of Bonds to which it belongs. Additionally, the Bonds may contain or have endorsed thereon such other descriptive provisions, specifications and words not inconsistent with the provisions hereof as may be desirable or necessary to comply with custom or the rules of any securities exchange or commission or brokerage board or otherwise as may be determined by the Authority prior to the initial delivery thereof.

(b) From and after the issuance of any Bonds, the findings and determinations of the Authority respecting such Bonds shall be conclusive evidence of the existence of the facts so found and determined in any action or proceeding in any court in which the validity of any of such Bonds is at issue, and no bona fide purchaser of any of such Bonds shall be required to see to the existence of any fact or to the performance of any condition or to the taking of any proceeding required prior to such issuance or to the application of the purchase price paid for such Bonds. The validity of the issuance of any Bonds shall not be dependent on or affected in any way by any proceedings taken by the City for the acquisition and construction of any Project, or by any contracts made by the Authority in connection therewith, or by the failure to complete the acquisition and construction of any Project. The recital contained in the Bonds that the Bonds are issued pursuant to the Act or other applicable law and pursuant hereto and pursuant to one or more Supplemental Indentures shall be conclusive evidence of their validity and of the regularity of their initial issuance, and all Bonds shall be incontestable from and after their initial issuance, which shall be the date the definitive Bonds (or any temporary Bond exchangeable therefor) shall have been delivered to the purchaser thereof and the purchase price thereof shall have been received by the Authority.

(c) Nothing contained herein shall be deemed to limit the right of the Authority to enter into one or more other indentures or trust agreements to issue obligations that are secured by installment payments other than the Installment Payments pledged hereunder.

SECTION 2.02. Conditions for the Issuance of a Series of Bonds. The Authority may at any time issue a Series of Bonds payable from the Revenues as provided herein on a parity with all other Series of Bonds theretofore issued or to be issued hereunder, but (except for the first Series of Bonds issued hereunder) only subject to the following conditions, which are hereby made conditions precedent to the issuance of such Series of Bonds:

(a) The issuance of such Series of Bonds shall have been authorized pursuant to the Act or other applicable law and pursuant hereto and shall have been provided for by a Supplemental Indenture which shall specify the following:

- (1) The purposes for which such Series of Bonds are to be issued;
- (2) Whether such Series of Bonds (i) are secured by any Reserve Account, or (ii) are not secured by any Reserve Account;
- (3) The principal amount and designation of such Series of Bonds and the denomination or denominations of the Bonds of such Series of Bonds;
- (4) The date, the Principal Payment Date or Dates, the Interest Payment Dates and the dates on which Sinking Fund Payments, if any, are due for such Series of Bonds;
- (5) The redemption premiums and redemption terms, if any, for such Series of Bonds;
- (6) The form of the Bonds of such Series of Bonds;
- (7) The amount, if any, to be deposited from the proceeds of sale of such Series of Bonds in the Interest Account;
- (8) The amount, if any, to be deposited from the proceeds of sale of such Series of Bonds in a Reserve Account in order to increase the amount on deposit in such Reserve Account after the delivery of such Series of Bonds to an amount equal to the Reserve Requirement applicable to such Reserve Account;
- (9) The amounts, if any, to be deposited from the proceeds of sale of such Series of Bonds in the separate account for such Series of Bonds to be established and maintained in the Project Fund and in the separate account for such Series of Bonds to be established and maintained in the Costs of Issuance Fund; and
- (10) Such other provisions that are appropriate or necessary and are not inconsistent with the provisions hereof, including tax covenants if interest on such Series of Bonds is intended to be excluded from gross income for federal income tax purposes;

(b) The Authority shall be in compliance with all agreements, conditions, covenants and terms contained herein and in all Supplemental Indentures required to be observed

or performed by it, and no Event of Default shall have occurred and shall be then continuing (except that the Authority may at any time issue refunding bonds to cure any Event of Default which may then be existing); and

(c) A Supplemental Contract shall have been executed and delivered which shall provide for Installment Payments thereunder sufficient to amortize such Series of Bonds in accordance with the Supplemental Indenture authorizing the issuance of such Series of Bonds.

SECTION 2.03. Procedure for the Issuance of a Series of Bonds. At any time after the sale of any Series of Bonds in accordance with the Act or other applicable law, such Series of Bonds shall be executed by the Authority and shall be delivered to the Trustee and thereupon shall be authenticated and delivered by the Trustee, but (except for the first Series of Bonds issued hereunder) only upon receipt by the Trustee of the following documents or money:

(a) An executed copy of the Supplemental Indenture authorizing the issuance of such Series of Bonds;

(b) A Written Request of the Authority as to the delivery of such Series of Bonds;

(c) An Opinion of Counsel to the effect that (i) this Master Indenture and the Supplemental Indenture relating to such Series of Bonds have been duly executed and delivered by the Authority and constitute the valid and binding obligations of the Authority (except as may be limited by bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium and other laws relating to or affecting creditors' rights, by the application of equitable principles, by the exercise of judicial discretion in appropriate cases and by the limitations on legal remedies against governmental entities such as the Authority in the State); and (ii) such Series of Bonds constitute valid and binding limited obligations of the Authority (except as may be limited by bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium and other laws relating to or affecting creditors' rights, by the application of equitable principles, by the exercise of judicial discretion in appropriate cases and by the limitations on legal remedies against governmental entities such as the Authority in the State);

(d) A Certificate of the Authority containing such statements as may be reasonably necessary to show compliance with the requirements of Section 2.02;

(e) The proceeds of sale of such Series of Bonds; and

(f) Such further documents or money as are required by the provisions of the Supplemental Indenture authorizing the issuance of such Series of Bonds

SECTION 2.04. Costs of Issuance Fund. There is hereby created a fund to be known as the "City of San José Financing Authority Wastewater Revenue Bonds Costs of Issuance Fund," which fund shall be maintained by the Trustee, into which fund shall be deposited (in a separate account to be maintained therein) the amounts required to be deposited therein by the provisions of each Supplemental Indenture providing for the issuance of each Series of Bonds. All money in each separate account in the Costs of Issuance Fund shall be used and withdrawn by the Trustee to pay the Costs of Issuance of the Series of Bonds for which such account was created

upon receipt of a Written Request of the Authority filed with the Trustee, each of which shall be sequentially numbered and shall state the person to whom payment is to be made, the amount to be paid, the purpose for which the obligation was incurred and that such payment is a proper charge against such account; provided, that any remaining balance in the separate account in the Costs of Issuance Fund created in connection with the issuance of such Series of Bonds (after the completion of the payment of the Costs of Issuance of such Series of Bonds) shall either be deposited by the Trustee to the separate account in the Project Fund established and maintained for such Series of Bonds, if any, or deposited by the Trustee in the Revenue Fund, all as specified in either the Supplemental Indenture providing for the creation of such separate account in the Costs of Issuance Fund or in a Written Request of the Authority instructing the Trustee with respect to the application of the remaining balance in such separate account of the Costs of Issuance Fund.

SECTION 2.05. Project Fund. There is hereby created a fund to be known as the “City of San José Financing Authority Wastewater Revenue Bonds Project Fund,” which fund shall be maintained by the Trustee, into which fund shall be deposited (in a separate account to be maintained therein) the amounts, if any, required to be deposited therein by the provisions of each Supplemental Indenture providing for the issuance of each Series of Bonds. All money in each separate account in the Project Fund shall be used and withdrawn by the Trustee to pay the costs of Projects upon receipt of a Written Request of the Authority filed with the Trustee, each of which shall be sequentially numbered and shall state the person to whom payment is to be made (which may be the City), the amount to be paid, the purpose for which the obligation was incurred and that such payment is a proper charge against such account; provided, that any remaining balance in the separate account in the Project Fund created in connection with the issuance of such Series of Bonds (after the completion of the payment of the costs of the Projects for which such Series of Bonds was issued, as determined by the Authority in a Written Certificate of the Authority) shall be deposited by the Trustee in the Revenue Fund.

ARTICLE III

TERMS AND PROVISIONS OF BONDS

SECTION 3.01. Terms of Bonds.

(a) The interest on and the principal of and the redemption premiums, if any, on the Bonds shall be payable in lawful money of the United States of America at the Corporate Trust Office of the Trustee.

(b) The Bonds of each Series of Bonds shall be issued as fully registered Bonds in such denominations as may be authorized in the Supplemental Indenture authorizing the issuance of such Series of Bonds (but not to exceed the principal amount of Bonds of such Series of Bonds maturing on any one date) and shall be dated as provided in the Supplemental Indenture authorizing the issuance of such Series of Bonds and shall be numbered as determined by the Authority.

(c) Unless otherwise provided for a Series of Bonds in a Supplemental Indenture, the Bonds shall bear interest computed on the basis of a 360-day year of twelve (12) 30-day calendar months from the Interest Payment Date next preceding the date of authentication

thereof, unless such date of authentication is an Interest Payment Date or is during the period from the day after the Record Date preceding an Interest Payment Date to such Interest Payment Date, both days inclusive, in which event they shall bear interest from such Interest Payment Date, or unless such date of authentication is prior to the Record Date for the first Interest Payment Date, in which event they shall bear interest from their date; provided, that if at the time of authentication of any Bond interest is then in default on any Outstanding Bonds, such Bonds shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment on such Outstanding Bonds. Payment of interest on the Bonds due on or before the maturity or prior redemption thereof shall be made to the person whose name appears in the bond registration books kept by the Trustee pursuant to Section 3.05 as the registered owner thereof as of the close of business on the Record Date for each Interest Payment Date, whether or not such day is a Business Day, and shall be paid by check mailed on such Interest Payment Date by first class mail to such Holder at the address of such Holder as it appears in such registration books; provided, that upon the written request of any Holder of one million dollars (\$1,000,000) or more in aggregate principal amount of Bonds received by the Trustee prior to the applicable Record Date (which such request shall remain in effect until rescinded in writing by such Holder), interest shall be paid on each Interest Payment Date by wire transfer of immediately available funds to an account maintained in any state or national bank or trust company in the United States of America that is a member of the Federal Reserve System designated in writing by such Holder. Payment of the principal of and the redemption premiums, if any, on the Bonds shall be made only to the person whose name appears in the registration books required to be kept by the Trustee pursuant to Section 3.05 as the registered owner thereof, such principal and redemption premiums, if any, to be paid only on the surrender of the Bonds at the Corporate Trust Office of the Trustee at maturity or on redemption prior to maturity.

(d) The Bonds shall recite in substance that they are limited obligations of the Authority and that the interest on and the principal of and the redemption premiums, if any, on the Bonds are payable solely from the Revenues and the other funds provided herein for such payment, and that the Authority is not obligated to pay the Bonds except from the Revenues and such other funds; that the general fund of the Authority is not liable and the full faith and credit of the Authority is not pledged for the payment of the interest on or the principal of or the redemption premiums, if any, on the Bonds, and that no tax or assessment shall ever be levied or collected to pay the interest on or the principal of or the redemption premiums, if any, on the Bonds; that the Bonds are not secured by a legal or equitable pledge of or charge, lien or encumbrance upon any of the property of the Authority or any of its income or receipts except the money in the Revenue Fund and such other funds; that neither the payment of the interest on or the principal of or the redemption premiums, if any, on the Bonds is a general debt, liability or obligation of the Authority; and that the Bonds do not constitute an indebtedness of the Authority within the meaning of any constitutional or statutory debt limitation or restriction, and neither the Authority nor any officer or employee thereof shall be liable for the payment of the interest on or the principal of or the redemption premiums, if any, on the Bonds otherwise than from the Revenues and such other funds as provided herein.

SECTION 3.02. Execution of Bonds. The Bonds shall be executed on behalf of the Authority by the manual or a facsimile signature of an Authorized Representative of the Authority. In case any officer of the Authority who shall have executed any of the Bonds shall cease to be such officer before the Bonds so executed shall have been delivered to the purchaser

by the Trustee, such Bonds may nevertheless be delivered and issued and, upon such delivery and issuance, shall be as binding upon the Authority as though the officer who executed the same had continued to be such officer until such delivery and issuance. Also, any Bond may be executed on behalf of the Authority by any Authorized Representative of the Authority who on the actual date of the execution of such Bond shall be the proper Authorized Representative of the Authority, although on the nominal date of such Bond such person shall not have been such Authorized Representative of the Authority.

Only those Bonds bearing thereon a certificate of authentication, executed manually and dated by the Trustee, shall be entitled to any benefit, protection or security hereunder or be valid or obligatory for any purpose, and such certificate of the Trustee shall be conclusive evidence that the Bonds so authenticated have been duly executed and delivered hereunder and are entitled to the benefit, protection and security hereof.

SECTION 3.03. Transfer and Payment of Bonds. Any Bond may, in accordance with its terms, be transferred in the books required to be kept pursuant to the provisions of Section 3.05 by the person in whose name it is registered, in person or by such person's duly authorized attorney, upon surrender of such Bonds for cancellation accompanied by delivery of a duly executed written instrument of transfer in a form acceptable to the Trustee. Whenever any Bonds or Bonds shall be surrendered for transfer, the Authority shall execute and the Trustee shall authenticate and deliver to the transferee a new Bond or Bonds of the same Series of Bonds of the same maturity date for a like aggregate principal amount thereof. All costs of printing Bonds and any services rendered or expenses incurred by the Trustee in connection with any such transfer shall be paid by the Authority; provided, that the Trustee shall require the payment by the Holder requesting such transfer of any tax or other governmental charge required to be paid with respect to such transfer as a condition precedent to the exercise of such privilege.

The Authority and the Trustee may deem and treat the registered owner of any Bond as the absolute owner of such Bond for the purpose of receiving payment thereof and for all other purposes, whether such Bond shall be overdue or not, and neither the Authority nor the Trustee shall be affected by any notice or knowledge to the contrary; and payment of the interest on and the principal of and the redemption premium, if any, on such Bond shall be made only to such registered owner, which payments shall be valid and effectual to satisfy and discharge liability on such Bond to the extent of the sum or sums so paid.

The Trustee shall not be required to register the transfer of any Bond which has been selected for redemption, in whole or in part, from and after the day of mailing a notice of redemption of such Bond selected for redemption in whole or in part as provided in Section 4.03.

SECTION 3.04. Exchange of Bonds. The Bonds may be exchanged at the Corporate Trust Office of the Trustee for a like aggregate principal amount of Bonds of the same Series of Bonds of the same maturity date of other authorized denominations, and all costs of printing Bonds and any services rendered or expenses incurred by the Trustee in connection with any such exchange shall be paid by the Authority; provided, that the Trustee shall require the payment by the Holder requesting such exchange of any tax or other governmental charge required to be paid with respect to such exchange as a condition precedent to the exercise of such privilege. The Trustee shall not be required to exchange any Bond which has been selected for redemption,

in whole or in part, from and after the day of mailing of a notice of redemption of such Bond selected for redemption in whole or in part as provided in Section 4.03.

SECTION 3.05. Bond Registration Books. The Trustee will keep at its Corporate Trust Office sufficient books for the registration, transfer and exchange of the Bonds which shall during normal business hours upon reasonable notice be open to inspection by the Authority, and upon presentation for such purpose the Trustee shall, under such reasonable regulations as it may prescribe, register the transfer of or exchange the Bonds in such books as hereinabove provided.

SECTION 3.06. Mutilated, Destroyed, Stolen or Lost Bonds. If any Bond shall become mutilated, the Trustee, at the expense of the Holder, shall thereupon authenticate and deliver a new Bond of the same Series of Bonds of like tenor and amount in exchange and substitution for the Bond so mutilated, but only upon surrender to the Trustee of the Bond so mutilated, and every mutilated Bond so surrendered to the Trustee shall be cancelled by the Trustee.

If any Bond shall be lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the Trustee and, if such evidence be satisfactory to the Trustee and indemnity satisfactory to the Trustee shall be given, the Trustee, at the expense of the Holder, shall thereupon authenticate and deliver a new Bond of the same Series of Bonds of like tenor in lieu of and in substitution for the Bond so lost, destroyed or stolen.

The Trustee may require payment of a reasonable sum for each new Bond issued under this section and of the expenses which may be incurred by the Authority and the Trustee in the premises. Any Bond issued under the provisions of this section in lieu of any Bond alleged to be lost, destroyed or stolen shall be equally and proportionately entitled to the benefits hereof with all other Bonds secured hereby, and neither the Authority nor the Trustee shall be required to treat both the original Bond and any replacement Bond as being Outstanding for the purpose of determining the principal amount of Bonds which may be issued hereunder or for the purpose of determining any percentage of Bonds Outstanding hereunder, but both the original and replacement Bond shall be treated as one and the same.

SECTION 3.07. Temporary Bonds. The Bonds issued hereunder may be initially issued in temporary form exchangeable for definitive Bonds when ready for delivery, which temporary Bonds may be typewritten, shall be of such denominations as may be determined by the Authority, shall be in fully registered form and shall contain such reference to any of the provisions hereof as may be appropriate, and every temporary Bond shall be executed and authenticated as authorized by the Authority in accordance with the terms hereof. If the Authority issues temporary Bonds it will execute and furnish definitive Bonds without delay and thereupon the temporary Bonds may be surrendered, for cancellation, in exchange therefor at the Corporate Trust Office of the Trustee, and the Trustee shall deliver in exchange for such temporary Bonds an equal aggregate principal amount of definitive Bonds of authorized denominations, and until so exchanged, the temporary Bonds shall be entitled to the same benefits hereunder as definitive Bonds delivered hereunder.

SECTION 3.08. Use of Book-Entry System for Bonds. Unless otherwise provided in a Supplemental Indenture delivered in connection with a Series of Bonds, the following provisions apply notwithstanding any provision of this Master Indenture to the contrary:

(a) The Bonds of each Series shall be initially registered in the name of “Cede & Co.” as nominee of the Securities Depository and shall be evidenced by one bond certificate for each maturity of each Series of Bonds bearing interest at a particular rate of interest per annum. Registered ownership of any Series of Bonds, or any portion thereof, may not thereafter be transferred except:

(1) To any successor of the Securities Depository or its nominee, or to any substitute depository designated pursuant to Section 3.08(a)(2) (each, a “substitute depository”); provided that any successor of the Securities Depository or substitute depository shall be qualified under any applicable laws to provide the service proposed to be provided by it;

(2) To any substitute depository designated by the Authority upon (a) the resignation of the Securities Depository or its successor (or any substitute depository or its successor) from its functions as depository or (b) a determination by the Authority that the Securities Depository or its successor (or any substitute depository or its successor) is no longer able to carry out its functions as depository, provided that any such substitute depository shall be qualified under any applicable laws to provide the services proposed to be provided by it; or

(3) To any person designated by the Authority, upon (a) the resignation of the Securities Depository or its successor (or substitute depository or its successor) from its functions as depository, provided that no substitute depository can be obtained; or (b) to the extent permitted by law, a determination by the Authority that it is in the best interests of the Authority to remove the Securities Depository or its successor (or any substitute depository or its successor) from its functions as depository.

(b) In the case of any transfer pursuant to Section 3.08(a)(1) or 3.08(a)(2), upon receipt of the Outstanding Bonds by the Trustee, together with a Written Request of the Authority to the Trustee, a single new Bond for each maturity of each Series of Bonds bearing a particular rate of interest per annum then Outstanding shall be executed and delivered in the aggregate principal amount of the Bonds of such Series then Outstanding, registered in the name of such successor or such substitute depository, or their nominees, as the case may be, all as specified in such Written Request of the Authority. In the case of any transfer pursuant to Section 3.08(a)(3), upon receipt of the Outstanding Bonds by the Trustee together with the Written Request of the Authority to the Trustee, new Bonds of each Series then Outstanding shall be authorized and prepared by the Authority and authenticated and delivered by the Trustee in such authorized denominations and registered in the names of such persons as are requested in such Written Request of the Authority, numbered in such manner as the Trustee shall determine.

(c) In the case of partial redemption or an advance refunding of any Series of the Bonds evidencing all or a portion of such amount Outstanding, the Securities Depository shall

make an appropriate notation on such Bonds indicating the date and amounts of such reduction in principal, in form acceptable to the Trustee.

(d) The Authority and the Trustee shall be entitled to treat the person in whose name any Bond is registered as the Holder thereof for all purposes of this Master Indenture and any applicable laws, notwithstanding any notice to the contrary received by the Trustee or the Authority; and the Authority and the Trustee shall have no responsibility for transmitting payments to, communicating with, or notifying or otherwise dealing with any beneficial owners of the Bonds. Neither the Authority nor the Trustee will have any responsibility or obligations, legal or otherwise, to the beneficial owners or to any other party including the Securities Depository or its successor (or substitute depository or its successor), except for the Holder of any Bond.

(e) So long as the Outstanding Bonds are registered in the name of Cede & Co. or its registered assign, the Authority and the Trustee shall cooperate with Cede & Co. or its registered assign as sole registered Holder in effecting payment of the principal of, and redemption premium (if any), and interest on, the Bonds by arranging for payment in such manner that funds for such payments are properly identified and are made immediately available on the date they are due.

SECTION 3.09. Destruction of Cancelled Bonds. Whenever in this Master Indenture provision is made for return to the Trustee of any Bonds which have been cancelled pursuant to the provisions of this Master Indenture, the Trustee shall destroy those Bonds and provide to the Authority a certificate of such destruction.

ARTICLE IV

REDEMPTION OF BONDS

SECTION 4.01. Privilege of Redemption of Bonds. Any Series of Bonds subject to redemption by the Authority prior to maturity pursuant to a Supplemental Indenture shall be redeemable, upon notice being given as provided in this article, at such times, upon payment of such redemption premiums, if any, and upon such terms (in addition to and consistent with the terms contained in this article) as may be prescribed in the Supplemental Indenture authorizing the issuance of such Series of Bonds.

SECTION 4.02. Selection of Bonds for Redemption. Unless otherwise provided for a Series of Bonds in a Supplemental Indenture, if less than all the Outstanding Bonds of any Series of Bonds are to be redeemed at the option of the Authority at any one time, the Authority shall select the maturity date or dates of the Bonds of such Series of Bonds to be redeemed, and (subject to the foregoing) if less than all the Outstanding Bonds of any Series of Bonds maturing by their terms on any one maturity date are to be redeemed at any one time, the Trustee shall select by lot the Bonds of such Series of Bonds or the portions thereof of such maturity date to be redeemed in integral multiples of five thousand dollars (\$5,000). The Authority shall notify the Trustee in writing at least five (5) Business Days prior to the date fixed by the Authority for the selection by the Trustee of any Bonds for redemption, and after such selection the Trustee shall promptly notify the Authority in writing of the numbers of the Bonds selected for redemption in whole or in part.

SECTION 4.03. Notice of Redemption. Unless otherwise provided for a Series of Bonds in a Supplemental Indenture, notice of redemption shall be mailed by first-class mail by the Trustee, not less than twenty (20) nor more than sixty (60) days prior to the redemption date, to the respective Holders of the Bonds designated for redemption at their addresses appearing on the registration books of the Trustee. Each notice of redemption shall state the date of such notice, the Series of Bonds to be redeemed, the date of the Bonds, the redemption date, the redemption price, the place of redemption (including the name and appropriate address of the Corporate Trust Office of the Trustee), the CUSIP number (if any) of the maturity or maturities, and, if less than all of any such maturity is to be redeemed, the distinctive numbers of the Bonds of such maturity to be redeemed and, in the case of Bonds to be redeemed in part only, the respective portions of the principal amount thereof to be redeemed. Each such notice shall also state that on the redemption date there will become due and payable on each of the Bonds to be redeemed the redemption price thereof, and in the case of a Bond to be redeemed in part only, the specified portion of the principal amount thereof to be redeemed, together with interest accrued thereon to the redemption date, and that from and after such redemption date interest thereon shall cease to accrue, and each such notice shall require that such Bonds be then surrendered at the address of the Trustee specified in the redemption notice; provided, that neither failure to receive any such notice nor any immaterial defect contained therein shall invalidate any of the proceedings taken in connection with such redemption.

Any notice of redemption may be rescinded by written notice given to the Trustee by the Authority no later than two (2) Business Days prior to the date specified for redemption, and the Trustee shall give notice of such rescission as soon thereafter as practicable in the same manner, and to the same persons, as the notice of such redemption was given as described above.

With respect to any notice of optional redemption of Bonds delivered pursuant to this Section 4.03 or any provision of any Supplemental Indenture, unless, upon the giving of such notice, such Bonds shall be deemed to have been paid within the meaning of Section 10.01, such notice shall state that such redemption shall be conditional upon the receipt by the Trustee on or prior to the date fixed for such redemption of amounts sufficient to pay the principal of, and premium (if any) and interest on, such Bonds to be redeemed and that if such amounts shall not have been so received the notice shall be of no force and effect and the Authority shall not be required to redeem such Bonds. The Authority may also instruct the Trustee to provide conditional notice of optional redemption, which may be conditioned on the occurrence of any other event if such notice states that if such event does not occur the notice shall be of no force and effect and the Authority shall not be required to redeem such Bonds. In the event that such notice of optional redemption contains such a condition and such amounts are not so received or such event does not occur, the optional redemption shall not be made and the Trustee shall, within a reasonable time thereafter, give notice to the Holders to the effect that such amounts were not so received or such event did not occur and such redemption was not made, such notice to be given by the Trustee in the manner in which the notice of redemption was given. Such failure to optionally redeem such Bonds shall not constitute an Event of Default.

SECTION 4.04. Partial Redemption of Bonds. Upon surrender of any Bond redeemed in part only, the Authority shall execute and the Trustee shall authenticate and deliver to the registered owner thereof (at the expense of the Authority) a new Bond or Bonds of the same

Series of Bonds and maturity date and of authorized denominations equal in aggregate principal amount to the unredeemed portion of the Bond surrendered.

SECTION 4.05. Effect of Redemption of Bonds. If notice of redemption has been duly given as aforesaid and money for the payment of the principal of and redemption premiums, if any, on, together with interest to the redemption date on, the Bonds or portions thereof so called for redemption is held by the Trustee, then on the redemption date designated in such notice such Bonds or such portions thereof shall become due and payable, and from and after the date so designated interest on the Bonds or such portions thereof so called for redemption shall cease to accrue and the Holders of such Bonds shall have no rights in respect thereof except to receive payment of the principal or such portions thereof and the redemption premiums, if any, thereon and the interest accrued thereon to the redemption date.

ARTICLE V

REVENUES

SECTION 5.01. Assignment and Pledge of Revenues. Subject only to the provisions of this Indenture permitting the application thereof for the purposes and on the terms and conditions set forth herein, the Authority hereby pledges and assigns to the Trustee for the benefit of the Holders of the Bonds all of the Revenues and any other amounts (including proceeds of the sale of the Bonds) held in any fund or account established pursuant to this Indenture (except the Rebate Fund) to secure the payment of the principal of, redemption premiums, if any, and interest on the Bonds in accordance with their terms and the provisions of this Indenture. The Revenues and such other amounts shall not be used for any other purpose while any of the Bonds remain Outstanding; provided, that out of the Revenues there may be applied such sums for such purposes as are permitted hereunder. Said pledge shall constitute a lien on and security interest in such assets and shall attach, be perfected and be valid and binding from and after delivery by the Trustee of the Bonds, without any physical delivery thereof or further act.

In order to secure the pledge of the Revenues hereunder, the Authority hereby transfers, conveys and assigns to the Trustee, for the benefit of the Holders, all of the Authority's rights under the Installment Purchase Contract, including all Supplemental Contracts (excepting any of its rights to indemnification thereunder), including the right to receive the Installment Payments from the City, and the right to exercise any remedies provided therein in the event of a default by the City thereunder. The Trustee hereby accepts said assignment for the benefit of the Holders subject to the provisions of this Master Indenture.

SECTION 5.02. Receipt and Deposit of Revenues in the Revenue Fund. In order to carry out and effectuate the pledge, charge and lien contained herein, the Authority agrees and covenants that all Revenues when and as received by it will be forthwith transferred by it to the Trustee for deposit in the "City of San José Financing Authority Wastewater Revenue Bonds Revenue Fund," which fund is hereby established and shall be maintained by the Trustee so long as any Bonds are Outstanding hereunder. All money in the Revenue Fund shall be accounted for through and held in trust in the Revenue Fund by the Trustee, and the Authority shall have no beneficial right or interest in any money in the Revenue Fund except only as herein provided. All Revenues, whether received by the Authority or deposited with the Trustee as herein provided,

shall nevertheless be allocated, applied and disbursed solely to the purposes and uses hereinafter in this article set forth, and shall be accounted for separately and apart from all other accounts, funds, money or other resources of the Authority.

SECTION 5.03. Establishment and Maintenance of Accounts for Use of Money in the Revenue Fund. All money in the Revenue Fund shall be set aside by the Trustee in the following respective special accounts within the Revenue Fund in the following order of priority:

(a) Interest Account (which is hereby created and which the Trustee hereby covenants and agrees to cause to be maintained so long as any Bonds are Outstanding hereunder),

(b) Redemption Account (including the Principal Subaccount and the Sinking Fund Subaccount therein) (which is hereby created and which the Trustee hereby covenants and agrees to cause to be maintained so long as any Bonds are Outstanding hereunder), and

(c) Reserve Accounts, if any (established pursuant to any Supplemental Indenture).

All money in each of such accounts shall be held in trust by the Trustee and shall be applied, used and withdrawn only for the purposes hereinafter authorized in this section.

Notwithstanding anything to the contrary set forth herein, any subaccounts of the Redemption Account shall be established by the Trustee only if and when needed, and the Trustee is hereby authorized to establish such subaccounts at such times.

(a) Interest Account. On each Interest Payment Date, the Trustee shall set aside from the Revenue Fund and deposit in the Interest Account an amount of money equal to the aggregate amount of interest becoming due and payable on all Outstanding Bonds on such Interest Payment Date; provided, that no such deposit need be made in the Interest Account if the amount contained therein is at least equal to the aggregate amount of interest becoming due and payable on all Outstanding Bonds on such Interest Payment Date.

All money in the Interest Account shall be used and withdrawn by the Trustee solely for the purpose of paying the interest on the Bonds as it shall become due and payable (including accrued interest on any Bonds purchased for cancellation or redeemed prior to maturity).

(b) Redemption Account. On each Principal Payment Date, the Trustee shall set aside from the Revenue Fund and deposit in the Principal Subaccount in the Redemption Account (which subaccount is hereby created (except as set forth above) and which the Trustee hereby covenants and agrees to cause to be maintained so long as any Serial Bonds shall be Outstanding) an amount of money equal to the aggregate principal amount of all Outstanding Serial Bonds maturing on such Principal Payment Date, and on each Sinking Fund Payment Date, the Trustee shall set aside from the Revenue Fund and deposit in the Sinking Fund Subaccount in the Redemption Account (which subaccount (except as set forth above) is hereby created and which the Trustee hereby covenants and agrees to cause to be maintained so long as any Term Bonds shall be Outstanding) an amount of money equal to the aggregate Sinking Fund Account

Payments required to be deposited therein on such Sinking Fund Payment Date for all Outstanding Term Bonds; provided, that the aforesaid payments into the Redemption Account shall be made without priority of any one payment over any other payment, and in the event that the money in the Revenue Fund on any Principal Payment Date or Sinking Fund Payment Date is not equal to the aggregate principal amount of all Outstanding Serial Bonds maturing on such Principal Payment Date plus the aggregate Sinking Fund Account Payments required to be deposited in the Sinking Fund Subaccount on such Sinking Fund Payment Date, then such money shall be applied pro rata in the proportion that such principal and Sinking Fund Account Payments bear to each other; and provided further, that no such deposit need be made in the Redemption Account if the amount contained in the Principal Subaccount therein is at least equal to the aggregate principal amount of all Outstanding Serial Bonds maturing on such Principal Payment Date and the amount contained in the Sinking Fund Subaccount therein is at least equal to the aggregate Sinking Fund Account Payments required to be deposited therein on such Sinking Fund Payment Date for all Outstanding Term Bonds.

All money in the Principal Subaccount in the Redemption Account shall be used and withdrawn by the Trustee solely for the purpose of paying the principal of the Serial Bonds as they shall become due and payable, whether at maturity or on prior redemption upon the notice and in the manner provided in Article III, and all money in the Sinking Fund Subaccount in the Redemption Account shall be used and withdrawn by the Trustee solely for the purpose of redeeming the Term Bonds, and with respect to the Sinking Fund Subaccount, on each Sinking Fund Payment Date the Trustee shall apply the Sinking Fund Account Payment required to be made on such date to the redemption of the Term Bonds upon the notice and in the manner provided in Article III or for the payment at maturity of the Term Bonds; provided, that at any time prior to selection of Term Bonds for such redemption the Trustee shall, upon receipt of a Written Request of the Authority, apply any money in the Sinking Fund Subaccount to the purchase for cancellation of Term Bonds at public or private sale as and when and at such prices (including brokerage and other charges, but excluding accrued interest, which is payable from the Interest Account) as directed in such Written Request of the Authority, except that the purchase price (excluding accrued interest) shall not exceed the redemption price that would be payable for the Term Bonds upon redemption by application of such Sinking Fund Account Payment, and if during the twelve-month period immediately preceding any Sinking Fund Payment Date the Trustee has purchased for cancellation any Term Bonds with money in the Sinking Fund Subaccount, the principal amount of such Term Bonds so purchased for cancellation shall be applied to the extent of the full principal amount thereof to reduce the Sinking Fund Account Payment due on such Sinking Fund Payment Date.

(c) Reserve Accounts. On each Interest Payment Date, the Trustee shall set aside from the remaining money in the Revenue Fund and deposit in each Reserve Account, if any, an amount of money equal to the amount, if any, necessary to restore the amount on deposit in such Reserve Account to the applicable Reserve Requirement (including any amounts necessary to reinstate the amount of any Reserve Facility held in any such Reserve Account); provided, that no deposit need be made in any Reserve Account if the amount contained therein is at least equal to the applicable Reserve Requirement; and provided further, that, unless otherwise specified with respect to a Reserve Account in the Supplemental Indenture establishing such Reserve Account, if at any time the amount on deposit in any Reserve Account is in excess of the applicable Reserve Requirement, such excess shall be withdrawn from such Reserve Account and deposited in the

Revenue Fund; and provided further, that the aforesaid payments into each Reserve Account, if any, shall be made without priority of any one payment over any other payment, and in the event that the money in the Revenue Fund on any Interest Payment Date is not equal to the aggregate amount required to be deposited to all Reserve Accounts, if any, on such Interest Payment Date, then such money shall be applied pro rata in the proportion that such required deposits bear to each other.

Unless otherwise specified with respect to a Reserve Account in the Supplemental Indenture establishing such Reserve Account, all money in any Reserve Account shall be used and withdrawn by the Trustee solely for the purpose of paying the interest on and the principal of the Bonds secured by such Reserve Account as such interest and principal shall become due and payable in the event the money in the Interest Account and the Redemption Account is at any time insufficient for such purpose (or to reinstate any Reserve Facility on deposit in such Reserve Account that was previously used for such purpose), or for the retirement of all Bonds secured by such Reserve Account then Outstanding.

Unless otherwise specified with respect to a Reserve Account in the Supplemental Indenture establishing such Reserve Account, on any date on which Bonds of a Series are redeemed, or defeased in accordance with Article X hereof, and upon request of the Authority, the Trustee shall apply any moneys in the related Reserve Account, if any, in excess of the applicable Reserve Requirement resulting from such redemption or defeasance to such redemption or defeasance.

Unless otherwise specified with respect to a Reserve Account in the Supplemental Indenture establishing such Reserve Account, moneys, if any, on deposit in a Reserve Account shall be withdrawn and applied by the Trustee for the final payments of the principal and interest on the Series of Bonds secured by such Reserve Account.

Notwithstanding anything herein to the contrary, at the option of the Authority, any deposit required to be made to any Reserve Account will be deemed satisfied and amounts required to be held in any Reserve Account may be withdrawn, in whole or in part, upon the deposit of a Reserve Facility with the Trustee upon such terms and conditions as are specified in the Supplemental Indenture establishing such Reserve Account. Unless otherwise specified with respect to a Reserve Account in the Supplemental Indenture establishing such Reserve Account, any money so withdrawn from any Reserve Account shall be transferred upon the Written Request of the Authority, subject to the requirements of any applicable Tax Certificate.

ARTICLE VI

COVENANTS OF THE AUTHORITY

SECTION 6.01. Punctual Payment and Performance. The Authority will punctually pay the interest on and the principal of and the redemption premium, if any, due on each Bond issued hereunder from the Revenues in strict conformity with the terms hereof and of the Bonds, and will faithfully observe and perform all the agreements, conditions, covenants and terms required to be observed or performed by it contained herein and in the Bonds.

SECTION 6.02. Against Encumbrances. The Authority will not make any pledge of or place any charge or lien upon the Revenues except as provided herein, and will not issue any bonds, notes or obligations payable from the Revenues or secured by a pledge of or charge or lien upon the Revenues except the Bonds.

SECTION 6.03. Tax Covenants; Rebate Fund.

(a) The Authority shall not use or permit the use of any proceeds of the Tax-Exempt Bonds or any funds of the Authority, directly or indirectly, to acquire any securities or obligations and shall not take or permit to be taken any other action or actions which would cause any Tax-Exempt Bonds to be “arbitrage bonds” within the meaning of Section 148 of the Code, “private activity bonds” within the meaning of Section 141(a) of the Code or “federally guaranteed” within the meaning of Section 149(b) of the Code and any applicable requirements promulgated from time to time thereunder and under Section 103(c) of the Code; and the Authority shall not use or permit the use of any proceeds of the Tax-Exempt Bonds or any funds of the Authority, directly or indirectly, in any manner and shall not take or omit to take any action that would cause any of the Tax-Exempt Bonds to be treated as an obligation not described in Section 103(a) of the Code; and the Authority shall comply with all requirements of Sections 148 and 149(b) of the Code to the extent applicable to the Tax-Exempt Bonds; provided, that notwithstanding any provisions of this section, if the Authority shall receive an Opinion of Counsel 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 with respect to the Tax-Exempt Bonds, the Authority may conclusively rely on such opinion in complying with the requirements of this section, and the covenants hereunder shall be deemed to be modified to that extent; and provided further, that in the event that at any time the Authority is of the opinion that for purposes of this section it is necessary to restrict or limit the yield on the investment of an money held by the Trustee hereunder, the Authority shall so instruct the Trustee in writing and the Trustee shall take such action as may be necessary in accordance with such instructions.

(b) Without limiting the generality of the foregoing, the Authority will pay from time to time all amounts required to be rebated to the United States of America pursuant to Section 148(f) of the Code and all regulations of the United States Department of the Treasury issued thereunder to the extent that such regulations are, at the time, applicable and in effect, which obligation shall survive payment in full or defeasance of the Tax-Exempt Bonds; and to that end, the Authority agrees and covenants to establish and maintain with the Trustee a fund separate from any other fund or account established and maintained hereunder designated the “City of San José Financing Authority Wastewater Revenue Bonds Rebate Fund,” and there shall be deposited in the Rebate Fund such amounts as are required to be deposited therein pursuant to the Tax Certificates. The Authority covenants to comply with all provisions and procedures of the Tax Certificates with respect to making deposits in the Rebate Fund, and all money held in the Rebate Fund is pledged to provide payments to the United States of America as provided herein and in the Tax Certificates, and no other person shall have claim to such money except as provided in the Tax Certificates; provided, that notwithstanding anything to the contrary contained herein or in the Tax Certificates, the Trustee (i) shall be deemed conclusively to have complied with the provisions thereof if it follows all Written Requests of the Authority, (ii) shall have no liability or responsibility to enforce compliance by the Authority with the terms of the Tax Certificates,

(iii) may rely conclusively on the Authority's calculations and determinations and certifications relating to rebate matters, and (iv) shall have no responsibility to independently make any calculations or determinations or to review or examine the Authority's calculations or determinations or other information required by the Tax Certificates to be made or kept by the Authority.

(c) This Section 6.03 shall only apply to Tax-Exempt Bonds.

SECTION 6.04. Accounting Records and Reports. The Authority will keep or cause to be kept proper books of record and accounts in which complete and correct entries shall be made of all transactions relating to the receipts, disbursements, allocation and application of the Revenues, and such books shall be available for inspection by any Holder and by the Trustee at reasonable hours and under reasonable conditions.

SECTION 6.05. Prosecution and Defense of Suits. The Authority will defend against every suit, action or proceeding at any time brought against the Trustee upon any claim to the extent arising out of the receipt, application or disbursement of any of the Revenues or to the extent involving the failure of the Authority to fulfill its obligations hereunder; provided, that the Trustee or any Holder at its election may appear in and defend any such suit, action or proceeding. To the extent permitted by law, the Authority will indemnify and hold harmless the Trustee against any and all liability claimed or asserted by any person to the extent arising out of any such failure by the Authority, and will indemnify and hold harmless the Trustee against any attorney's fees or other expenses which it may incur in connection with any litigation to which it may become a party by reason of its actions hereunder, except for any loss, cost, damage or expense resulting from the active or passive negligence, willful misconduct or breach of duty by the Trustee.

SECTION 6.06. Continuing Disclosure. The City has undertaken or will undertake all responsibility for compliance with continuing disclosure requirements, and accordingly the Authority shall have no liability to the Holders of the Bonds or any other person with respect to S.E.C. Rule 15c2-12, and the City shall comply with and carry out all of the provisions of each of the Continuing Disclosure Certificates, and any failure of the City to comply with the Continuing Disclosure Certificates shall not be considered an Event of Default hereunder; provided, that the Trustee may and, at the request of the Holders of at least twenty-five percent (25%) in aggregate principal amount of the Outstanding Bonds, shall, or any Holder of any of the Bonds may, take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the City to comply with its obligations thereunder.

SECTION 6.07. Further Assurances. Whenever and so often as reasonably requested to do so by the Trustee or any Holder, the Authority will promptly execute and deliver or cause to be executed and delivered all such other and further assurances, documents or instruments, and promptly do or cause to be done all such other and further things as may be necessary or reasonably required in order to further and more fully vest in the Holders all rights, interests, powers, benefits, privileges and advantages conferred or intended to be conferred upon them hereby.

ARTICLE VII

THE TRUSTEE

SECTION 7.01. The Trustee. Wilmington Trust, National Association is hereby appointed as the original Trustee for the Bonds for the purpose of receiving all money which the Authority is required to deposit with the Trustee hereunder and for the purpose of allocating, applying and using such money as provided herein and for the purpose of paying the interest on and the principal of and the redemption premiums, if any, on all Bonds presented for payment at its Corporate Trust Office, and for the purpose of canceling all paid or redeemed Bonds and returning such cancelled Bonds to the Authority, with the rights and obligations provided herein, and the Trustee hereby accepts such appointment.

The Authority may at any time, unless there exists any Event of Default, remove the original Trustee appointed hereunder and any successor Trustee thereto and may appoint a successor Trustee thereto by an instrument in writing; provided, that any such successor Trustee shall be a national or state bank, national banking association, or trust company having a reported capital (exclusive of borrowed capital) and surplus of at least fifty million dollars (\$50,000,000) and being subject to supervision or examination by federal or state authority; and provided further, that if such bank, national banking association, or trust company publishes a report of condition at least annually, pursuant to law or to the requirements of any supervising or examining authority above referred to, then for the purpose of this section the combined capital and surplus of such bank, national banking association, or trust company shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. Any Trustee may at any time resign by giving written notice of such resignation to the Authority and by mailing to the Holders notice of such resignation, and upon receiving such notice of resignation, the Authority shall promptly appoint a successor Trustee by an instrument in writing; provided, that notwithstanding any other provision hereof, no removal or resignation of any Trustee and appointment of a successor Trustee shall become effective until a successor Trustee shall be appointed and such successor Trustee shall have accepted such appointment. If, within ninety (90) days after notice of the removal or resignation of the Trustee, no successor Trustee shall have been appointed by the Authority and shall have accepted such appointment, the removed or resigning Trustee may petition any court of competent jurisdiction for the appointment of a successor Trustee, which court may thereupon, after such notice, if any, as it may deem proper and prescribe and as may be required by law, appoint a successor Trustee having the qualifications required hereby.

The Trustee is hereby authorized to pay or redeem the Bonds when duly presented for payment at maturity or on redemption prior to maturity. The Trustee shall cancel all Bonds upon payment thereof or upon the surrender thereof by the Authority to the Trustee and shall destroy all such cancelled Bonds, and upon such destruction shall deliver a certificate of destruction to the Authority. The Trustee shall keep accurate records of all Bonds paid and discharged and cancelled by it.

The Trustee shall, prior to an Event of Default, and after the curing or waiver of all Events of Default that may have occurred, perform such duties and obligations and only such duties and obligations as are specifically set forth herein, and no implied duties or obligations of

the Trustee shall be read herein. The Trustee shall, during the existence of any Event of Default (that has not been cured or waived), exercise such of the rights and powers vested in it hereby, and use the same degree of care and skill in their exercise, as a prudent person would exercise or use under the circumstances in the conduct of such person's own affairs.

SECTION 7.02. Liability of the Trustee. The recitals of facts, agreements and covenants herein and in the Bonds shall be taken as recitals of facts, agreements and covenants of the Authority, and the Trustee does not assume any responsibility for the correctness of the same and does not make any representation as to the sufficiency or validity hereof or of the Bonds, and shall not incur any responsibility in respect thereof other than in connection with the duties and obligations assigned to or imposed upon it herein, in the Bonds or in law or equity, and the Trustee shall have no responsibility, opinion or liability with respect to any information, statement or recital in any offering memorandum or other disclosure material prepared or distributed with respect to the issuance of the Bonds. The Trustee shall not be liable in connection with the performance of its duties and obligations hereunder except for its own negligence, willful misconduct or breach of duty, and shall not be liable for any error of judgment made in good faith by a responsible officer unless it shall be proved that the Trustee was negligent in ascertaining the pertinent facts.

The Trustee shall not be bound to recognize any person as the Holder of a Bond unless and until such Bond is submitted for inspection, if required, and such Holder's title thereto satisfactorily established, if disputed.

The Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Holders of not less than a majority in aggregate principal amount of the Bonds at the time Outstanding relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee hereunder.

The Trustee shall be under no obligation to exercise any of the rights or powers vested in it hereby at the request, order or direction of any of the Holders pursuant to the provisions hereof unless such Holders shall have offered to the Trustee reasonable security or indemnity against the costs, expenses and liabilities that may be incurred therein or thereby. The Trustee has no obligation or liability to the Holders for the payment of the interest on or the principal of or the redemption premiums, if any, on the Bonds from its own funds; but rather the Trustee's obligations shall be limited to the performance of its duties and obligations hereunder.

The Trustee shall not be deemed to have knowledge of any Event of Default hereunder or under the Installment Purchase Contract unless and until an officer at the Trustee's Corporate Trust Office responsible for the administration of the Trustee's duties and obligations hereunder shall have actual knowledge thereof or the Trustee shall have received written notice thereof at its Corporate Trust Office, and the Trustee shall not be bound to ascertain or inquire as to the performance or observance of any of the agreements, conditions, covenants or terms herein or of any of the documents executed in connection with the Bonds, or as to the existence of a default or event of default thereunder.

The Trustee shall be entitled to advice of counsel and other professionals concerning all matters of trust and its duty hereunder, but the Trustee shall not be answerable for the professional malpractice of any attorney-at-law or certified public accountant in connection with the rendering of such attorney-at-law's or certified public accountant's professional advice in accordance with the terms hereof if such attorney-at-law or certified public accountant was selected by the Trustee with due care.

The Trustee shall not be concerned with or accountable to anyone for the subsequent use or application of any money which shall be withdrawn and transferred to the Authority in accordance with the provisions hereof.

Whether or not therein expressly so provided, every provision hereof or of the Installment Purchase Contract or any related documents relating to the conduct or affecting the liability of or affording protection to the Trustee shall be subject to the provisions of this article.

The Trustee makes no representation or warranty, express or implied, as to the title, value, design, compliance with specifications or legal requirements, quality, durability, operation, condition, merchantability or fitness for any particular purpose for the use contemplated by the City of any Project, and in no event shall the Trustee be liable for incidental, indirect, punitive, special or consequential damages in connection with or arising from the Installment Purchase Contract or herefrom for the existence, furnishing or use of any Project.

The Trustee shall be protected in acting upon any bond, certificate (including any Certificate of the Authority), consent, electronic mail, facsimile transmission, notice, opinion, order, report, request (including any Written Request of the Authority), requisition, resolution or other document or paper believed by it to be genuine and to have been signed or presented by the proper party or parties. The Trustee may consult with counsel, of its own selection, who may be counsel of or to the Authority, with regard to legal questions, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance therewith.

Whenever in the administration of its rights and obligations hereunder the Trustee shall deem it necessary or desirable that a matter be established or proved prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may, in the absence of bad faith on the part of the Trustee, be deemed to be conclusively proved and established by a Certificate of the Authority, which certificate shall be full warrant to the Trustee for any action taken or suffered under the provisions hereof upon the faith thereof, but in its discretion the Trustee may in lieu thereof accept other evidence of such matter or may require such additional evidence as it may deem reasonable.

No provision hereof shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance or exercise of any of its duties hereunder, or in the exercise of its rights or powers.

All immunities, indemnifications and releases from liability granted herein to the Trustee shall extend to the directors, employees, officers and agents thereof.

Any company into which the Trustee may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which the Trustee may sell or transfer all or substantially all of its corporate trust business, so long as such company shall meet the requirements set forth in Section 7.01, shall be the successor to the Trustee and shall be vested with all of the title to the trust estate and all of the trusts, powers, discretions, immunities, privileges and all other matters as was its predecessor, without the execution or filing of any paper or further act, anything herein to the contrary notwithstanding.

SECTION 7.03. Compensation and Indemnification of the Trustee. The Authority agrees to pay to the Trustee from time to time, and the Trustee shall be entitled to, reasonable compensation for all services rendered by it in the exercise and performance of any of the duties and obligations of the Trustee hereunder, and the Authority will pay or reimburse the Trustee upon its request for all expenses, disbursements and advances incurred or made by the Trustee and its affiliates, directors, employees and agents in accordance with any of the provisions hereof (including the reasonable compensation and the expenses and disbursements of its counsel and of all persons not regularly in its employ) except any such expense, disbursement or advance as may arise from its negligence, default or willful misconduct. The Authority, to the extent permitted by law, agrees to indemnify, defend and hold harmless the Trustee against any loss, damages, liability or expense incurred without negligence or bad faith on the part of the Trustee arising out of or in connection with (i) the acceptance or administration of the trusts created hereby, or the exercise or performance of any of its duties or obligations hereunder or (ii) any untrue statement or alleged untrue statement of any material fact or omission or alleged omission to state a material fact necessary to make the statements made, in the light of the circumstances under which they were made, not misleading in any official statement or other offering circular utilized in connection with the sale of any of the Bonds, including costs and expenses (including attorneys' fees) of defending itself against any claim or liability in connection with the exercise or performance of any of its duties and obligations hereunder. The rights of any Trustee and the obligations of the Authority under this section shall survive the discharge of the Bonds and hereof and the resignation or removal of such Trustee.

ARTICLE VIII

AMENDMENT OF OR SUPPLEMENT TO THE MASTER INDENTURE

SECTION 8.01. Procedure for Amendment of or Supplement to the Master Indenture.

(a) Amendment or Supplement With Consent of Holders. This Master Indenture and the rights and obligations of the Authority and of the Holders may be amended or supplemented at any time by the execution and delivery of a Supplemental Indenture by the Authority and the Trustee, which Supplemental Indenture shall become binding when the written consents of the Holders of at least a majority in aggregate principal amount of the Bonds then Outstanding, exclusive of Bonds disqualified as provided in Section 8.02, shall have been filed with the Trustee. No such amendment or supplement shall (1) extend the maturity of or reduce the interest rate on or the amount of the interest on or the principal of or any Sinking Fund Payment for or the redemption premium, if any, on any Bond without the express written consent of the

Holder of such Bond, or (2) except as provided in Sections 2.02 and 2.03, permit the creation by the Authority of any pledge of or charge or lien upon the Revenues as provided herein superior to or on a parity with the pledge, charge and lien created hereby for the benefit of the Bonds without the written consent of the Holders of all of the Bonds then Outstanding, or (3) reduce the percentage of Bonds required for the written consent to any such amendment without the written consent of the Holders of all of the Bonds then Outstanding, or (4) modify any rights or obligations of the Trustee or the Authority without their prior written assent thereto. The written consent of the Holders of a Series of Bonds may be effected (1) through a consent by the underwriter of such Series of Bonds at the time of the issuance of such Series of Bonds and (2) through a provision of a Supplemental Indenture that deems any Holders purchasing such Series of Bonds to consent for purposes of this Section 8.01(a) by virtue of its purchase of such Series of Bonds.

(b) Amendment or Supplement Without Consent of Holders. This Master Indenture and the rights and obligations of the Authority and of the Holders hereunder may also be amended or supplemented at any time by the execution and delivery of a Supplemental Indenture by the Authority and the Trustee, which Supplemental Indenture shall become binding upon execution without the prior written consent of any Holders, for any purpose that will not materially adversely affect the interests of the Holders, including (without limitation) for any one or more of the following purposes --

(1) to add to the agreements and covenants required herein to be performed by the Authority other agreements and covenants thereafter to be performed by the Authority which shall not (in the opinion of the Authority) adversely affect the interests of the Holders, or to surrender any right or power reserved herein to or conferred herein on the Authority which shall not (in the opinion of the Authority) adversely affect the interests of the Holders;

(2) to make such provisions for the purpose of curing any ambiguity or of correcting, curing or supplementing any defective provision contained herein or in regard to questions arising hereunder which the Authority may deem desirable or necessary and not inconsistent herewith and which shall not (in the opinion of the Authority) adversely affect the interests of the Holders;

(3) to authorize the issuance under Article II of a Series of Bonds and to provide the conditions and terms under which such Series of Bonds may be issued;

(4) to add to the agreements and covenants required herein, such agreements and covenants as may be necessary to qualify this Master Indenture under the Trust Indenture Act of 1939;

(5) to make such additions, deletions or modifications as may be necessary or appropriate to insure compliance with Section 148(f) of the Internal Revenue Code of 1986, as amended, relating to the required rebate of excess investment earnings to the United States of America, or otherwise as may be necessary to insure the exclusion from gross income for purposes of federal income taxation of the interest on the Tax-Exempt Bonds;

(6) to make such additions, deletions or modifications as may be necessary or appropriate to maintain any then current ratings on the Bonds;

(7) to add to the rights of the Trustee; or

(8) to make any other addition, deletions or modifications which shall not materially adversely affect the interests of the Holders.

SECTION 8.02. Disqualified Bonds. Bonds owned or held by or for the account of the Authority shall not be deemed Outstanding for the purpose of any consent or other action or any calculation of Outstanding Bonds provided in this article, and shall not be entitled to consent to or take any other action provided in this article.

SECTION 8.03. Endorsement or Replacement of Bonds After Amendment. After the effective date of any action taken as hereinabove provided, the Authority may determine that the Bonds may bear a notation by endorsement in form approved by the Authority as to such action, and in that case upon demand of the Holder of any Outstanding Bonds and presentation of such Holder's Bond for such purpose at the Corporate Trust Office of the Trustee, a suitable notation as to such action shall be made on such Bond. If the Authority shall so determine, new Bonds so modified as, in the opinion of the Authority, shall be necessary to conform to such action shall be prepared and executed, and in that case upon demand of the Holder of any Outstanding Bond a new Bond or Bonds shall be exchanged at the Corporate Trust Office of the Trustee without cost to each Holder for its Bond or Bonds then Outstanding upon surrender of such Outstanding Bonds.

SECTION 8.04. Amendment by Mutual Consent. The provisions of this article shall not prevent any Holder from accepting any amendment as to the particular Bonds held by such Holder, provided that due notation thereof is made on such Bonds.

ARTICLE IX

EVENTS OF DEFAULT AND REMEDIES OF HOLDERS

SECTION 9.01. Events of Default. The following events shall be Events of Default under this Master Indenture:

(a) if default shall be made by the Authority in the due and punctual payment of the interest on any Bond when and as the same shall become due and payable;

(b) if default shall be made by the Authority in the due and punctual payment of the principal of or the redemption premium, if any, on or the deposit of any Sinking Fund Account Payment for any Bond when and as the same shall become due and payable, whether at maturity or by proceedings for redemption;

(c) if default shall be made by the Authority in the performance of any of the agreements or covenants contained herein required to be performed by the Authority, and such default shall have continued for a period of sixty (60) days after the Authority shall have been given notice in writing of such default by the Trustee, except that, if such default can be remedied

but not within such sixty (60) day period and if the Authority has taken all action reasonably possible to remedy such default within such sixty (60) day period, such failure shall not become an Event of Default for so long as the Authority diligently proceeds to remedy the same;

(d) if the Authority shall file a petition or answer seeking arrangement or reorganization under the federal bankruptcy laws or any other applicable law of the United States of America or any state therein, or if a court of competent jurisdiction shall approve a petition filed with or without the consent of the Authority seeking arrangement or reorganization under the federal bankruptcy laws or any other applicable law of the United States of America or any state therein, or if under the provisions of any other law for the relief or aid of debtors any court of competent jurisdiction shall assume custody or control of the Authority or of the whole or any substantial part of its property; or

(e) if an Event of Default (as that term is defined in the Installment Purchase Contract) has occurred under the Installment Purchase Contract.

SECTION 9.02. Application of Funds Upon Event of Default. If any Event of Default occurs and is continuing, then all money in the accounts and funds provided in Sections 2.04 and 5.03 and all Revenues thereafter received by the Authority hereunder shall be transmitted to the Trustee and shall be applied by the Trustee in the following order--

First, to the payment of the costs and expenses of the Trustee, if any, in carrying out the provisions of this article, including any outstanding fees and expenses of the Trustee and including reasonable compensation to its accountants and counsel, and thereafter to the payment of the costs and expenses of the Holders in providing for the declaration of such Event of Default, including reasonable compensation to their accountants and counsel; and

Second, to the payment to the persons entitled thereto of all installments of interest then due on the Bonds in the order of the maturity of such installments, and, if the amount available shall not be sufficient to pay in full any installment or installments maturing on the same date, then to the payment thereof ratably, according to the amounts due thereon, to the persons entitled thereto, without any discrimination or preference; and

Third, to the payment to the persons entitled thereto of the unpaid principal (including Sinking Fund Account Payments) of and redemption premium, if any, on the Bonds which shall have become due, whether at maturity or by call for redemption, in the order of their due dates, with (to the extent permitted by law) interest on the overdue principal at the rate borne by the respective Bonds, and, if the amount available shall not be sufficient to pay in full all the Bonds due on any date, together with (to the extent permitted by law) such interest, then to the payment thereof ratably, according to the amounts of principal of and premium, if any, and (to the extent permitted by law) interest due on such date to the persons entitled thereto, without any discrimination or preference.

Notwithstanding anything to the contrary contained herein, in no event are the Bonds subject to acceleration if an Event of Default occurs and is continuing.

SECTION 9.03. Institution of Legal Proceedings by the Trustee. If one or more of the Events of Default shall happen and be continuing, the Trustee may, and upon the

written request of the Holders of a majority in principal amount of the Bonds then Outstanding, and in each case so long as the Trustee is indemnified to its satisfaction therefor, shall proceed to protect or enforce its rights or the rights of the Holders of Bonds hereunder by a suit in equity or action at law, either for the specific performance of any agreement or covenant contained herein, or in aid of the execution of any power herein granted, or by mandamus or other appropriate proceeding for the enforcement of any other legal or equitable remedy that the Trustee shall deem appropriate in support of any of its rights and duties hereunder.

SECTION 9.04. Non-Waiver. Nothing in this article or in any other provision hereof or in the Bonds shall affect or impair the obligation of the Authority, which is absolute and unconditional, to pay the interest on and the principal of and the redemption premiums, if any, on the Bonds to the respective Holders of the Bonds at the respective dates of maturity or upon prior redemption as provided herein from the Revenues and the funds held in the accounts and funds as provided herein pledged for such payment, or shall affect or impair the right of such Holders, which is also absolute and unconditional, to institute suit to enforce such payment by virtue of the contract embodied herein and in the Bonds.

A waiver of any default or breach of duty or contract by the Trustee or any Holder shall not affect any subsequent default or breach of duty or contract or impair any rights or remedies on any such subsequent default or breach of duty or contract. No delay or omission by the Trustee or any Holder to exercise any right or remedy accruing upon any default or breach of duty or contract shall impair any such right or remedy or shall be construed to be a waiver of any such default or breach of duty or contract or an acquiescence therein. Every right or remedy conferred upon the Holders by the Act or by this article may be enforced and exercised from time to time and as often as shall be deemed expedient by the Trustee or the Holders.

If any action, proceeding or suit to enforce any right or exercise any remedy is abandoned, the Authority, the Trustee and any Holder shall be restored to their former positions, rights and remedies as if such action, proceeding or suit had not been brought or taken.

SECTION 9.05. Actions by the Trustee as Attorney-in-Fact. Any action, proceeding or suit which any Holder shall have the right to bring to enforce any right or remedy hereunder may be brought by the Trustee for the equal benefit and protection of all Holders, whether or not the Trustee is a Holder, and the Trustee is hereby appointed (and the successive Holders, by taking and holding the Bonds issued hereunder, shall be conclusively deemed to have so appointed it) the true and lawful attorney-in-fact of the Holders for the purpose of bringing any such action, proceeding or suit and for the purpose of doing and performing any and all acts and things for and on behalf of the Holders as a class or classes as may be advisable or necessary in the opinion of the Trustee as such attorney-in-fact.

SECTION 9.06. Remedies Not Exclusive. No remedy herein conferred upon or reserved to the Holders is intended to be exclusive of any other remedy, and each such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute or otherwise and may be exercised without exhausting and without regard to any other remedy conferred by the Act or any other law.

SECTION 9.07. Limitation on Bondholders' Right to Sue. No Holder of any Bond issued hereunder shall have the right to institute any suit, action or proceeding, at law or equity, for any remedy hereunder unless (a) such Holder shall have previously given to the Trustee written notice of the occurrence of an Event of Default; (b) the Holders of at least a majority in aggregate principal amount of all the Bonds then Outstanding shall have made written request upon the Trustee to exercise the powers hereinbefore granted or to institute such suit, action or proceeding in its own name; (c) such Holders shall have tendered to the Trustee reasonable security or indemnity against the costs, expenses and liabilities to be incurred in compliance with such request; and (d) the Trustee shall have refused or omitted to comply with such request for a period of sixty (60) days after such request shall have been received by, and such tender of indemnity shall have been made to, the Trustee.

Each such notification, request, tender of indemnity and refusal or omission are hereby declared, in every case, to be conditions precedent to the exercise by any Holder of Bonds of any remedy hereunder; it being understood and intended that no one or more Holders shall have any right in any manner whatever by such Holder's or such Holders' action to enforce any right hereunder except in the manner herein provided, and that all proceedings at law or in equity to enforce any provision hereof shall be instituted and maintained in the manner herein provided and for the equal benefit of the Holders of all Outstanding Bonds.

ARTICLE X

DEFEASANCE

SECTION 10.01. Discharge of Bonds.

(a) If the Authority shall pay or cause to be paid or there shall otherwise be paid to the Holders of all Outstanding Bonds the interest thereon and the principal thereof and the redemption premiums, if any, thereon as and when they respectively become due and payable in accordance with their terms or upon redemption proceedings as provided herein, or otherwise, and the whole amount of the principal and the interest and the redemption premiums, if any, so due and payable upon all of the Bonds shall be paid, or provision shall have been made for the payment of the same as provided herein, together with all other sums payable by the Authority hereunder, including all fees and expenses of the Trustee, then and in that case this Master Indenture and the lien created hereby shall be completely discharged and satisfied and the Authority shall be released from the agreements, conditions, covenants and other obligations of the Authority contained herein, and the Trustee shall assign and transfer to or upon the order of the Authority all property, money or securities (in excess of the amounts required for the foregoing) then held by the Trustee free and clear of any encumbrances and the Trustee shall execute and deliver to the Authority all such instruments as may be necessary or desirable to evidence such discharge and satisfaction.

(b) Any Outstanding Bonds shall prior to the maturity dates or redemption dates thereof be deemed to have been paid within the meaning of and with the effect expressed in subsection (a) of this section if there shall be on deposit with the Trustee money which is sufficient to pay the interest on and the principal of and the redemption premiums, if any, on such Bonds due on and prior to the maturity dates or redemption dates thereof, as the case may be.

(c) Any Outstanding Bonds shall prior to the maturity dates or redemption dates thereof be deemed to have been paid within the meaning of and with the effect expressed in subsection (a) of this section (except that the Authority shall remain liable for the payment of such Bonds, but only out of the money or securities deposited with the Trustee or an escrow agent as hereinafter described) if (1) in case any of such Bonds are to be redeemed on any date prior to their maturity date, notice of such redemption shall have been given or provision satisfactory to the Trustee shall have been made for the giving of such notice and (2) there shall have been deposited with the Trustee or an escrow agent either (A) money in an amount which shall be sufficient or (B) Defeasance Securities which are not subject to redemption prior to maturity, the interest on and the principal of which when paid will provide money which, together with the money, if any, deposited with the Trustee or such escrow agent at the same time, will be sufficient, to pay when due the interest to become due on such Bonds on and prior to the maturity dates or redemption dates thereof, as the case may be, and the principal of and the redemption premiums, if any, to become due on such Bonds on such maturity dates or redemption dates, as the case may be.

(d) After the payment of the interest on and the principal of and the redemption premiums, if any, due on the Bonds as provided in this section and after the payment of all amounts due the Trustee hereunder, the Trustee shall execute and deliver to the Authority all such instruments as may be necessary or desirable to evidence the discharge and satisfaction hereof, and the Trustee shall pay over or deliver to the Authority all money or deposits or investments held by it pursuant hereto which are not required for the payment of the interest on and the principal of and the redemption premiums, if any, on the Bonds.

SECTION 10.02. Unclaimed Money. Anything contained herein to the contrary notwithstanding, any money held by the Trustee in trust for the payment and discharge of the interest on or the principal of or the redemption premiums, if any, on any of the Bonds which remains unclaimed for two (2) years after the date when the interest on or the principal of or the redemption premiums, if any, on such Bonds shall have become due and payable, either at their stated maturity dates or by call for redemption prior to maturity, if such money was held by the Trustee at such date, or for two (2) years after the date of deposit of such money if deposited with the Trustee after the date when the interest on or the principal of or the redemption premiums, if any, on such Bonds shall have become due and payable, shall be repaid by the Trustee to the Authority as its absolute property free from trust, and the Trustee shall thereupon be released and discharged with respect thereto and the Holders shall not look to the Trustee for the payment of the interest on or the principal of or the redemption premiums, if any, on such Bonds; provided, that before being required to make any such payment to the Authority, the Trustee shall, at the expense of the Authority, cause to be mailed to all Holders and to the Securities Depository a notice that such money remains unclaimed and that, after a date named in such notice, which date shall not be less than thirty (30) days after the date of the mailing of each such notice, the balance of such money then unclaimed will be returned to the Authority.

ARTICLE XI

MISCELLANEOUS

SECTION 11.01. Liability of the Authority Limited to Revenues. Notwithstanding anything contained herein, the Authority shall not be required to advance any

money derived from any source other than the Revenues and the funds held in the accounts and funds provided herein for the payment of the interest on or the principal of or the redemption premiums, if any, on the Bonds or for the performance of any agreements or covenants herein contained; provided, that the Authority may, however, advance funds for any such purpose so long as such funds are derived from a source legally available for such purpose without incurring an indebtedness.

The Bonds are limited obligations of the Authority and are payable, as to the interest thereon, the principal thereof and any premiums upon the redemption of any thereof, solely from the Revenues and the funds held in the accounts and funds provided herein, and the Authority is not obligated to pay the interest on or the principal of or the redemption premiums, if any, on the Bonds except from the Revenues and such funds. All the Bonds are equally and ratably secured by a pledge of and charge and lien upon the Revenues and such funds, and the Revenues and such funds constitute a trust fund for the security and payment of the interest on and the principal of and the redemption premiums, if any, on the Bonds as provided herein. The full faith and credit of the Authority is not pledged for the payment of the interest on or the principal of or the redemption premiums, if any, on the Bonds, and no tax shall ever be levied or collected to pay the interest on or the principal of or the redemption premiums, if any, on the Bonds. The Bonds are not secured by a legal or equitable pledge of or charge or lien upon any property of the Authority or any of its income or receipts except the Revenues and such funds, and neither the payment of the interest on or the principal of or the redemption premiums, if any, on the Bonds is a debt, liability or general obligation of the Authority.

SECTION 11.02. Benefits of the Master Indenture Limited to Certain Parties. Nothing contained herein, expressed or implied, is intended or shall be construed to confer upon, or to give or grant to, any person or entity other than the Authority, the Trustee and the Holders any right, remedy or claim under or by reason hereof or any covenant, condition or stipulation hereof; and all covenants, stipulations, promises and agreements herein contained by and on behalf of the Authority shall be for the sole and exclusive benefit of the Authority, Trustee and the Holders.

SECTION 11.03. Successor Is Deemed Included in All References to Predecessor. Whenever herein either the Authority or any officer thereof is named or referred to, such reference shall be deemed to include the successor to the powers, duties and functions that are presently vested in the Authority or such officer, and all agreements and covenants required hereby to be performed by or on behalf of the Authority or any officer thereof shall bind and inure to the benefit of the respective successors thereof whether so expressed or not.

SECTION 11.04. Execution of Documents by the Holders. Any declaration, request or other instrument which is permitted or required herein to be executed by Holders may be in one or more instruments of similar tenor and may be executed by Holders in person or by their attorneys appointed in writing. The fact and date of the execution by any Holder or such Holder's attorney of any declaration, request or other instrument or of any writing appointing such attorney may be proved by the certificate of any notary public or other officer authorized to make acknowledgments of deeds to be recorded in the state or territory in which such notary public or other officer purports to act that the person signing such declaration, request or other instrument or writing acknowledged to such notary public or other officer the execution thereof, or by an

affidavit of a witness of such execution duly sworn to before such notary public or other officer. The ownership of any Bonds and the amount, maturity, number and date of holding the same may be proved by the registration books kept by the Trustee pursuant to Section 3.05.

Any declaration, request, consent or other instrument or writing of the Holder of any Bond shall bind all future Holders of such Bond with respect to anything done or suffered to be done by the Trustee or the Authority in good faith and in accordance therewith.

SECTION 11.05. Waiver of Personal Liability. No member, officer or employee of the Authority shall be individually or personally liable for the payment of the interest on or the principal of or the redemption premiums, if any, on the Bonds by reason of their issuance, but nothing herein contained shall relieve any such member, officer or employee from the performance of any official duty provided by the Act or any other applicable provisions of law or hereby.

SECTION 11.06. Deposit or Investment of Money in Accounts and Funds. All money held by the Trustee in any of the accounts or funds established pursuant hereto shall (subject to Section 6.03) be deposited in bank deposits that are at all times insured by the Federal Deposit Insurance Corporation or otherwise collateralized with obligations described in subdivision (1) of the definition of Permitted Investments or shall be invested in those Permitted Investments described in a Written Request of the Authority filed with the Trustee at least two (2) Business Days prior to the making of any such investment, which such Permitted Investments shall, as nearly as practicable, mature on or before the dates on which such money is anticipated to be needed for disbursement hereunder, and the Trustee shall have no liability or responsibility for any loss resulting from any investment made in accordance herewith; provided, that if no such Written Request is received by the Trustee, the Trustee shall hold such moneys uninvested. The Trustee will furnish the Authority periodic cash transaction statements which include detail for all investment transactions made by the Trustee hereunder.

The Authority acknowledges that to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grant the Authority the right to receive brokerage confirmations of security transactions as they occur, the Authority specifically waives receipt of such confirmations to the extent permitted by law.

Except as otherwise specified in a Supplemental Indenture, all interest received on any such money so deposited or invested which exceeds the requirements of the fund from which such money was deposited or invested shall (subject to the requirements of Section 6.03) be deposited in the Revenue Fund, and all losses on any such money so deposited or invested shall be borne by the fund from which the deposit or investment was made.

The Trustee or any of its affiliates may act as principal or agent in connection with the acquisition or disposition of any investment made by the Trustee hereunder, and shall be entitled to its customary fee therefor.

For purposes of determining the amount of deposit in any fund or account held hereunder, all investments credited to such fund or account shall be valued at the lesser of market value or the cost thereof. Such valuation by the Trustee may be made through the accounting

system maintained by the Trustee with respect to the Bonds utilized by the Trustee. The Trustee shall furnish the Authority periodic cash transaction statements which include detail for all investment transactions effected by the Trustee or brokers selected by the Authority. Upon the Authority's election, such statements will be delivered via the Trustee's online service and upon electing such service, paper statements will be provided only upon request. The Authority understands that trade confirmations for securities transactions effected by the Trustee will be available upon request and at no additional cost and other trade confirmations may be obtained from the applicable broker. The Trustee shall not be liable for any investments or disposition of investments made by it in accordance with this Indenture. The Trustee shall semiannually, on or about April 15 and October 15 of each year, commencing on or about [April 15, 2023], and at such times as the Authority shall deem appropriate, value the investments in the funds and accounts hereunder on the basis of the lesser of market value or the cost thereof.

SECTION 11.07. Acquisition of Bonds by the Authority. All Bonds acquired by the Authority, whether by purchase or gift or otherwise, shall be surrendered to the Trustee for cancellation and destruction.

SECTION 11.08. Content of Certificates. Every Certificate of the Authority with respect to compliance with any agreement, condition, covenant or provision provided herein shall include (a) a statement that the person or persons making or giving such certificate have read such agreement, condition, covenant or provision and the definitions herein relating thereto; (b) a brief statement as to the nature and scope of the examination or investigation upon which the statements contained in such certificate are based; (c) a statement that, in the opinion of the signers, they have made or caused to be made such examination or investigation as is necessary to enable them to express an informed opinion as to whether or not such agreement, condition, covenant or provision has been complied with; and (d) a statement as to whether, in the opinion of the signers, such agreement, condition, covenant or provision has been complied with.

Any Certificate of the Authority may be based, insofar as it relates to legal matters, upon an Opinion of Counsel unless the person making or giving such certificate knows that the Opinion of Counsel with respect to the matters upon which such person's certificate may be based, as aforesaid, is erroneous, or in the exercise of reasonable care should have known that the same was erroneous. Any Opinion of Counsel may be based, insofar as it relates to factual matters information with respect to which is in the possession of the Authority, upon a representation by an officer or officers of the Authority unless the counsel executing such Opinion of Counsel knows that the representation with respect to the matters upon which such counsel's opinion may be based, as aforesaid, is erroneous, or in the exercise of reasonable care should have known that the same was erroneous.

SECTION 11.09. Accounts and Funds. Any account or fund required herein to be established and maintained by the Trustee may be established and maintained in the accounting records of the Trustee either as an account or a fund, and may, for the purposes of such accounting records, any audits thereof and any reports or statements with respect thereto, be treated either as an account or a fund; but all such records with respect to all such accounts and funds shall at all times be maintained in accordance with sound industry practice and with due regard for the protection of the security of the Bonds and the rights of the Holders.

SECTION 11.10. Business Days. Any action required to occur hereunder on a day which is not a Business Day shall be required to occur on the next succeeding Business Day.

SECTION 11.11. Notices. All written notices to be given hereunder shall be given by mail to the party entitled thereto at its address set forth below, or at such other address as such party may provide to the other party in writing from time to time, namely:

If to the Authority:

City of San José Financing Authority
Attention: Debt Management
200 East Santa Clara Street, 13th Floor
San José, California 95113
Phone: (408) 535-7010
Email: debt.management@sanjoseca.gov

If to the Trustee:

Wilmington Trust, National Association
[_____]
[_____] , California [_____]
Attention: [_____]

SECTION 11.12. CUSIP Numbers. Neither the Authority nor the Trustee shall be liable for any defect or inaccuracy in the CUSIP number that appears on any Bond or in any redemption notice relating thereto, and the Trustee may, in its discretion, include in any redemption notice relating to any of the Bonds a statement to the effect that the CUSIP numbers on the Bonds have been assigned by an independent service and are included in such notice solely for the convenience of the Holders and that neither the Authority nor the Trustee shall be liable for any defects or inaccuracies in such numbers. The Authority will promptly notify the Trustee in writing of any change in the “CUSIP” numbers.

SECTION 11.13. Article and Section Headings and References. The headings or titles of the several articles and sections hereof and the table of contents appended hereto shall be solely for convenience of reference and shall not affect the meaning, construction or effect hereof, and words of any gender shall be deemed and construed to include all genders. All references herein to “Articles,” “Sections” and other subdivisions or clauses are to the corresponding articles, sections, subdivisions or clauses hereof; and the words “hereby,” “herein,” “hereof,” “hereto,” “herewith,” “hereunder” and other words of similar import refer to this Master Indenture as a whole and not to any particular article, section, subdivision or clause hereof.

SECTION 11.14. Binding Effect. This Master Indenture shall inure to the benefit of and shall be binding upon the Authority and the Trustee and their respective successors or assigns.

SECTION 11.15. Partial Invalidity. If any one or more of the agreements or covenants or portions thereof required hereby to be performed by or on the part of the Authority

or the Trustee shall be contrary to law, then such agreement or agreements, such covenant or covenants or such portions thereof shall be null and void and shall be deemed separable from the remaining agreements and covenants or portions thereof and shall in no way affect the validity hereof or of the Bonds, and the Holders shall retain all the benefit, protection and security afforded to them under the Act or any other applicable provisions of law. The Authority and the Trustee hereby declare that they would have executed and delivered this Master Indenture and each and every other article, section, paragraph, subdivision, sentence, clause and phrase hereof and would have authorized the issuance of the Bonds pursuant hereto irrespective of the fact that any one or more articles, sections, paragraphs, subdivisions, sentences, clauses or phrases hereof or the application thereof to any person or circumstance may be held to be unconstitutional, unenforceable or invalid.

SECTION 11.16. Governing Law. This Master Indenture shall be construed and governed in accordance with the laws of the State.

SECTION 11.17. Execution. This Master 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, or as many of them as the Authority and the Trustee shall preserve undestroyed, shall together constitute but one and the same instrument.

IN WITNESS WHEREOF, the City of San José Financing Authority has caused this Master Indenture to be signed in its name by its Treasurer and Wilmington Trust, National Association, in token of its acceptance of the trusts created hereunder, has caused this Master Indenture to be signed by one of its officers thereunder duly authorized, all as of the day and year first above written.

Approved as to form:

NORA FRIMANN, City Attorney

By: _____
Chief Deputy City Attorney

CITY OF SAN JOSE FINANCING
AUTHORITY

By _____
Julia H. Cooper
Treasurer

WILMINGTON TRUST, NATIONAL
ASSOCIATION, as Trustee

By _____
Authorized Officer