

---

---

2024 INDENTURE

by and between the

STOCKTON PUBLIC FINANCING AUTHORITY

And

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

Relating to the

\$ \_\_\_\_\_

STOCKTON PUBLIC FINANCING AUTHORITY  
WASTEWATER REVENUE REFUNDING BONDS, SERIES 2024  
(WASTEWATER REFUNDING PROJECT)

Dated as of \_\_\_\_\_ 1, 2024

---

---

## TABLE OF CONTENTS

	<u>Page</u>
ARTICLE I	
DEFINITIONS; EQUAL SECURITY	
Section 1.01.	Definitions.....2
Section 1.02.	Equal Security .....12
ARTICLE II	
ISSUANCE OF 2024 BONDS	
Section 2.01.	Authorization and Purpose of 2024 Bonds .....12
Section 2.02.	Terms of 2024 Bonds .....13
Section 2.03.	2024 Bonds Not Subject to Redemption.....14
Section 2.04.	Form of 2024 Bonds .....14
Section 2.05.	Execution of 2024 Bonds.....14
Section 2.06.	Transfer and Payment of 2024 Bonds.....14
Section 2.07.	Exchange of 2024 Bonds .....15
Section 2.08.	2024 Bonds Registration Books.....15
Section 2.09.	Mutilated, Destroyed, Stolen or Lost 2024 Bonds.....15
Section 2.10.	[Reserved] .....15
Section 2.11.	Use of Book-Entry System for 2024 Bonds.....15
Section 2.12.	Procedure for the Issuance of 2024 Bonds.....17
Section 2.13.	Validity of 2024 Bonds .....17
ARTICLE III	
REVENUES	
Section 3.01.	Pledge of Revenues .....18
Section 3.02.	Receipt and Deposit of Revenues in the 2024 Installment Payment Fund .....18
Section 3.03.	Establishment and Maintenance of Accounts for Use of Money in the 2024 Installment Payment Fund.....19
ARTICLE IV	
COVENANTS OF THE AUTHORITY	
Section 4.01.	Punctual Payment and Performance.....20
Section 4.02.	Against Encumbrances.....20
Section 4.03.	Tax Covenants.....20
Section 4.04.	Accounting Records and Reports.....21
Section 4.05.	Prosecution and Defense of Suits.....21

Section 4.06. Amendments to 2024 Contract .....21  
 Section 4.07. Continuing Disclosure.....22  
 Section 4.08. Further Assurances.....22

ARTICLE V

THE TRUSTEE

Section 5.01. The Trustee.....22  
 Section 5.02. Liability of Trustee.....23  
 Section 5.03. Compensation and Indemnification of Trustee .....25  
 Section 5.04. Notice to the Trustee .....25

ARTICLE VI

AMENDMENT OF THE 2024 INDENTURE

Section 6.01. Amendment of the 2024 Indenture .....26  
 Section 6.02. Disqualified 2024 Bonds.....27  
 Section 6.03. Endorsement or Replacement of 2024 Bonds After Amendment.....27  
 Section 6.04. Amendment by Mutual Consent .....27

ARTICLE VII

EVENTS OF DEFAULT AND REMEDIES OF HOLDERS

Section 7.01. Events of Default.....27  
 Section 7.02. Application of Funds Upon Default.....28  
 Section 7.03. Institution of Legal Proceedings by Trustee .....29  
 Section 7.04. Non-Waiver.....29  
 Section 7.05. Actions by Trustee as Attorney-in-Fact .....29  
 Section 7.06. Remedies Not Exclusive .....29  
 Section 7.07. Limitation on 2024 Bondholders’ Right to Sue .....30

ARTICLE VIII

DEFEASANCE

Section 8.01. Discharge of 2024 Bonds .....30  
 Section 8.02. Unclaimed Money .....31

ARTICLE IX

PROVISIONS RELATING TO THE BOND INSURANCE POLICY AND THE RESERVE  
 FUND POLICY

Section 9.01. Provisions of this Article to Govern .....32  
 Section 9.02. Notice and Other Information to be Given to the Insurer .....32

Section 9.03.	Defeasance .....	32
Section 9.04.	Trustee Provisions .....	33
Section 9.05.	Amendments, Supplements and Consents .....	33
Section 9.06.	Insurer As Third Party Beneficiary .....	34
Section 9.07.	Payment Procedure Under the Bond Insurance Policy .....	34
Section 9.08.	Exercise of Rights by the Insurer .....	36
Section 9.09.	Payment of Principal and Interest by the Insurer .....	36
Section 9.10.	2024 Reserve Account .....	36

## ARTICLE X

### MISCELLANEOUS

Section 10.01.	Liability of Authority Limited to Revenues and Certain Other Funds .....	38
Section 10.02.	Benefits of the 2024 Indenture Limited to Parties and Beneficiaries .....	38
Section 10.03.	Successor Is Deemed Included In All References To Predecessor .....	38
Section 10.04.	Execution of Documents by Holders .....	38
Section 10.05.	Waiver of Personal Liability .....	39
Section 10.06.	Deposit or Investment of Money in Accounts and Funds .....	39
Section 10.07.	[Reserved] .....	39
Section 10.08.	Destruction of Cancelled 2024 Bonds .....	40
Section 10.09.	Content of Certificates .....	40
Section 10.10.	Accounts and Funds; Business Days .....	40
Section 10.11.	Notices .....	40
Section 10.12.	CUSIP Numbers .....	41
Section 10.13.	Article and Section Headings and References .....	41
Section 10.14.	Partial Invalidity .....	41
Section 10.15.	Governing Law .....	42
Section 10.16.	Execution in Several Counterparts .....	42
Section 10.17.	Use of Electronic Signatures .....	42

**2024 INDENTURE**

This 2024 Indenture (the “2024 Indenture”), dated as of August 1, 2024, by and between the Stockton Public Financing Authority, a joint exercise of powers entity duly organized and existing under and by virtue of the laws of the State of California (the “Authority”), and U.S. Bank Trust Company, National Association, a national banking association duly organized and existing under and by virtue of the laws of the United States of America, as trustee (the “Trustee”);

## WITNESSETH:

WHEREAS, the Authority is a joint exercise of powers entity duly organized and existing under and pursuant to Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California, as amended (the “Act”);

WHEREAS, the Act authorizes and empowers the Authority to issue revenue bonds to assist the City of Stockton (the “City”) in financing public capital improvements;

WHEREAS, the City is a local agency as defined and provided in the Act;

WHEREAS, the City and the Authority had previously entered into an Installment Purchase Contract, dated as of October 1, 2014 (the “2014 Installment Purchase Contract”), whereby the Authority agreed to sell certain improvements to the City’s wastewater system, consisting of the 1998 Wastewater Project and the 2003 Wastewater Project (each as defined herein, and collectively, the “Prior Projects”) to the City and the City agreed to purchase the Prior Projects from the Authority;

WHEREAS, in connection with the 2014 Installment Purchase Contract, the Authority entered into an Indenture, dated as of October 1, 2014, by and between Computershare Trust Company, N.A. as successor to Wells Fargo Bank, National Association, and the Authority and, in connection therewith, the Authority in October of 2014 issued its Wastewater Revenue Refunding Bonds, Series 2014 (1998 Wastewater Project and 2003 Wastewater Project) in the aggregate, principal amount of \$69,440,000 (the “2014 Bonds”);

WHEREAS, the Authority and the City have determined that providing funds to prepay all of the outstanding 2014 Bonds by the issuance of revenue bonds of the Authority will result in demonstrable savings in borrowing costs of the City and will result in significant public benefits to the City;

WHEREAS, the City will be obligated to make installment payments to the Authority for the refinancing of the Prior Projects;

WHEREAS, the City’s obligation to make the installment payments under the 2024 Contract are secured by a pledge of certain net revenues of the Wastewater System of the City;

WHEREAS, in order to achieve the foregoing, the Authority has authorized the issuance of its Wastewater Revenue Refunding Bonds, Series 2024 (Wastewater Refunding Project) (the “2024 Bonds”) pursuant to the Act in an aggregate principal amount of \$\_\_\_\_\_;

WHEREAS, in order to provide for the authentication and delivery of the 2024 Bonds and to establish and declare the conditions and terms upon which the 2024 Bonds are to be issued and secured and to secure the payment of the interest on and principal of 2024 Bonds, the Authority has authorized the execution and delivery of the 2024 Indenture;

WHEREAS, all acts, conditions and things required by law to exist, to have happened and to have been performed necessary to make the 2024 Bonds, when executed by the Authority and authenticated and delivered by the Trustee, valid and binding obligations of the Authority payable in accordance with their terms, and to constitute the 2024 Indenture a valid and binding agreement of the parties hereto for the uses and purposes herein set forth in accordance with its conditions and terms, do exist, have happened and have been performed in the time, form and manner required by law, and the execution and delivery of the 2024 Indenture by the parties hereto has been in all respects duly authorized;

NOW, THEREFORE, THIS 2024 INDENTURE WITNESSETH, that in order to secure the payment of the interest on and principal of the 2024 Bonds at any time issued and outstanding hereunder according to their tenor, and to secure the performance and observance of all the agreements, conditions, covenants and terms therein and herein set forth, and to declare the conditions and terms upon and subject to which the 2024 Bonds are to be issued and received, and in consideration of the premises and of the mutual covenants herein contained and of the purchase and acceptance of the 2024 Bonds by the registered owners thereof, and for other valuable considerations, the receipt whereof is hereby acknowledged, the Authority does hereby covenant and agree with the Trustee, for the benefit of the respective holders from time to time of the 2024 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, request or other document herein or therein mentioned have the meanings herein specified:

#### 1998 Installment Sale Agreement

“1998 Installment Sale Agreement” means the 1998 Installment Sale Agreement, dated as of February 1, 1998, between the City and the Authority.

#### 1998 Wastewater Project

“1998 Wastewater Project” means those certain improvements to the City’s Wastewater System which the Authority sold to the City and the City purchased from the Authority under certain documents entered into in 1998, including the 1998 Installment Sale Agreement.

### 2003 Installment Sale Agreement

“2003 Installment Sale Agreement” means the 2003 Installment Sale Agreement, dated as of June 1, 2003, between the City and the Authority.

### 2003 Wastewater Project

“2003 Wastewater Project” means those certain improvements to the City’s Wastewater System which the Authority sold to the City and the City purchased from the Authority under certain documents entered into in 2003, including the 2003 Installment Sale Agreement.

### 2014 Bonds

“2014 Bonds” means the Stockton Public Financing Authority Wastewater Revenue Refunding Bonds, Series 2014 (1998 Wastewater Project and 2003 Wastewater Project) issued in the aggregate, principal amount of \$69,440,000.

### 2014 Escrow Agreement

“2014 Escrow Agreement” means that certain Escrow Agreement, dated as of August 1, 2024, among the City, the Authority and the Escrow Agent, relating to the prepayment and defeasance of the 2014 Bonds.

### 2014 Escrow Fund

“2014 Escrow Fund” means the fund so designated and created under the 2014 Escrow Agreement.

### 2014 Installment Purchase Contract

“2014 Installment Purchase Contract” means the Installment Purchase Contract, dated as of October 1, 2014, between the City and the Authority.

### 2014 Indenture

“2014 Indenture” means that certain Indenture, dated as of October 1, 2014, between the 2014 Trustee and the Authority, relating to the 2014 Bonds.

### 2014 Trustee

“2014 Trustee” means Computershare Trust Company, N.A., as successor to Wells Fargo Bank, National Association, as trustee under the 2014 Indenture.

### 2024 Bonds

“2024 Bonds” means the Authority’s Wastewater Revenue Refunding Bonds, Series 2024 (Wastewater Refunding Project), authorized, issued and delivered hereunder in accordance with Article II that are at any time Outstanding pursuant hereto.

2024 Contract

“2024 Contract” means that certain 2024 Installment Purchase Contract, dated as of August 1, 2024, by and between the City and the Authority, as originally executed and as it may from time to time be amended in accordance therewith.

2024 Indenture

“2024 Indenture” means this 2024 Indenture dated as of August 1, 2024, by and between the Authority and the Trustee, as originally executed and as it may from time to time be amended or supplemented by all Supplemental Indentures executed pursuant to the provisions hereof.

2024 Installment Payment Fund

“2024 Installment Payment Fund” means the Stockton Public Financing Authority 2024 Installment Payment Fund established pursuant to Section 3.02.

2024 Installment Payments

“2024 Installment Payments” shall have the meaning given in the 2024 Contract.

2024 Reserve Account

“2024 Reserve Account” means the account within the 2024 Installment Payment Fund by that name established pursuant to Section 3.03.

2024 Reserve Requirement

“2024 Reserve Requirement” means, as of any date of determination, the least of (a) ten percent (10%) of the amount of the 2024 Bonds (as defined in Section 1.148-2(f)(1) of the Treasury Regulations), or (b) the maximum annual 2024 Installment Payments payable under the 2024 Contract in the then current or any future one-year period ending on [September 1], or (c) one hundred twenty-five per cent (125%) of the average annual 2024 Installment Payments payable under the 2024 Contract in the then current and all future one-year periods ending on [September 1], all as computed by the City under the Code and specified in writing to the Trustee; provided, that such requirement (or any portion thereof) may be provided by one or more financial instruments (including, but not limited to, one or more policies of financial guaranty insurance, one or more surety bonds or one or more letters of credit) issued by a municipal bond insurer, bank or other financial institution or organization with ratings at the time of issuance of such financial instrument at least equal to the rating on the 2024 Bonds (if any) assigned by Moody’s and by S&P.

Act

“Act” means the Joint Exercise of Powers Act (being Chapter 5 of Division 7 of Title 1 of the Government Code of the State, as amended) and all laws amendatory thereof or supplemental thereto.



Authority

“Authority” means the Stockton Public Financing Authority, a joint exercise of powers entity duly organized and existing under and by virtue of the Act.

Bond Insurance Policy

“Bond Insurance Policy” means the Municipal Bond Insurance Policy issued by the Insurer that guarantees the scheduled payment of principal of and interest on the 2024 Bonds when due.

Business Day

“Business Day” means any day (other than a Saturday, a Sunday or a legal holiday) on which banks in New York, New York, are open for business and on which the Trustee is open for business at its Principal Corporate Trust Office.

Certificate of the Authority

“Certificate of the Authority” means an instrument in writing signed by the Treasurer, or by any other officer of the Authority duly authorized by the Authority for that purpose.

City

“City” means the City of Stockton, a municipal corporation and chartered city duly organized and existing under and by virtue of the Constitution and laws of the State and its charter.

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 successor sections of the Code.

Costs of Issuance

“Costs of Issuance” means all items of expense directly or indirectly payable by or reimbursable to the Authority or the City related to the authorization, execution and delivery of the 2024 Contract, the 2024 Indenture and the sale of the 2024 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, filing and recording fees, initial charges and fees of the Trustee, legal charges and fees, fees and disbursements of consultants and professionals, fees and expenses of the underwriter of the 2024 Bonds, and charges and fees for preparation, execution and safekeeping of the 2024 Bonds, and any other charge, cost or fee in connection with the original execution and delivery of the 2024 Bonds.

Costs of Issuance Fund

“Costs of Issuance Fund” means the Stockton Public Financing Authority Wastewater Revenue Refunding Bonds, Series 2024 Costs of Issuance Fund established pursuant to Section 2.12(b).

Escrow Agent

“Escrow Agent” means a bank or trust company doing business and having a corporate trust office in Los Angeles or San Francisco, California, having a combined capital (exclusive of borrowed capital) and surplus of at least one hundred million dollars (\$100,000,000), subject to supervision or examination by a federal or state banking authority, and having the corporate power and authority to accept the trusts created by a deposit made pursuant to Section 8.01(c). If such bank 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 definition the combined capital and surplus of such bank 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. Computershare Trust Company, N.A., in its capacity as escrow agent, shall serve as Escrow Agent under the 2014 Escrow Agreement.

Escheat Period

“Escheat Period” means, with respect to any money held by the Trustee in trust for the payment of the interest on or principal of 2024 Bonds, a period beginning on the date such payment was due and ending on the date sixty (60) days prior to the date on which such money would escheat to the State by operation of applicable law.

Event of Default

“Event of Default” means an event defined as such in Section 7.01.

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.

Holder

“Holder” means any person who shall be the registered owner of any Outstanding 2024 Bonds.

Independent Certified Public Accountant

“Independent Certified Public Accountant” means any firm of certified public accountants duly licensed and entitled to practice and practicing as such under the laws of the State, appointed and paid by the Authority, and each of whom --

- (1) is in fact independent and not under the domination of the Authority;
- (2) does not have a substantial financial interest, direct or indirect, in the operations of the Authority; and
- (3) is not connected with the Authority as a member, officer or employee of the Authority, but which firm may be regularly retained by the Authority to audit the accounting records of the Authority and make reports thereon to the Authority.

#### Information Services

“Information Services” means securities information services selected by the Trustee to comply with custom or the rules of any securities and exchange commission or brokerage board.

#### Insurer

“Insurer” means [\_\_\_\_\_], or any successor thereto.

#### Interest Account

“Interest Account” means the account within the 2024 Installment Payment Fund by that name established pursuant to Section 3.03.

#### Interest Payment Date

“Interest Payment Date” means a date on which interest is due on the 2024 Bonds, being March 1 and September 1 of each year to which reference is made, commencing on March 1, 2025.

#### Late Payment Rate

“Late Payment Rate” has the meaning given to such term in the 2024 Contract.

#### Moody’s

“Moody’s” means Moody’s Investors Service, a corporation duly organized and existing under and by virtue of the laws of the State of Delaware, and 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” means, when used with reference to 2024 Bonds and subject to the provisions of Section 6.02, all 2024 Bonds except -

- (1) 2024 Bonds theretofore cancelled by the Trustee or surrendered to the Trustee for cancellation;
- (2) 2024 Bonds paid or deemed to have been paid within the meaning of Section 8.01; and
- (3) 2024 Bonds in lieu of or in substitution for which other 2024 Bonds shall have been executed, issued and delivered by the Authority pursuant hereto.

Permitted Investments

“Permitted Investments” means any of the following obligations to the extent then authorized by law for the investment of money of the Authority:

- (1) Direct obligations (including obligations issued or held in book-entry form on the books of) the Department of the Treasury of the United States of America;
- (2) Direct obligations of any of the following federal agencies, which obligations represent the full faith and credit of the United States of America:
  - Export-Import Bank
  - Farm Credit System Financial Assistance Corporation
  - Rural Economic Community Development Administration (formerly the Farmers Home Administration)
  - General Services Administration
  - U.S. Maritime Administration
  - Small Business Administration
  - Government National Mortgage Association (GNMA)
  - U.S. Department of Housing & Urban Development (PHA’s)
  - 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 rated “Aaa” by Moody’s and “AAA” by S&P issued by the Federal National Mortgage Association (FNMA) or Federal Home Loan Mortgage Corporation (FHLMC)
- Obligations of the Resolution Funding Corporation (REFCORP)
- Senior debt obligations of the Federal Home Loan Bank System
- Senior debt obligations of other Government Sponsored Agencies;

(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 “A-1” or “A-1+” by S&P and “P-1” by Moody’s and maturing no more than three hundred sixty (360) 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, “A-1+” by S&P and “P-1” by Moody’s and which matures not more than two hundred seventy (270) days after the date of purchase;

(6) Investments in a money market fund rated “AAAm” or “AAAm-G” by S&P, including any such fund managed, advised or sponsored by the Trustee or any of its affiliates;

(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 S&P and Moody’s 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 (1) above, 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 independent certified public accountant, 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) General obligations of states with a rating of at least “A2/A” or higher by both Moody’s and S&P;

(9) Investment agreements (supported by appropriate opinions of counsel) with notice to S&P;

(10) Shares in the California Asset Management Program (established pursuant to Title 1, Division 7, Chapter 5 of the Government Code of the State) that invests exclusively in investments permitted by Section 53635 of the Government Code of the State, as now existing and as it may be amended from time to time;

(11) The Local Agency Investment Fund (established under Sections 53600-53609 of the California Government Code, as amended or supplemented from time to time); and

(12) Other forms of investment agreements (including repurchase agreements) with notice to S&P.

Unless otherwise provided in this 2024 Indenture, the value of the above investments shall be determined at fair market value.

#### Principal Corporate Trust Office

“Principal Corporate Trust Office” means the corporate trust office of the Trustee in San Francisco, California, or such other office designated by the Trustee from time to time.

#### Principal Subaccount

“Principal Subaccount” means the subaccount within the Redemption Account by that name established pursuant to Section 3.03.

#### Prior Projects

“Prior Projects” shall have the meaning as set forth in the recitals hereto.

#### Record Date

“Record Date” means, with respect to any Interest Payment Date, the day of the month that is the fifteenth (15th) day of the month prior to such Interest Payment Date.

#### Redemption Account

“Redemption Account” means the account within the 2024 Installment Payment Fund by that name established pursuant to Section 3.03.

#### Representation Letter

“Representation Letter” means the blanket letter of representation from the Authority to The Depository Trust Company, New York, New York, relating to its book-entry securities.

#### Reserve Fund Policy

“Reserve Fund Policy” means the Municipal Bond Debt Service Reserve Insurance Policy issued by the Insurer with respect to the 2024 Bonds.

Revenues

“Revenues” means all 2024 Installment Payments paid by the City and received by the Authority, its successors and assigns under the 2024 Contract, together with all income from any investment pursuant to Section 10.06 of any money in any account or fund established pursuant hereto.

Securities Depositories

“Securities Depositories” means The Depository Trust Company, 711 Stewart Avenue, Garden City, New York 11530, Fax-(516) 227-4039 or 4190; Midwest Securities Trust Company, Capital Structures-Call Notification 440 South LaSalle Street, Chicago, Illinois 60605, Fax-(312) 663-2343; or in accordance with the current guidelines of the Securities and Exchange Commission, such other securities depositories as the Authority may designate in a Certificate of the Authority delivered to the Trustee.

S&P

“S&P” means S&P Global Ratings, a corporation duly organized and existing under and by virtue of the laws of the State of New York, and 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 Indenture

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

Tax Certificate

“Tax Certificate” means the Tax Certificate delivered by the Authority at the time of the issuance and delivery of the 2024 Bonds, as the same may be amended or supplemented in accordance with its terms.

Treasurer

“Treasurer” means the Treasurer of the Authority.

Trustee

“Trustee” means U.S. Bank Trust, National Association, a national banking association duly organized and existing under and by virtue of the laws of the United States of America, at its Principal Corporate Trust Office, or any successor Trustee which may at any time be substituted in place of the original or any successor Trustee hereunder as provided in Section 5.01.

Wastewater System

“Wastewater System” means the whole and each and every part of the wastewater system of the City, including the portion thereof existing on the date hereof and including all additions, betterments, extensions and improvements to such system or any part thereof and hereafter acquired or constructed.

Written Request of the Authority

“Written Request of the Authority” means an instrument in writing signed by the Chairperson, Vice-Chairperson, Executive Director or Treasurer of the Authority, or by any other officer of the Authority duly authorized by the Authority for that purpose.

Section 1.02. Equal Security. In consideration of the acceptance of the 2024 Bonds by the Holders thereof, the 2024 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 2024 Bonds authorized, executed, authenticated and delivered hereunder and then Outstanding to secure the full and final payment of the interest on and principal of all 2024 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 2024 Bonds without distinction, preference or priority as to security or otherwise of any 2024 Bonds over any other 2024 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 2024 BONDS

Section 2.01. Authorization and Purpose of 2024 Bonds. The Authority has reviewed all proceedings heretofore taken relative to the authorization of the 2024 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 issuance of the 2024 Bonds do exist, have happened and have been performed in due time, form and manner as required by law, that the Authority is now duly authorized, pursuant to each and every requirement of the Act, to issue the 2024 Bonds to prepay the 2014 Bonds in the form and manner provided herein for the purpose of providing funds to refinance the Prior Projects, as provided under the 2024 Contract, and that the 2024 Bonds shall be entitled to the benefit, protection and security of the provisions hereof.



Section 2.02. Terms of 2024 Bonds. The 2024 Bonds shall be designated the “Stockton Public Financing Authority Wastewater Revenue Refunding Bonds, Series 2024 (Wastewater Refunding Project)” and shall be issued in the aggregate principal amount of \$ \_\_\_\_\_.

The 2024 Bonds shall be dated the date of their original delivery, shall be issued in fully registered form in denominations of five thousand dollars (\$5,000) or any integral multiple of five thousand dollars (\$5,000) (not exceeding the principal amount of 2024 Bonds maturing at any one time), and shall mature on the dates and in the principal amounts and shall bear interest at the annual interest rates as set forth in the following schedule:

Maturity Date ([September 1])	Principal Amount	Interest Rate
2025		
2026		
2027		
2028		
2029		

The 2024 Bonds shall bear interest payable in lawful money of the United States of America at the annual interest rates (based on a 360-day year of twelve, 30-day calendar months) set forth above, payable semiannually on March 1 and September 1 in each year, commencing on March 1, 2025. Each 2024 Bond shall bear interest 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 dates inclusive, in which event it shall bear interest from such Interest Payment Date, or unless such date of authentication is prior to the first Record Date, in which event it shall bear interest from its date; provided, that if at the time of authentication of any 2024 Bonds interest is then in default on the Outstanding 2024 Bonds, such 2024 Bonds shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment on the Outstanding 2024 Bonds. Payment of interest on the 2024 Bonds due on any Interest Payment Date on or before the maturity thereof shall be made only to the person whose name appears in the bond registration books kept by the Trustee pursuant to Section 2.08 as the registered owner thereof as of the close of business on the Record Date for such Interest Payment Date, whether or not such Record Date is a Business Day, and shall be paid by check mailed on such Interest Payment Date by first class mail to such registered owner at the address as it appears in such books; provided, that upon the written request of any Holder of one million dollars (\$1,000,000) or more in aggregate principal amount of 2024 Bonds received by the Trustee prior to the applicable Record Date (which 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 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.

The principal of the 2024 Bonds shall be payable in lawful money of the United States of America upon the surrender thereof at maturity at the Principal Corporate Trust Office of the Trustee.

Section 2.03. 2024 Bonds Not Subject to Redemption. The 2024 Bonds are not subject to redemption prior to their respective stated maturity dates.

Section 2.04. Form of 2024 Bonds. The 2024 Bonds (and the certificate of authentication and assignment to appear thereon) shall be substantially in the form set forth in Exhibit A hereto attached and by this reference incorporated herein.

Section 2.05. Execution of 2024 Bonds. The Chairperson or Executive Director of the Authority is hereby authorized and directed to execute each of the 2024 Bonds on behalf of the Authority and the Secretary of the Authority is hereby authorized and directed to countersign each of the 2024 Bonds on behalf of the Authority, which signatures of such Chair or Executive Director and Secretary may be manually subscribed or may be copied, printed, lithographed or engraved by facsimile reproduction; provided, that in case any officer whose signature appears on the 2024 Bonds shall cease to be such officer before the delivery of the 2024 Bonds to the purchaser thereof, such signature shall nevertheless be valid and sufficient for all purposes as if such officer had remained in office until such delivery of the 2024 Bonds.

Only those 2024 Bonds bearing thereon a certificate of authentication in the form hereinbefore referred to, 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 authentication of the Trustee shall be conclusive evidence that the 2024 Bonds so authenticated have been duly authorized, executed, issued and delivered hereunder and are entitled to the benefit, protection and security hereof.

Section 2.06. Transfer and Payment of 2024 Bonds. Any 2024 Bonds may, in accordance with its terms, be transferred in the books required to be kept by the Trustee pursuant to the provisions of Section 2.08 by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such 2024 Bonds for cancellation accompanied by delivery of a duly executed written instrument of transfer in a form acceptable to the Trustee. Whenever any 2024 Bonds shall be surrendered for transfer, the Authority shall execute and the Trustee shall authenticate and deliver to the transferee a new 2024 Bond or 2024 Bonds and aggregate principal amount of the same maturity date and of the same or other authorized denominations. All costs of printing 2024 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 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 2024 Bonds as the absolute owner of such 2024 Bonds for the purpose of receiving payment thereof and for all other purposes, whether such 2024 Bonds 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 principal of such 2024 Bonds shall be made only to such registered owner thereof, which payments shall be valid and effectual to satisfy and discharge liability on such 2024 Bonds to the extent of the sum or sums so paid.

Section 2.07. Exchange of 2024 Bonds. Any 2024 Bond may be exchanged at the Principal Corporate Trust Office of the Trustee for a new 2024 Bond and aggregate principal amount of the same maturity date and of the same or other authorized denominations. All costs of printing 2024 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.

Section 2.08. 2024 Bonds Registration Books. The Trustee will keep at its Principal Corporate Trust Office sufficient books for the registration and transfer of the 2024 Bonds which shall during normal business hours 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 or transfer the 2024 Bonds in such books as hereinabove provided.

Section 2.09. Mutilated, Destroyed, Stolen or Lost 2024 Bonds. If any 2024 Bonds shall become mutilated the Trustee at the expense of the Holder shall thereupon authenticate and deliver a new 2024 Bonds of like tenor and principal amount of authorized denominations in exchange and substitution for the 2024 Bonds so mutilated, but only upon surrender to the Trustee at its Principal Corporate Trust Office of the 2024 Bonds so mutilated, and every mutilated 2024 Bonds so surrendered to the Trustee shall be cancelled by the Trustee.

If any 2024 Bonds shall be lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the Trustee at its Principal Corporate Trust Office 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 2024 Bonds of like tenor and principal amount of authorized denominations in lieu of and in substitution for the 2024 Bonds so lost, destroyed or stolen.

The Trustee may require payment of the expenses which shall be incurred by the Authority and the Trustee in connection with the issuance of each new 2024 Bonds under this section. Any 2024 Bond issued under the provisions of this section in lieu of any 2024 Bonds alleged to be lost, destroyed or stolen shall be equally and proportionately entitled to the benefits hereof with all other 2024 Bonds secured hereby, and neither the Authority nor the Trustee shall be required to treat both the original 2024 Bonds and any replacement 2024 Bonds as being Outstanding for the purpose of determining the principal amount of 2024 Bonds which may be issued hereunder or for the purpose of determining any percentage of 2024 Bonds Outstanding hereunder, but both the original and replacement 2024 Bonds shall be treated as one and the same.

Section 2.10. [Reserved].

Section 2.11. Use of Book-Entry System for 2024 Bonds. The 2024 Bonds shall be initially issued and registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), or such other nominee as DTC shall request pursuant to the Representation Letter, and the ownership of such 2024 Bonds shall be registered in the registration records maintained by the Trustee pursuant to Section 2.08 in the name of Cede & Co., as nominee of DTC, or such other nominee as DTC shall request pursuant to the Representation Letter, and payment of the interest on the 2024 Bonds registered in the name of Cede & Co. shall

be made on each Interest Payment Date to the account, in the manner and at the address indicated in or pursuant to the Representation Letter, and the 2024 Bonds shall be issued in the form of a single 2024 Bond for each stated maturity of the 2024 Bonds, representing the aggregate principal amount of the 2024 Bonds of such maturity. The Authority and the Trustee may treat DTC (or its nominee) as the sole and exclusive owner of the 2024 Bonds registered in its name for the purposes of payment of the interest on or principal of such 2024 Bonds, for giving any notice permitted or required to be given to Holders hereunder, for registering the transfer of 2024 Bonds, for obtaining any consent or other action to be taken by Holders of the 2024 Bonds and for all other purposes whatsoever; and neither the Authority nor the Trustee shall be affected by any notice to the contrary, and neither the Authority nor the Trustee shall have any responsibility or obligation to any Participant (which shall mean, for purposes of this section, securities brokers and dealers, banks, trust companies, clearing corporations and other entities, some of whom directly or indirectly own DTC), any person claiming a beneficial ownership interest in the 2024 Bonds under or through DTC or any Participant, or any other person whom is not shown on the registration records as being a Holder of 2024 Bonds, with respect to (i) the accuracy of any records maintained by DTC or any Participant, (ii) the payment by DTC or any Participant of any amount in respect of the interest on or principal of the 2024 Bonds, (iii) any notice which is permitted or required to be given to Holders of 2024 Bonds hereunder, or (iv) any consent given or other action taken by DTC as a Holder of 2024 Bonds. The Trustee shall pay the interest on and principal of the 2024 Bonds at the times, to the accounts, at the addresses and otherwise in accordance with the Representation Letter, and all such payments shall be valid and effective to satisfy fully and discharge the Authority's obligations with respect to the interest on or principal of the 2024 Bonds to the extent of the sum or sums so paid. Upon delivery by DTC to the Trustee of written notice to the effect that DTC has determined to substitute a new nominee in place of its then existing nominee, the 2024 Bonds will be transferable to such new nominee in accordance with the last paragraph of this section.

In the event that the Authority determines that it is in the best interests of the beneficial owners of the 2024 Bonds that they be able to obtain definitive 2024 Bonds, the Trustee shall, upon receipt of a Written Request of the Authority, so notify DTC, whereupon DTC shall notify the Participants of the availability through DTC of definitive 2024 Bonds, and in such event, the 2024 Bonds will be transferable in accordance with the last paragraph of this section. DTC may determine to discontinue providing its services with respect to the 2024 Bonds at any time by giving written notice of such discontinuance to the Authority or the Trustee and discharging its responsibilities with respect thereto under applicable law, and in such event the 2024 Bonds will be transferable in accordance with the last paragraph of this section. Whenever DTC requests the Authority and the Trustee to do so, the Authority and the Trustee will cooperate with DTC in taking appropriate action after reasonable notice to arrange for another securities depository to maintain custody of all certificates evidencing the 2024 Bonds then Outstanding, and in such event, the 2024 Bonds will be transferable to such securities depository in accordance with the last paragraph of this section, and thereafter all references herein to DTC or its nominee shall be deemed to refer to such successor securities depository and its nominee, as appropriate.

So long as all 2024 Bonds Outstanding are registered in the name of any nominee of DTC, all payments with respect to the interest on and principal of the 2024 Bonds and all notices with respect to the 2024 Bonds shall be made and given to DTC as provided in the Representation Letter.

The Trustee is hereby authorized and requested to execute and deliver the Representation Letter and, in connection with any successor nominee of DTC or any successor depository, enter into comparable arrangements, and shall have the same rights with respect to its actions thereunder as it has with respect to its actions hereunder.

In the event that any transfer or exchange of 2024 Bond is authorized under the first or second paragraphs of this section, such transfer or exchange shall be accomplished upon receipt by the Trustee from the registered owner thereof of the 2024 Bonds to be transferred or exchanged and appropriate instruments of transfer to the permitted transferee, all in accordance with the applicable provisions of Sections 2.06 and 2.07. In the event that definitive 2024 Bonds are issued to Holders other than Cede & Co., its successor as nominee of DTC as Holder of all the 2024 Bonds, another securities depository as Holder of all the 2024 Bonds, or the nominee of such successor securities depository, the provisions of Sections 2.06 and 2.07 shall also apply to, among other things, the registration, exchange and transfer of the 2024 Bonds and the method of payment of the interest on and principal of the 2024 Bonds.

Section 2.12. Procedure for the Issuance of 2024 Bonds. At any time after the sale of the 2024 Bonds in accordance with the Act, the Authority shall execute the 2024 Bonds for issuance hereunder and shall deliver them to the Trustee, and thereupon the 2024 Bonds shall be authenticated and delivered by the Trustee to the purchaser thereof upon receipt of a Written Request of the Authority and upon receipt of payment therefor from such purchaser. Upon receipt of payment of the purchase price of the 2024 Bonds by the purchaser thereof (net of the premiums for the Bond Insurance Policy and the Reserve Fund Policy transferred directly by the purchaser to the Bond Insurer), the Trustee shall set aside and deposit in or transfer such net purchase price of the 2024 Bonds received from such sale to the following respective accounts or funds:

(a) The Trustee shall transfer the amount of \$ \_\_\_\_\_ for deposit into the 2014 Escrow Fund to the Escrow Agent to provide for the prepayment and defeasance of all outstanding 2014 Bonds.

(b) The Trustee shall deposit in the “Stockton Public Financing Authority Wastewater Revenue Refunding Bonds, Series 2024 Costs of Issuance Fund” (which fund is hereby created and which fund the Trustee hereby agrees to maintain until \_\_\_\_\_, 2024), the sum of \$ \_\_\_\_\_. All money in the Costs of Issuance Fund shall be used and withdrawn by the Trustee to pay the Costs of Issuance of the 2024 Bonds 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 said fund. On \_\_\_\_\_, 2024, any remaining balance in the Costs of Issuance Fund shall be transferred to the 2024 Installment Payment Fund.

(c) The Trustee shall deposit the Reserve Fund Policy to the credit of the 2024 Reserve Account.

Section 2.13. Validity of 2024 Bonds. The validity of the issuance of the 2024 Bonds shall not be dependent on or affected in any way by the proceedings taken by the Authority with respect to or in connection with the 2024 Contract. The recital contained in the 2024 Bonds

that the same are issued pursuant to the Act and pursuant hereto shall be conclusive evidence of their validity and of the regularity of their issuance, and all 2024 Bonds shall be incontestable from and after their issuance. The 2024 Bonds shall be deemed to be issued, within the meaning hereof, whenever the definitive 2024 Bonds (or any temporary 2024 Bonds exchangeable therefor) shall have been delivered to the purchaser thereof and the proceeds of sale thereof received.

### ARTICLE III

#### REVENUES

Section 3.01. Pledge of Revenues. All Revenues received by the Authority are hereby assigned by the Authority to the Trustee for the benefit of the Holders of the 2024 Bonds, and are hereby irrevocably pledged to the payment of the interest on and principal of the 2024 Bonds as provided herein, and the Revenues shall not be used for any other purpose while any of the 2024 Bonds remain Outstanding; provided, that out of the Revenues there may be applied such sums for such purposes as are permitted hereunder. This pledge shall constitute a first and exclusive pledge of and charge and lien upon the Revenues and all money on deposit in the accounts and funds established hereunder for the payment of the interest on and principal of the 2024 Bonds in accordance with the terms hereof and thereof. The Authority (to the extent of its rights, if any, in the 2024 Installment Payment Fund and all money on deposit in the accounts and funds established hereunder, although it is the intent of the parties hereto that the Authority not have any right, title or interest in or to the 2024 Installment Payment Fund or such money) hereby pledges and grants a lien on and a security interest in the 2024 Installment Payment Fund and such money to the Trustee for the benefit of the Holders. The Authority and the Trustee agree to take such action (including, if required under applicable law, the filing of financing statements and continuation statements) as may be necessary from time to time to perfect or otherwise preserve the priority of the pledge set forth above.

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 2024 Contract (excepting its right to indemnification thereunder), including the right to receive 2024 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 2024 Indenture.

Section 3.02. Receipt and Deposit of Revenues in the 2024 Installment Payment 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 the Authority will be forthwith transferred by the Authority to the Trustee for deposit in the "Stockton Public Financing Authority 2024 Installment Payment Fund," which fund is hereby created and which fund the Authority hereby agrees and covenants to maintain with the Trustee so long as any 2024 Bonds are Outstanding hereunder. All money in the 2024 Installment Payment Fund shall be accounted for through and held in trust in the 2024 Installment Payment Fund by the Trustee, and the Authority shall have no beneficial right or interest in any money in the 2024 Installment Payment 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 3.03. Establishment and Maintenance of Accounts for Use of Money in the 2024 Installment Payment Fund. All money in the 2024 Installment Payment Fund shall be set aside by the Trustee in the following respective special accounts within the 2024 Installment Payment Fund (each of which is hereby created and each of which the Trustee hereby covenants and agrees to cause to be maintained) in the following order of priority:

- Interest Account,
- Redemption Account, and
- 2024 Reserve Account.

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.

(a) Interest Account. On March 1 and September 1 of each year, beginning on March 1, 2025, the Trustee shall set aside from the 2024 Installment Payment Fund and deposit in the Interest Account an amount of money which is equal to the amount of interest becoming due and payable on all Outstanding 2024 Bonds on such March 1 or September 1, as the case may be; 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 2024 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 2024 Bonds as it shall become due and payable.

(b) Redemption Account. On [September 1 of each year, beginning on September 1, 2025], the Trustee shall set aside from the 2024 Installment Payment Fund and deposit in the Principal Subaccount of the Redemption Account an amount of money equal to the principal amount of all Outstanding 2024 Bonds maturing on such [September 1], provided, that no such deposit need be made in the Principal Subaccount on [September 1] of any year if the amount contained in the Principal Subaccount therein is at least equal to the aggregate amount of the principal of all Outstanding 2024 Bonds maturing by their terms on such [September 1]. 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 2024 Bonds as they shall become due and payable at maturity.

(c) 2024 Reserve Account.

(i) On [September 1] of each year, beginning on [September 1], 2025, the Trustee shall set aside from the 2024 Installment Payment Fund and deposit in the 2024 Reserve Account the amount of money necessary to restore the 2024 Reserve Account to the 2024 Reserve Requirement (taking into account the then available amount of the Reserve Fund Policy), and for this purpose all investments in each such account on [September 1] of each year (beginning on [September 1], 2025) shall be valued at the face value thereof if such investments mature within twelve (12) months from the date of such

valuation, or if such investments mature more than twelve (12) months after the date of such valuation, at the price at which such investments are redeemable by the holder, at his option, if so redeemable, or if not so redeemable, at the then current market value of such investments.

(ii) All money in the 2024 Reserve Account shall be used and withdrawn by the Trustee solely for the purpose of paying the interest on or principal of the 2024 Bonds if no other money is available in the 2024 Installment Payment Fund for such purpose; provided, that if at any time the Trustee determines that an amount in excess of the 2024 Reserve Requirement is on deposit in the 2024 Reserve Account (due to the foregoing valuation or otherwise), the Trustee shall withdraw any such excess and transfer it to the 2024 Installment Payment Fund or as otherwise directed in a Written Request of the Authority for any lawful purpose.

#### ARTICLE IV

##### COVENANTS OF THE AUTHORITY

Section 4.01. Punctual Payment and Performance. The Authority will punctually pay the interest on and principal of to become due on every 2024 Bond issued hereunder from the Revenues in strict conformity with the terms hereof and of the 2024 Bonds, and will faithfully observe and perform all the agreements, conditions, covenants and terms to be observed or performed by it contained herein and in the 2024 Bonds.

Section 4.02. 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 2024 Bonds.

Section 4.03. Tax Covenants. The Authority will not use or permit the use of any proceeds of 2024 Bonds or any funds of the Authority, directly or indirectly, to acquire any securities or obligations and will not take or permit to be taken any other action or actions which would cause any 2024 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 thereunder and under Section 103(c) of the Code. The Authority will observe and will not violate the requirements of Section 148 of the Code and any applicable regulations thereunder, and the Authority will comply with all requirements of Sections 148 and 149(b) of the Code and any applicable regulations thereunder to the extent applicable to the 2024 Bonds. 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 to limit the yield on the investment of any 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.

The Authority will comply with the provisions and procedures of the Tax Certificate, and the Trustee shall only be obligated to follow the directions of the Authority agreed to be followed by it hereunder.



The Authority will not use or permit the use of any proceeds of the 2024 Bonds or any funds of the Authority, directly or indirectly, in any manner, and will not take or omit to take any action that would cause any of the 2024 Bonds to be treated as an obligation not described in Section 103(a) of the Code and any applicable regulations thereunder or which would affect the exemption of interest on the 2024 Bonds from State personal income taxes.

Notwithstanding any provisions of this section, if the Authority provides the Trustee with 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 2024 Bonds, the Trustee may conclusively rely on such opinion in complying with the requirements of this section, and, notwithstanding Article VI, the tax covenants hereunder shall be deemed to be modified to that extent.

Section 4.04. 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 the Trustee at reasonable hours and under reasonable conditions. Not more than two hundred seventy (270) days after the close of each Fiscal Year, the Authority will furnish or cause to be furnished to the Trustee audited financial statements for such Fiscal Year prepared by an Independent Certified Public Accountant. The Authority will also keep or cause to be kept such other information as required under the Tax Certificate, and the Trustee shall have no duty to review or examine such statements.

Section 4.05. 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 affected Holder at its election may appear in and defend any such suit, action or proceeding. 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 4.06. Amendments to 2024 Contract. The Authority will not supplement, amend, modify or terminate any of the terms of the 2024 Contract, or consent to any such supplement, amendment, modification or termination, without the prior written consent of the Trustee, which consent shall be given only if (a) such supplement, amendment, modification or termination will not materially adversely affect the interests of the Holders or result in any material impairment of the security hereby given for the payment of the 2024 Bonds, or (b) the Trustee first obtains the written consent of the Holders of a majority in aggregate principal amount of the 2024 Bonds then Outstanding to such supplement, amendment, modification or termination; provided, that no such supplement, amendment, modification or termination shall reduce the amount of 2024 Installment Payments to be made to the Authority by the City pursuant to the 2024 Contract, or extend the time for making such 2024 Installment Payments, or permit the creation of

any lien prior to the lien created by the 2024 Contract on the Net System Revenues without the written consent of the Holders of all the 2024 Bonds then Outstanding.

Section 4.07. Continuing Disclosure. Pursuant to the 2024 Contract and the Continuing Disclosure Certificate (as defined in the 2024 Contract) the City has undertaken all responsibility for compliance with continuing disclosure requirements related to the 2024 Bonds. Notwithstanding any other provisions hereof, failure of the City to comply with the Continuing Disclosure Certificate shall not be considered an Event of Default hereunder; provided, the Trustee may (and, at the request of any Participating Underwriter or the Holders of at least twenty-five per cent (25%) in aggregate principal amount of Outstanding 2024 Bonds, shall) or any Holder or Beneficial Owner may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the City to comply with its obligations under this section.

Section 4.08. 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 V

### THE TRUSTEE

Section 5.01. The Trustee. U.S. Bank Trust Company, National Association at its Principal Corporate Trust Office, is hereby appointed Trustee for the purpose of receiving all money which the Authority is required to transfer to it hereunder and for applying and using such money as provided herein for the purpose of paying the interest on and principal of the 2024 Bonds

The Authority may remove the Trustee initially appointed and any successor thereto and may appoint a successor or successors thereto by an instrument in writing; provided, that any such successor shall be a bank or trust company doing business and having a corporate trust office in Los Angeles or San Francisco, California, having a combined capital (exclusive of borrowed capital) and surplus of at least one hundred million dollars (\$100,000,000) and subject to supervision or examination by a federal or state banking authority. If such bank 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 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. The Trustee may at any time resign by giving written notice of such resignation to the Authority and to the Holders, and upon receiving such notice of resignation, the Authority shall promptly appoint a successor Trustee by an instrument in writing having the qualifications required hereby. Any resignation or removal of a Trustee and appointment of a successor Trustee shall become effective only upon the acceptance of appointment by the successor Trustee. If within thirty (30) 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 interest on the 2024 Bonds due on or before the maturity to the Holders as their names appear at the close of business as of the Record Date next preceding each Interest Payment Date on the registration books required to be kept by it pursuant to Section 2.08 as the registered owners thereof, such interest to be paid by check mailed by first class mail to the Holders at their addresses appearing on such books (except that upon the written request of any Holder of one million dollars (\$1,000,000) or more in aggregate principal amount of 2024 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 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) and to pay to the Holders the principal of the 2024 Bonds upon presentation and surrender of the 2024 Bonds to the Trustee at maturity. The Trustee shall cancel and destroy all 2024 Bonds paid by it at maturity and all 2024 Bonds surrendered to it by the Authority, and shall deliver to the Authority a certificate of such destruction, and the Trustee shall keep accurate records of all 2024 Bonds cancelled and destroyed by it hereunder. All money held by or on behalf of the Trustee for the payment of the interest on or principal of the 2024 Bonds at maturity shall be held in trust for the account of the Holders thereof, and the Trustee shall not be required to pay Holders or the Authority any interest on, or be liable to the Authority, the Holders or any other person for any interest earned on, any money so held.

Any company into which the Trustee shall be merged or converted or with which it may be consolidated or any company resulting from any merger, conversation 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 this section, shall be the successor to the Trustee and shall be vested with 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 5.02. Liability of Trustee. The recitals of facts, agreements and covenants contained herein and in the 2024 Bonds shall be taken as statements, agreements and covenants of the Authority, and the Trustee shall 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 2024 Bonds or of the 2024 Contract, and shall not incur any responsibility in respect thereof other than in connection with the rights and obligations expressly assigned to or imposed upon it herein or in the 2024 Bonds, and shall not be liable in connection with the performance of its duties hereunder except for its own negligence or willful misconduct. The Trustee shall not be liable for any error of judgment made in good faith, unless it shall be proved that the Trustee was negligent in ascertaining the pertinent facts, and no provision hereof shall require the Trustee to expend or risk its own funds or otherwise incur any liability for the performance of its duties hereunder, or

in the exercise of any of its rights or powers hereunder, if repayment of such funds, or adequate indemnity satisfactory to it against such risks or liability, is not assured to it.

The Trustee 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, and the Trustee shall be entitled to advice of counsel concerning all matters of trust and its duties hereunder; provided, that the Trustee shall not be answerable for the negligence or misconduct of any attorney or certified public accountant selected by it with due care.

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 only such duties as are specifically set forth herein, and no implied duties or obligations shall be read herein against the Trustee. 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 man would exercise or use under the circumstances in the conduct of his own affairs.

The Trustee shall not be bound to recognize any person as the Holder of a 2024 Bonds unless and until such 2024 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 2024 Bonds at the time Outstanding relating to the time, method and place of conducting any proceedings 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 and principal of the 2024 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 unless and until an officer at the Trustee's Principal 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 Principal Corporate Trust Office. The Trustee shall not be bound to ascertain or to 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 2024 Bonds, or as to the existence of an Event of Default hereunder.

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 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.

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.

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 2024 Bonds.

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

Section 5.03. Compensation and Indemnification of 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 or 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 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 2024 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 the Trustee and the obligations of the Authority under this section shall survive the discharge of the 2024 Bonds and hereof and the resignation or removal of the Trustee.

Section 5.04. Notice to the Trustee. The Trustee shall be protected in acting upon any 2024 Bonds, certificate, consent, notice, opinion, report, request, 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, including, without limitation, counsel to the Authority, with regard to legal questions, and the opinion of such counsel shall be full and complete authorization and protection with respect to any action taken or suffered 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 established or proved by a Certificate of the Authority, which shall be full warrant to the Trustee for any action taken or suffered under the provisions hereof upon the faith thereof, and on which the Trustee may conclusively rely, 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.

## ARTICLE VI

### AMENDMENT OF THE 2024 INDENTURE

#### Section 6.01. Amendment of the 2024 Indenture.

(a) The 2024 Indenture and the rights and obligations of the Authority and of the Holders may be amended at any time by a Supplemental Indenture which shall become binding when the written consents of the Holders of a majority in aggregate principal amount of the 2024 Bonds then Outstanding, exclusive of 2024 Bonds disqualified as provided in Section 6.02, are filed with the Trustee; provided, that before executing any such Supplemental Indenture the Trustee shall first be provided at the Authority's expense with an Opinion of Counsel that such Supplemental Indenture is permitted by the 2024 Indenture, on which opinion the Trustee may conclusively rely. No such amendment shall (1) extend the maturity of or reduce the interest rate on or amount of interest on or principal any 2024 Bonds without the express written consent of the Holder of such 2024 Bonds, or (2) 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 2024 Bonds, or (3) reduce the percentage of 2024 Bonds required for the written consent to any such amendment, or (4) modify any duties or obligations of the Authority or the Trustee without their prior written assent thereto, respectively.

(b) The 2024 Indenture and the rights and obligations of the Authority and of the Holders may also be amended at any time by a Supplemental Indenture which shall become binding upon adoption without the consent of any Holders, but only to the extent permitted by law, 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 --

(i) 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, or to surrender any right or power reserved herein to or conferred herein on the Authority;

(ii) 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;

(iii) to add to the agreements and covenants required herein, such agreements and covenants as may be necessary to qualify the 2024 Indenture under the Trust Indenture Act of 1939;

(iv) to make any amendments or supplements necessary or appropriate to preserve or protect the exclusion of interest on the 2024 Bonds from gross income for federal income tax purposes under the Code or the exemption of such interest from State personal income taxes;

(v) to make such amendments or supplements as may be necessary or appropriate to maintain any then current rating on the 2024 Bonds; or

(vi) to add to the rights of the Trustee;

provided, that before executing any such Supplemental Indenture the Trustee shall first be provided at the Authority's expense with an Opinion of Counsel that such Supplemental Indenture is permitted by the 2024 Indenture, on which opinion the Trustee may conclusively rely.

Section 6.02. Disqualified 2024 Bonds. 2024 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 2024 Bonds provided in this article, and shall not be entitled to consent to or take any other action provided in this article.

Section 6.03. Endorsement or Replacement of 2024 Bonds After Amendment. After the effective date of any action taken as hereinabove provided, the Authority may determine that the 2024 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 2024 Bonds and presentation of such Holder's 2024 Bonds for such purpose at the Principal Corporate Trust Office of the Trustee, a suitable notation as to such action shall be made on such 2024 Bonds. If the Authority shall so determine, new 2024 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 2024 Bonds a new 2024 Bonds or 2024 Bonds shall be exchanged at the Principal Corporate Trust Office of the Trustee without cost to each Holder for its 2024 Bonds or 2024 Bonds then Outstanding upon surrender of such Outstanding 2024 Bonds.

Section 6.04. Amendment by Mutual Consent. The provisions of this article shall not prevent any Holder from accepting any amendment as to the particular 2024 Bonds held by him; provided, that due notation thereof is made on such 2024 Bonds.

## ARTICLE VII

### EVENTS OF DEFAULT AND REMEDIES OF HOLDERS

Section 7.01. Events of Default. The following events shall constitute "Events of Default" hereunder:

(a) if default shall be made by the Authority in the due and punctual payment of the interest on any 2024 Bonds 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 any 2024 Bonds when and as the same shall become due and payable at maturity;

(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 thirty (30) days after the Authority shall have been given notice in writing of such default by the Trustee;

(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 2024 Contract) has occurred under the 2024 Contract.

Notwithstanding anything to the contrary contained herein, in no event are the 2024 Bonds subject to acceleration if an Event of Default occurs and is continuing.

Section 7.02. Application of Funds Upon Default. All money in the accounts and funds provided in Sections 2.12, 3.02 and 3.03 upon the date of the declaration of an Event of Default by the Trustee as provided in Section 7.01 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;

Second, to the payment of the Holders entitled thereto of all installments of interest then due on the 2024 Bonds, in the order of the maturity of the installments of such interest, and if the amount available shall not be sufficient to pay in full any particular installment, then to the payment ratably, according to the amounts due on such installment, to the Holders entitled thereto, without any discrimination or privilege;

Third, to the payment of the Holders entitled thereto of the unpaid principal of the 2024 Bonds which shall have become due (other than 2024 Bonds matured) in the order of their due dates, and if the amount available shall not be sufficient to pay in full the principal of such 2024 Bonds due on any particular date, then to the payment ratably, according to the amount due on such date, to the Holders entitled thereto without any discrimination or privilege; and

Fourth, to be held for the payment to the Holders entitled thereto as the same shall become due of the principal of and interest on the 2024 Bonds which may thereafter become due at maturity, and if the amount available shall not be sufficient to pay in full such principal due on



any particular date, together with interest then due and owing thereon, payment shall be made in accordance with the Second and Third paragraphs hereof.

Section 7.03. Institution of Legal Proceedings by 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 2024 Bonds then Outstanding (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 2024 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 as the Trustee shall deem most effectual in support of any of its rights and duties hereunder.

Section 7.04. Non-Waiver. Nothing in this article or in any other provision hereof or in the 2024 Bonds shall affect or impair the obligation of the Authority, which is absolute and unconditional, to pay the interest on and principal of the 2024 Bonds to the respective Holders of the 2024 Bonds at the respective dates of maturity from the Revenues and the funds held in the accounts and funds as provided herein pledged for such payment, or (except as provided in Section 7.07) 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 2024 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, and 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 7.05. Actions by 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 2024 Bond 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 7.06. 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 7.07. Limitation on 2024 Bondholders' Right to Sue. No Holder of any 2024 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 2024 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 2024 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 his or their 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 all Holders of Outstanding 2024 Bonds.

## ARTICLE VIII

### DEFEASANCE

#### Section 8.01. Discharge of 2024 Bonds.

(a) If the Authority shall pay or cause to be paid or there shall otherwise be paid to the Holders of all Outstanding 2024 Bonds the interest thereon and the principal thereof at the times and in the manner stipulated herein, then the Holders of such 2024 Bonds shall cease to be entitled to the pledge of and charge and lien upon the Revenues as provided herein, and all agreements, covenants and other obligations of the Authority to the Holders of such 2024 Bonds hereunder shall thereupon cease, terminate and become void and be discharged and satisfied. In such event, the Trustee shall execute and deliver to the Authority all such instruments as may be necessary or desirable to evidence such discharge and satisfaction, and the Trustee shall pay over or deliver to the Authority all money or securities held by it pursuant hereto which are not required for the payment of the interest on and principal of such 2024 Bonds and for the payment of any fees and expenses of the Trustee.

(b) Any Outstanding 2024 Bonds shall on the maturity 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 principal of such 2024 Bonds on the maturity dates thereof.

(c) Any Outstanding 2024 Bonds shall prior to the maturity 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 2024 Bonds, but only out of the money or securities deposited with the Trustee or an Escrow Agent) if (1) there shall have been deposited with the Trustee or with an Escrow Agent in trust for the benefit of the Holders thereof either (A) money in an amount which shall be sufficient to pay when due the interest to become due on such 2024 Bonds on and prior to the maturity dates thereof and the principal to become due on such 2024 Bonds on such maturity dates, or (B) (a) Permitted Investments of the type described in clause (1) of the definition thereof which are not subject to redemption prior to maturity (including any such Permitted Investments issued or held in book-entry form on the books of the Treasury of the United States of America) or (b) tax exempt obligations of a state or political subdivision thereof which have been defeased under irrevocable escrow instructions by the deposit of such money or Permitted Investments and which are then rated in the highest rating category by Moody's and S&P, the interest on and 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, in the opinion of an Independent Certified Public Accountant addressed to the Trustee, to pay when due the interest to become due on such 2024 Bonds on and prior to the maturity dates thereof, and the principal to become due on such 2024 Bonds on such maturity dates, and (2) the Authority shall have given the Trustee in form satisfactory to it irrevocable instructions to mail as soon as practicable a notice to the Holders of such 2024 Bonds that the deposit required above has been made with the Trustee or such Escrow Agent and that such 2024 Bonds are deemed to have been paid in accordance with this section and stating the maturity date upon which money is to be available for the payment of the principal of such 2024 Bonds.

(d) After the payment of the interest on and principal of the 2024 Bonds as provided in this section, the Trustee shall, after the payment of all amounts due the Trustee hereunder, execute and deliver to the Authority all such instruments as may be necessary or desirable to evidence the discharge and satisfaction of the 2024 Indenture, 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 and principal on the 2024 Bonds.

Section 8.02. Unclaimed Money. Anything contained herein to the contrary notwithstanding, if any money is held by the Trustee in trust for the payment and discharge of the interest on or principal of the 2024 Bonds after the date when the interest on or principal of such 2024 Bonds has become due and payable at their stated maturity dates and remains unclaimed for the Escheat Period, such money 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 principal of such 2024 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 Information Services and the Securities Depositories 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 IX

PROVISIONS RELATING TO THE BOND INSURANCE POLICY AND THE RESERVE FUND POLICY

Section 9.01. Provisions of this Article to Govern. Notwithstanding anything to the contrary set forth in this 2024 Indenture, the provisions of this Article IX shall govern this 2024 Indenture and the 2024 Bonds.

Section 9.02. Notice and Other Information to be Given to the Insurer. The Authority will provide the Insurer with all notices and other information it is obligated to provide to the holders of 2024 Bonds or the Trustee under this 2024 Indenture. The notice address of [INSURANCE PROVIDER] is set forth in Section 10.11 of this 2024 Indenture.

Section 9.03. Defeasance.

(a) The Permitted Investments purchased for any defeasance escrow relating to the 2024 Bonds under Section 8.01(c) of this 2024 Indenture shall be limited to non-callable, direct obligations of the United States of America and securities fully and unconditionally guaranteed as to the timely payment of principal and interest by the United States of America, or as otherwise may be authorized under this 2024 Indenture and approved by the Insurer.

(b) At least (three) 3 Business Days prior to any defeasance with respect to the 2024 Bonds under Section 8.01(c)(2)(B) of this 2024 Indenture, the Authority shall deliver to the Insurer draft copies of an escrow agreement, an opinion of counsel acceptable to the Insurer regarding the validity and enforceability of the escrow agreement, an opinion of bond counsel regarding the defeasance of the 2024 Bonds, and a verification report (a “Verification Report”) prepared by a nationally recognized independent financial analyst or firm of certified public accountants regarding the sufficiency of the escrow fund. Such opinions and Verification Report shall be addressed to the Insurer and shall be in form and substance satisfactory to the Insurer.

(c) In addition, any escrow agreement entered into to defease 2024 Bonds under Section 8.01(c) of this 2024 Indenture shall provide that:

(i) Any substitution of securities following the execution and delivery of the escrow agreement shall require the delivery of a Verification Report, an opinion of bond counsel to the effect that such substitution will not adversely affect the exclusion from gross income of the holders of the 2024 Bonds of the interest on the 2024 Bonds for federal income tax purposes and the prior written consent of the Insurer, which consent will not be unreasonably withheld.

(ii) [Reserved].

(iii) The Authority shall not amend the escrow agreement or enter into a forward purchase agreement or other agreement with respect to rights in the escrow without the prior written consent of the Insurer.

Section 9.04. Trustee Provisions. The Trustee shall provide the Insurer with prior written notice of any name change of the Trustee. Any Trustee must be (1) a national banking association that is supervised by the Office of the Comptroller of the Currency and has at least \$250 million of assets, (2) a state-chartered commercial bank that is a member of the Federal Reserve System and has at least \$1 billion of assets, or (3) otherwise approved by the Insurer in writing. No removal, resignation or termination of the Trustee shall take effect until a successor, acceptable to the Insurer, shall be qualified and appointed.

Section 9.05. Amendments, Supplements and Consents.

(a) Any amendments or supplements to the 2024 Indenture or the 2024 Contract shall require the prior written consent of the Insurer with the exception of amendments or supplements:

(i) to cure any ambiguity or formal defect or omissions or to correct any inconsistent provisions in the transaction documents or in any supplement thereto; or

(ii) to grant or confer upon the holders of the '2024 Bonds any additional rights, remedies, powers, authority or security that may lawfully be granted to or conferred upon the holders of the 2024 Bonds; or

(iii) to add to the conditions, limitations and restrictions on the issuance of bonds or other obligations under the provisions of the 2024 Indenture or the 2024 Contract other conditions, limitations and restrictions thereafter to be observed; or

(iv) to add to the covenants and agreements of the Authority or the City in the 2024 Indenture or 2024 Contract other covenants and agreements thereafter to be observed by the Authority or the City or to surrender any right or power therein reserved to or conferred upon the Authority or the City.

(b) The Authority shall send copies of any amendments or supplements to the 2024 Indenture and the 2024 Contract to the Insurer and any rating agencies then rating the 2024 Bonds at the request of the Authority or the City.

(c) Any amendment, supplement, modification to, or waiver of, the 2024 Indenture or 2024 Contract that requires the consent of holders of the 2024 Bonds or adversely affects the rights or interests of the Insurer shall be subject to the prior written consent of the Insurer.

(d) In the event of any reorganization or liquidation of the Authority or the City, the Insurer shall have the right to vote on behalf of all holders of the 2024 Bonds on any reorganization or liquidation plan absent a continuing failure by the Insurer to make a payment under the Bond Insurance Policy.

(e) Anything in the 2024 Indenture or the 2024 Contract to the contrary notwithstanding, upon the occurrence and continuance of a default or an event of default, the Insurer shall be entitled to control and direct the enforcement of all rights and remedies granted to the holders of the 2024 Bonds or the Trustee or Paying Agent for the benefit of the holders of the

2024 Bonds under the 2024 Indenture and the 2024 Contract. No default or event of default may be waived without the Insurer's written consent.

(f) Upon the occurrence and continuance of a default or an event of default as described in Section 7.01, the Insurer shall be deemed to be the sole owner of the 2024 Bonds for all purposes under the 2024 Indenture and the 2024 Contract, including, without limitations, for purposes of exercising remedies and approving amendments.

(g) No grace period shall be permitted for payment defaults on the 2024 Bonds. No grace period for a covenant default shall exceed 30 days without the prior written consent of the Insurer.

(h) If an Insurer Default shall occur and be continuing, then, notwithstanding anything in subsections (a)-(e) above to the contrary, (1) if at any time prior to or following an Insurer Default, the Insurer has made payment under the Bond Insurance Policy or the Reserve Fund Policy, to the extent of such payment the Insurer shall be treated like any other holder of the 2024 Bonds for all purposes, including giving of consents, and (2) if the Insurer has not made any payment under the Bond Insurance Policy or the Reserve Fund Policy, the Insurer shall have no further consent rights until the particular Insurer Default is no longer continuing or the Insurer makes a payment under the Bond Insurance Policy or the Reserve Fund Policy, in which event, the foregoing clause (1) shall control. For purposes of this paragraph, "Insurer Default" means: (A) the Insurer has failed to make any payment under the Bond Insurance Policy or the Reserve Fund Policy when due and owing in accordance with its terms; or (B) the Insurer shall (i) voluntarily commence any proceeding or file any petition seeking relief under the United States Bankruptcy Code or any other Federal, state or foreign bankruptcy, insolvency or similar law, (ii) consent to the institution of or fail to controvert in a timely and appropriate manner, any such proceeding or the filing of any such petition, (iii) apply for or consent to the appointment of a receiver, trustee, custodian, sequestrator or similar official for such party or for a substantial part of its property, (iv) file an answer admitting the material allegations of a petition filed against it in any such proceeding, (v) make a general assignment for the benefit of creditors, or (vi) take action for the purpose of effecting any of the foregoing; or (C) any state or federal agency or instrumentality shall order the suspension of payments on the Bond Insurance Policy or the Reserve Fund Policy or shall obtain an order or grant approval for the rehabilitation, liquidation, conservation or dissolution of the Insurer (including without limitation under the New York Insurance Law).

Section 9.06. Insurer As Third Party Beneficiary. The Insurer is recognized as and shall be deemed to be a third party beneficiary of this 2024 Indenture and may enforce the provisions of this 2024 Indenture as if it were a party hereto.

Section 9.07. Payment Procedure Under the Bond Insurance Policy.

(a) In the event that principal and/or interest due on the 2024 Bonds shall be paid by the Insurer pursuant to the Bond Insurance Policy, the 2024 Bonds shall remain outstanding for all purposes, not be defeased or otherwise satisfied and not be considered paid by the Authority, the assignment and pledge of the Revenues and all covenants, agreements and other obligations of the Authority to the Owners of the 2024 Bonds shall continue to exist and shall run to the benefit

of the Insurer, and the Insurer shall be subrogated to the rights of such registered owners including, without limitation, any rights that such Owners may have in respect of securities law violations arising from the offer and sale of the 2024 Bonds.

(b) In the event that on the second (2nd) business day prior to any payment date on the 2024 Bonds, the Trustee has not received sufficient moneys to pay all principal of and interest on the 2024 Bonds due on such payment date, the Trustee shall immediately notify the Insurer or its designee on the same business day by telephone or electronic mail, of the amount of the deficiency. If any deficiency is made up in whole or in part prior to or on the payment date, the Trustee shall so notify the Insurer or its designee.

(c) In addition, if the Trustee has notice that any holder of the 2024 Bonds has been required to disgorge payments of principal of or interest on the 2024 Bonds pursuant to a final, non-appealable order by a court of competent jurisdiction that such payment constitutes an avoidable preference to such holder within the meaning of any applicable bankruptcy law, then the Trustee shall notify the Insurer or its designee of such fact by telephone or electronic mail, or by overnight or other delivery service as to which a delivery receipt is signed by a person authorized to accept delivery on behalf of the Insurer.

(d) The Trustee shall irrevocably be designated, appointed, directed and authorized to act as attorney-in-fact for holders of the 2024 Bonds as follows:

(i) If there is a deficiency in amounts required to pay interest and/or principal on the 2024 Bonds, the Trustee shall (1) execute and deliver to the Insurer, in form satisfactory to the Insurer, an instrument appointing the Insurer as agent and attorney-in-fact for such holders of the 2024 Bonds in any legal proceeding related to the payment and assignment to the Insurer of the claims for interest on the 2024 Bonds, (2) receive as designee of the respective holders (and not as Trustee) in accordance with the tenor of the Bond Insurance Policy payment from the Insurer with respect to the claims for interest so assigned, and (3) disburse the same to such respective holders; and

(ii) If there is a deficiency in amounts required to pay principal of the 2024 Bonds, the Trustee shall (1) execute and deliver to the Insurer, in form satisfactory to the Insurer, an instrument appointing the Insurer as agent and attorney-in-fact for such holder of the 2024 Bonds in any legal proceeding related to the payment of such principal and an assignment to the Insurer of the 2024 Bonds surrendered to the Insurer, (2) receive as designee of the respective holders (and not as Trustee) in accordance with the tenor of the Bond Insurance Policy payment therefore from the Insurer, and (3) disburse the same to such holders.

The Trustee shall designate any portion of payment of principal on Insured Obligations paid by the Insurer, whether by virtue of maturity or other advancement of maturity, on its books as a reduction in the principal amount of 2024 Bonds registered to the then current holder, whether DTC or its nominee or otherwise, and shall issue a replacement 2024 Bond to the Insurer, registered in the name directed by the Insurer, in a principal amount equal to the amount of principal so paid (without regard to authorized denominations); provided that the Trustee's failure to so designate any payment or issue

any replacement 2024 Bond shall have no effect on the amount of principal or interest payable by the Authority on any 2024 Bond or the subrogation or assignment rights of the Insurer.

(e) Payments with respect to claims for interest on and principal of 2024 Bonds disbursed by the Trustee from proceeds of the Bond Insurance Policy shall not be considered to discharge the obligation of the Authority with respect to such 2024 Bonds, and the Insurer shall become the owner of such unpaid 2024 Bonds and claims for the interest in accordance with the tenor of the assignment made to it under the provisions of the preceding paragraphs or otherwise.

(f) Irrespective of whether any such assignment is executed and delivered, the Authority and Trustee agree for the benefit of the Insurer that:

(i) They recognize that to the extent the Insurer makes payments directly or indirectly (e.g., by paying through the Trustee), on account of principal of or interest on the 2024 Bonds, the Insurer will be subrogated to the rights of such holders to receive the amount of such principal and interest from the Authority, with interest thereon, as provided and solely from the sources stated in the 2024 Indenture and 2024 Contract and the 2024 Bonds; and

(ii) They will accordingly pay to Insurer the amount of such principal and interest, with interest thereon as provided in the 2024 Indenture and 2024 Contract and the 2024 Bonds, but only from the sources and in the manner provided therein for the payment of principal of and interest on the 2024 Bonds to holders, and will otherwise treat the Insurer as the owner of such rights to the amount of such principal and interest.

Section 9.08. Exercise of Rights by the Insurer. The rights granted to the Insurer under the 2024 Indenture and the 2024 Contract to request, consent to or direct any action are rights granted to the Insurer in consideration of its issuance of the Bond Insurance Policy. Any exercise by the Insurer of such rights is merely an exercise of the Insurer's contractual rights and shall not be construed or deemed to be taken for the benefit, or on behalf, of the holders of the 2024 Bonds and such action does not evidence any position of the Insurer, affirmative or negative, as to whether the consent of the holders of the 2024 Bonds or any other person is required in addition to the consent of the Insurer.

Section 9.09. Payment of Principal and Interest by the Insurer. The Insurer shall be entitled to pay principal of or interest on the 2024 Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer (as such terms are defined in the Bond Insurance Policy) in accordance with the 2024 Indenture, whether or not the Insurer has received a claim upon the Bond Insurance Policy.

Section 9.10. 2024 Reserve Account.

(a) The prior written consent of the Insurer shall be a condition precedent to the deposit of any credit instrument provided in lieu of a cash deposit into the 2024 Reserve Account, if any (each a "Reserve Fund Credit Instrument"). Amounts on deposit in the 2024 Reserve Account shall be applied solely to the payment of debt service due on the 2024 Bonds in accordance with the 2024 Indenture.



(b) All cash and investments in the 2024 Reserve Account shall be transferred to the Interest Account and the Redemption Account for the payment of the debt service on the 2024 Bonds before any drawing may be made on the Reserve Fund Policy or any other Reserve Fund Credit Instrument in lieu of cash.

(c) Payment of any Policy Costs shall be made prior to the replenishment of any cash amounts. Draws on all Reserve Fund Credit Instruments (including the Reserve Fund Policy) on which there is available coverage shall be made on a pro-rata basis (calculated by reference to the coverage then available thereunder) after applying all available cash and investments in the 2024 Reserve Account. Payment of Policy Costs and reimbursement of amounts with respect to other Reserve Fund Credit Instruments shall be made on a pro-rata basis prior to replenishment of any cash drawn from the 2024 Reserve Account. For the avoidance of doubt, “available coverage” means the coverage then available for disbursement pursuant to the terms of the applicable Reserve Fund Credit Instrument without regard to the legal or financial ability or willingness of the provider of such Reserve Fund Credit Instrument to honor a claim or draw thereon or the failure of such provider to honor any such claim or draw.

(d) Repayment of draws under the Reserve Fund Policy and payment of expenses and accrued interest thereon at the Late Payment Rate (collectively, “Policy Costs”) shall commence in the first month following each draw, and each such monthly payment shall be in an amount at least equal to 1/12 of the aggregate Policy Costs related to such draw.

(e) Amounts in respect of Policy Costs paid to the Insurer shall be credited first to interest due, then to expenses due and then to principal due. As and to the extent that payments are made to the Insurer on account of principal due, the coverage under the Reserve Fund Policy will be increased by a like amount, subject to the terms of the Reserve Fund Policy.

(f) Draws under the Reserve Fund Policy may only be used to make payments on the 2024 Bonds.

(g) If the City shall fail to pay any Policy Costs in accordance with the requirements of Section 8.06 of the 2024 Contract, the Insurer shall be entitled to exercise any and all legal and equitable remedies available to it, including those provided under this 2024 Indenture and the 2024 Contract other than (i) acceleration of the maturity of the 2024 Bonds or the 2024 Installment Payments, or (ii) remedies which would adversely affect the owners of the 2024 Bonds.

(h) The 2024 Indenture shall not be discharged until all Policy Costs owing to the Insurer shall have been paid in full. The City’s obligation to pay such amount shall expressly survive payment in full of the 2024 Bonds.

(i) The Trustee shall ascertain the necessity for a claim upon the Reserve Fund Policy in accordance with the provisions of this Section 9.10 and provide notice to the Insurer at least two (2) business days prior to each date upon which interest or principal is due on the 2024 Bonds.

(j) The Reserve Fund Policy shall expire on the earlier of the date the 2024 Bonds are no longer Outstanding and the final maturity date of the 2024 Bonds.

## ARTICLE X

MISCELLANEOUS

Section 10.01. Liability of Authority Limited to Revenues and Certain Other Funds. 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 as provided herein for the payment of the interest on or principal of the 2024 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 2024 Bonds are limited obligations of the Authority and are payable, as to interest thereon and principal thereof, solely from the Revenues and the funds held in the accounts and funds provided herein, and the Authority is not obligated to pay such interest or principal on the 2024 Bonds except from the Revenues and such funds. All the 2024 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 principal of the 2024 Bonds as provided herein. The full faith and credit of the Authority is not pledged for the payment of the interest on or principal of the 2024 Bonds, and no tax shall ever be levied or collected to pay the interest on or principal of the 2024 Bonds, The 2024 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. Neither the payment of the interest on or principal of the 2024 Bonds is a debt, liability or general obligation of the City or the State and neither the faith and credit of the City or the State are pledged to the payment of interest on or principal of the 2024 Bonds.

Section 10.02. Benefits of the 2024 Indenture Limited to Parties and Beneficiaries. 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 10.03. 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 10.04. Execution of Documents by 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 his 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 he purports to act that the person signing such declaration, request or other instrument or writing acknowledged to him 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 2024 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 2.08.

Any declaration, request, consent or other instrument or writing of the Holder of any 2024 Bonds shall bind all future Holders of such 2024 Bonds with respect to anything done or suffered to be done by the Trustee or the Authority in good faith and in accordance therewith.

Section 10.05. 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 principal of the 2024 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 10.06. Deposit or Investment of Money in Accounts and Funds. Subject to Section 4.03, all money held by the Trustee in any of the accounts or funds established pursuant hereto 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, except that any money held in the 2024 Reserve Account shall be invested in those Permitted Investments that mature (or which may be redeemed or terminated by the Authority or the Trustee at par) not later than five (5) years after their purchase or the final maturity date of the related 2024 Bonds, whichever is earlier, 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 invest such money in those Permitted Investments described in subdivision (6) of the definition thereof. The earnings on any investment in any fund or account created hereunder shall be deposited in such fund or account. 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.

The Trustee or any of its affiliates may act as principal, agent, sponsor or advisor in connection with any investment made by the Trustee hereunder and may impose its customary fees therefor.

Section 10.07. [Reserved].

Section 10.08. Destruction of Cancelled 2024 Bonds. Whenever provision is made for the return to the Authority of any 2024 Bonds which have been cancelled pursuant to the provisions hereof, the Trustee shall destroy such 2024 Bonds and furnish to the Authority a certificate of such destruction, and the Authority agrees to reimburse the Trustee for costs incurred in connection with the microfilming or the making of other permanent records of any such destroyed 2024 Bonds.

Section 10.09. 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 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 (c) 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 his 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 his opinion may be based, as aforesaid, is erroneous, or in the exercise of reasonable care should have known that the same was erroneous.

Section 10.10. Accounts and Funds; Business Days. 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 2024 Bonds and the rights of the Holders. 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 10.11. 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:

Stockton Public Financing Authority  
425 N. El Dorado Street  
Stockton, California 95202  
Attention: Treasurer

If to the Trustee:

Attention: Corporate Trust Services

If to the Insurer:

Attention: Surveillance, Re: Policy No. \_\_\_\_\_  
Telephone:  
Telecopier:  
Email:

In each case in which notice or other communication refers to an event of default or a claim on the Bond Insurance Policy or Reserve Fund Policy, then a copy of such notice or other communication shall also be sent to the attention of the General Counsel at the same address and at [claims@buildamerica.com](mailto:claims@buildamerica.com) or at. Telecopier: \_\_\_\_\_ and shall be marked to indicate “URGENT MATERIAL ENCLOSED.”

Section 10.12. CUSIP Numbers. Neither the Authority nor the Trustee shall be liable for any defect or inaccuracy in the CUSIP number that appears on any 2024 Bonds, and the Trustee may, in its discretion, include in any defeasance notice relating to any of the 2024 Bonds a statement to the effect that the CUSIP numbers on the 2024 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.

Section 10.13. 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. 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 the 2024 Indenture as a whole and not to any particular article, section, subdivision or clause hereof.

Section 10.14. 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 2024 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 the 2024 Indenture and each and every other article, section, paragraph, subdivision, sentence, clause and phrase hereof and would have authorized the issuance of the 2024 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 10.15. Governing Law. The 2024 Indenture shall be construed and governed in accordance with the laws of the State.

Section 10.16. Execution in Several Counterparts. The 2024 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.

Section 10.17. Use of Electronic Signatures. Each of the parties hereto agrees that the transaction consisting of this 2024 Indenture may be conducted by electronic means. Each party agrees, and acknowledges that it is such party's intent (i) that, by signing this 2024 Indenture using an electronic signature, it is signing, adopting and accepting this 2024 Indenture, and (ii) that signing this 2024 Indenture using an electronic signature is the legal equivalent of having placed the undersigned officer's handwritten signature on this 2024 Indenture on paper. Each party acknowledges that it is being provided with an electronic or paper copy of this 2024 Indenture in a usable format.

IN WITNESS WHEREOF, the Stockton Public Financing Authority has caused the 2024 Indenture to be signed in its name by its [Title] and U.S. Bank Trust Company, National Association, in token of its acceptance of the trusts created hereunder, has caused the 2024 Indenture to be signed by one of its duly authorized signatories, all as of the day and year first above written.

STOCKTON PUBLIC FINANCING AUTHORITY

By \_\_\_\_\_  
[Name, Title]

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

By \_\_\_\_\_  
Authorized Signatory

**EXHIBIT A**

**FORM OF 2024 BONDS**

UNITED STATES OF AMERICA  
 STATE OF CALIFORNIA  
 STOCKTON PUBLIC FINANCING AUTHORITY  
 WASTEWATER REVENUE REFUNDING BOND, SERIES 2024  
 (WASTEWATER REFUNDING PROJECT)

No. R \_\_\_\_\_ \$ \_\_\_\_\_

Interest Rate	Maturity Date	Bond Date	CUSIP
_____ %	[September 1], _____	_____, 2024	_____

REGISTERED OWNER:

PRINCIPAL SUM: \_\_\_\_\_ DOLLARS

The Stockton Public Financing Authority, a joint exercise of powers entity duly organized and existing under and pursuant to the laws of the State of California (the “Authority”), for value received, hereby promises to pay (but only out of the Revenues and certain other funds hereinafter referred to) to the registered owner identified above or registered assigns, on the maturity date specified above the principal sum specified above, together with interest thereon 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 of this 2024 Bond (unless this 2024 Bond is authenticated on an interest payment date or on a day during the period from the sixteenth (16th) day of the month next preceding an interest payment date to such interest payment date, both dates inclusive, in which event it shall bear interest from such interest payment date, or unless it is authenticated on a day on or before the Record Date (as that term is hereinafter defined) for the first interest payment date, in which event it shall bear interest from its date) until the principal hereof shall have been paid, at the interest rate per annum specified above, payable semiannually thereafter on March 1 and September 1 in each year, commencing on March 1, 2025. The interest due on this 2024 Bond on or before the maturity shall be payable only to the person whose name appears in the registration books required to be kept by U.S. Bank Trust Company, National Association (the “Trustee”) at its Principal Corporate Trust Office (as that term is defined in the 2024 Indenture hereinafter referred to, and herein the “Principal Corporate Trust Office”) as the registered owner hereof at the close of business as of the fifteenth (15th) day of the month next preceding each interest payment date (each, a “Record Date”), with such interest to be paid by check mailed by first class mail on each interest payment date to such registered owner at his address as it appears on such registration books; provided, that upon the written request of the registered owner of one million dollars (\$1,000,000) or more in aggregate principal amount of 2024 Bond received by the Trustee prior to the applicable Record Date (which such request shall remain in effect until rescinded in writing by such registered owner), interest shall be paid on each interest payment date by wire transfer of immediately available funds to an account maintained in any bank or trust company in the United States of America that is a member of the Federal Reserve



System designated in writing by such registered owner. The principal of this 2024 Bond shall be payable only to the person whose name appears in such registration books as the registered owner hereof, such principal to be paid upon surrender of this 2024 Bond to the Trustee at its Principal Corporate Trust Office at maturity. The interest on and principal of this 2024 Bond is payable in lawful money of the United States of America.

This 2024 Bond is one of a duly authorized issue of revenue bonds of the Authority designated as its “Wastewater Revenue Refunding Bonds, Series 2024 (Wastewater Refunding Project)” (the “2024 Bonds”) in the aggregate principal amount of sixty-nine million four hundred forty thousand dollars (\$ \_\_\_\_\_) all of like tenor and date (except for such variations, if any, as may be required to designate varying numbers, maturities and interest rates), and is issued under and pursuant to the provisions of the Joint Exercise of Powers Act (being Chapter 5 of Division 7 of Title 1 of the California Government Code, as amended) and all laws amendatory thereof or supplemental thereto (the “Act”) and under and pursuant to the provisions of a 2024 Indenture dated as of August 1, 2024, by and between the Authority and the Trustee (the “2024 Indenture”) (copies of which are on file at the Principal Corporate Trust Office of the Trustee ).

The 2024 Bonds are issued to provide funds to refinance the cost of the acquisition and construction of certain additions, betterments, extensions and improvements to the Wastewater System (as that term is defined in the 2024 Indenture) of the City of Stockton (the “City”). The Bonds are limited obligations of the Authority and are payable, as to interest thereon and principal thereof, solely from the Revenues (the “Revenues”) constituting the installment payments (the “2024 Installment Payments”) to be made by the City to the Authority for the refinancing of the Prior Projects (as defined in the 2024 Indenture) pursuant to the 2024 Installment Purchase Contract, dated as of August 1, 2024, by and between the City and the Authority (the “2024 Contract”) and the funds held in the accounts and funds pursuant to the 2024 Indenture as provided therein, and the Authority is not obligated to pay interest on or principal of the Bonds except from the Revenues and such funds.

All the 2024 Bonds are equally and ratably secured in accordance with the terms and conditions of the 2024 Indenture 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 principal of the 2024 Bonds as provided in the 2024 Indenture. The full faith and credit of the Authority is not pledged for the payment of the interest on or principal of the 2024 Bonds, and no tax shall ever be levied or collected to pay the interest on or principal of the 2024 Bonds. The 2024 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. Neither the payment of the interest on or principal of the 2024 Bonds is a debt, liability or general obligation of the City or the State of California and neither the faith and credit of the City or the State of California are pledged to the payment of interest on or principal of the 2024 Bonds. Reference is hereby made to the Act and to the 2024 Indenture and any and all amendments thereof and supplements thereto for a description of the terms on which the 2024 Bonds are issued, the provisions with regard to the nature and extent of the Revenues, the rights of the registered owners of the 2024 Bonds, the security for payment of the 2024 Bonds, the remedies upon default and limitations thereon, and the amendment of the 2024 Indenture (with or without consent of the registered owners of the 2024 Bonds); and all the terms of the 2024 Indenture are hereby incorporated herein and constitute a contract between the Authority and the registered owner of

this 2024 Bond, to all the provisions of which the registered owner of this 2024 Bond, by acceptance hereof, agrees and consents.

The 2024 Bonds are not subject to redemption prior to their respective stated maturity dates.

This 2024 Bond is transferable only on a register to be kept for that purpose at the above-mentioned office of the Trustee by the registered owner hereof in person or by his duly authorized attorney upon payment of the charges provided in the 2024 Indenture and upon surrender of this 2024 Bond together with a written instrument of transfer satisfactory to the Trustee duly executed by the registered owner or his duly authorized attorney, and thereupon a new fully registered 2024 Bond or 2024 Bond in the same aggregate principal amount of authorized denominations will be issued to the transferee in exchange therefor. The Authority and the Trustee may deem and treat the registered owner hereof as the absolute owner hereof for the purpose of receiving payment of the interest hereon and principal hereof and for all other purposes, whether or not this 2024 Bond shall be overdue, 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 principal of this 2024 Bond shall be made only to such registered owner, which payments shall be valid and effectual to satisfy and discharge liability on this 2024 Bond to the extent of the sum or sums so paid.

This 2024 Bond shall not be entitled to any benefit, protection or security under the 2024 Indenture or become valid or obligatory for any purpose until the certificate of authentication hereon endorsed shall have been executed and dated by the Trustee.

It is hereby certified that all acts, conditions and things required by law to exist, to have happened and to have been performed precedent to and in the issuance of this 2024 Bond do exist, have happened and have been performed in due time, form and manner as required by law and that the amount of this 2024 Bond, together with all other indebtedness of the Authority, does not exceed any limit prescribed by the Constitution or laws of the State of California and is not in excess of the amount of 2024 Bond permitted to be issued under the 2024 Indenture.

IN WITNESS WHEREOF, the Stockton Public Financing Authority has caused this 2024 Bond to be executed in its name and on its behalf by the manual or facsimile signature of its Chairperson and countersigned by the manual or facsimile signature of its Secretary, and has caused this 2024 Bond to be dated as of [\_\_\_\_\_], 2024.

STOCKTON PUBLIC FINANCING AUTHORITY

By \_\_\_\_\_  
Chairperson

Countersigned:

\_\_\_\_\_  
Secretary

This is one of the 2024 Bonds described in the within-mentioned 2024 Indenture which has been authenticated on

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

By \_\_\_\_\_  
Authorized Signatory

## ASSIGNMENT

For value received the undersigned hereby sells, assigns and transfers unto \_\_\_\_\_ (Taxpayer Identification Number: \_\_\_\_\_) the within 2024 Bonds and all rights thereunder, and hereby irrevocably constitutes and appoints \_\_\_\_\_ attorney to transfer the within 2024 Bonds on the books kept for registration thereof, with full power of substitution in the premises.

Dated: \_\_\_\_\_

Signature Guaranteed: \_\_\_\_\_

Note: The signature to this Assignment must correspond with the name as written on the face of the 2024 Bonds in every particular, without alteration or enlargement or any change whatever, and the signature must be guaranteed by an eligible guarantor institution.

## [DTC LEGEND]

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

[STATEMENT OF INSURANCE TO BE ADDED TO INSURED BONDS]