
TRUST AGREEMENT

by and among

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

CSDA FINANCE CORPORATION,
as the Corporation

and

MCKINLEYVILLE COMMUNITY SERVICES DISTRICT,
as the District

 \$[_____]
McKinleyville Community Services District
Revenue Certificates of Participation
Series 2026A
(Water Project)

Evidencing Interests of the Owners
Thereof in Installment Payments to Be
Made by the McKinleyville Community Services District

Dated as of July 1, 2026

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TRUST AGREEMENT

THIS TRUST AGREEMENT, dated as of July 1, 2026, by and among **U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION**, a national banking association duly organized and validly existing under and by virtue of the laws of the United States, as trustee (in such capacity, the “Trustee”), the **CSDA FINANCE CORPORATION**, a nonprofit public benefit corporation duly organized and validly existing under and by virtue of the laws of the State of California (the “Corporation”), and the **MCKINLEYVILLE COMMUNITY SERVICES DISTRICT**, a community services district duly organized and existing under and by virtue of the laws of the State of California (the “District”);

WITNESSETH:

WHEREAS, the Corporation and the District have executed and entered into an Installment Purchase Contract, dated as of July 1, 2026 (the “Installment Purchase Contract”), whereby the District has agreed to acquire from the Corporation the Project in consideration for the Corporation’s assistance in financing the costs of the Acquisition of the Project; and

WHEREAS, under and pursuant to the Installment Purchase Contract, the District is obligated to pay to the Corporation Installment Payments (as defined herein) and interest thereon for the costs of such acquisition; and

WHEREAS, the Corporation has assigned without recourse all of its rights to receive such Installment Payments and interest to the Trustee pursuant to an Assignment Agreement dated as of the date hereof; and

WHEREAS, in consideration of such assignment and the execution and entering into of this Trust Agreement, the Trustee has agreed to execute and deliver certificates of participation in an aggregate principal amount equal to the aggregate principal amount of such Installment Payments, each evidencing and representing a proportionate interest in the right to receive such Installment Payments and interest thereon; and

WHEREAS, the District and the Corporation hereby certify that all acts, conditions and things required by law to exist, to have happened and to have been performed precedent to and in connection with the execution and entering into of this Trust Agreement by each such party do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the parties hereto are now duly authorized to execute and enter into this Trust Agreement;

NOW, THEREFORE, IN CONSIDERATION OF THE PREMISES AND OF THE MUTUAL AGREEMENTS AND COVENANTS CONTAINED HEREIN AND FOR OTHER VALUABLE CONSIDERATION, THE PARTIES HERETO DO HEREBY AGREE AS FOLLOWS:

ARTICLE I

DEFINITIONS; EQUAL SECURITY

Section 1.01. Definitions. Unless the context otherwise requires, the terms defined in this Section 1.01 shall for all purposes hereof and of any amendment hereof or supplement hereto and of the Certificates and of any certificate, opinion, request or other document mentioned herein or therein

have the meanings defined herein, the following definitions to be equally applicable to both the singular and plural forms of any of the terms defined herein. All capitalized terms used herein and not defined herein shall have the meaning ascribed thereto in the Installment Purchase Contract:

“*Accountant’s Report*” means a report signed by an Independent Certified Public Accountant.

“*Acquisition*,” “*Acquire*” or “*Acquired*” means, with respect to the Project, the acquisition of an ownership or capacity interest in the Project, or the financing, construction or ownership of the Project.

“*Acquisition Costs*” means, with respect to the Project, the contract price paid or to be paid to the contractors therefor upon acquisition, construction, refinancing, improvement, repair, modification or delivery of any portion of the Project and related equipment, in accordance with the purchase order or contract therefor. Acquisition Costs include the costs of site preparation necessary for the installation of any improvements to the Project. Acquisition Costs also include costs incurred by the District, the Corporation and the contractors in connection with the acquisition, delivery and installation of the Project.

“*Acquisition Fund*” means the fund established in Section 3.10 hereof.

“*Assignment Agreement*” means that certain Assignment Agreement, dated as of July 1, 2026, by and between the Corporation and the Trustee.

“*Authorized Officer of the District*” means the President, Vice President, General Manager and Finance Director of the District, or their designated representatives, or such other representatives of the District as may be designated by resolution of the District.

“*Business Day*” means any day other than a Saturday, Sunday or legal holiday or a day on which banks are authorized to be closed for business in California and New York.

“*Certificate of the District*” means an instrument in writing signed by the General Manager of the District, or by any other officer of the District duly authorized by the Board of Directors of the District for that purpose.

“*Certificates*” means the \$[_____] principal amount of McKinleyville Community Services District Revenue Certificates of Participation, Series 2026A (Water Project) authorized hereby and at any time Outstanding hereunder that are executed and delivered by the Trustee under and pursuant to Article II of this Trust Agreement.

“*Certificate Year*” means the 12-calendar month period commencing on August 2 and terminating on August 1 of the following year; provided, that the first Certificate Year shall commence on the Closing Date and terminate on August 1, 2026.

“*Closing Date*” means July [___], 2026.

“*Corporation*” means the CSDA Finance Corporation, a nonprofit public benefit corporation duly organized and validly existing under the laws of the State of California and its successors and assigns.

“*Delivery Costs*” means all items of expense directly or indirectly payable by or reimbursable to the District or the Corporation relating to the financing of the Project, including but not limited to filing costs, settlement costs, printing costs, reproduction and binding costs, initial fees and charges of the Trustee and its counsel, financing discounts, legal fees and charges, financial and other professional consultant fees, costs of rating agencies for credit ratings, fees for execution, title insurance premiums, transportation and safekeeping of Certificates and charges and fees in connection with the foregoing.

“*Delivery Costs Fund*” means the fund established by Section 3.02 hereof.

“*Depository*” means (a) initially, DTC; and (b) any other qualified securities depository acting as Depository pursuant to Section 2.11 hereof.

“*Depository System Participant*” means any participant in the Depository’s book-entry system.

“*District*” means the McKinleyville Community Services District, a public body duly organized and existing under and by virtue of the laws of the State of California.

“*DTC*” means the Depository Trust Company, New York, New York, and its successors and assigns.

“*Enterprise*” has the meaning provided in the Installment Purchase Contract.

“*Event of Default*” means an event of default described in Section 7.01 of the Installment Purchase Contract.

“*Federal Securities*” means non-callable, direct obligations of (including obligations issued or held in book-entry form on the books of the Department of the Treasury of the United States), or obligations the timely payment of the principal of and interest on which are fully and unconditionally guaranteed by, the United States of America.

“*Fiscal Year*” means the 12-calendar month period terminating on June 30 of each year, or any other annual accounting period hereafter selected and designated by the District as its Fiscal Year in accordance with applicable law.

“*Generally Accepted Accounting Principles*” means the uniform accounting and reporting procedures prescribed by the California State Controller or its successor for public agencies in the State of California, or failing the prescription of such procedures means generally accepted accounting principles as presented and recommended by the American Institute of Certified Public Accountants or its successor, or by the Governmental Accounting Standards Board or its successor, or by any other generally accepted authority on such principles.

“*Independent Certified Public Accountant*” means any certified public accountant or firm of certified public accountants duly licensed and entitled to practice, and practicing as such, appointed and paid by the District, and each of whom:

- (a) is in fact independent and not under the domination of the District;
- (b) does not have a substantial financial interest, direct or indirect, in the operations of the District; and

(c) is not connected with the District as a board member, officer or employee of the District, but may be regularly retained to audit the accounting records of and make reports thereon to the District.

“*Information Services*” means the Electronic Municipal Market Access System (referred to as “EMMA”), a facility of the Municipal Securities Rulemaking Board (at <http://emma.msrb.org>) or, in accordance with the current guidelines of the Securities and Exchange Commission, such other addresses and/or such other national information services providing information or disseminating notices of redemption of obligations similar to the Certificates.

“*Installment Payment Fund*” means the fund by that name established in Section 3.06 hereof, including the Interest Account, Principal Account and Prepayment Account therein.

“*Installment Payments*” means the installment payments of principal and interest scheduled to be paid by the District under the Installment Purchase Contract plus amounts required to be paid by the District hereunder and pursuant to the Installment Purchase Contract.

“*Installment Purchase Contract*” means that certain Installment Purchase Contract, dated as of July 1, 2026, by and between the District and the Corporation, as originally executed and as it may from time to time be amended or supplemented in accordance herewith and therewith.

“*Insurer*” means [____], or any successor thereto.

“*Interest Payment Date*” means each February 1 and August 1, commencing on February 1, 2027.

“*Moody’s*” means Moody’s Investors Service, its successors and assigns.

“*Net Proceeds*” means, when used with respect to any insurance or condemnation award, the proceeds from such insurance or condemnation award remaining after payment of all reasonable expenses (including attorneys’ fees) incurred in the collection of such proceeds.

“*Nominee*” means: (a) initially, Cede & Co., as nominee of DTC; and (b) any other nominee of a Depository designated pursuant to Section 2.11 hereof.

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

- (a) Certificates canceled by the Trustee;
- (b) Certificates paid or deemed to have been paid within the meaning of Section 9.01; and
- (c) Certificates in lieu of or in substitution for which replacement Certificates shall have been executed and delivered hereunder.

“*Owner*” means the registered owner of any Outstanding Certificate.

“*Permitted Investments*” means any of the following which at the time of investment are legal investments under the laws of the State of California for the moneys proposed to be invested therein

(the Trustee is entitled to conclusively rely upon any direction of the District as a certification that such investment constitutes a Permitted Investment):

(a) direct obligations of the United States of America (including obligations issued or held in book-entry form on the books of the Department of the Treasury, but excluding CATS and TIGRS) or obligations the principal of and interest on which are unconditionally guaranteed by the United States of America;

(b) Bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following federal agencies and provided such obligations are backed by the full faith and credit of the United States of America (stripped securities are only permitted if they have been stripped by the agency itself):

- Farmers Home Administration (“FmHA”)
 - Certificates of beneficial ownership
- Federal Housing Administration Debentures (“FHA”)
- General Services Administration
 - Participation certificates
- Government National Mortgage Association (“GNMA” or “Ginnie Mae”)
 - GNMA – guaranteed mortgage-backed bonds
 - GNMA – guaranteed pass-through obligations (participation certificates)
 - (not acceptable for certain cash-flow sensitive issues.)
- U.S. Maritime Administration
 - Guaranteed Title XI financing
- U.S. Department of Housing and Urban Development (HUD)
 - Project Notes
 - Local District Bonds
 - New Communities Debentures – U.S. Government guaranteed debentures
 - U.S. Public Housing Notes and Bonds – U.S. Government guaranteed public housing notes and bonds;

(c) Bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following non-full faith and credit U.S. government agencies (stripped securities are only permitted if they have been stripped by the agency itself):

- Federal Home Loan Bank Enterprise
 - Senior debt obligations
- Federal Home Loan Mortgage Corporation (FHLMC or “Freddie Mac”)
 - Participation certificates
 - Senior debt obligations
- Federal National Mortgage Association (FNMA or “Fannie Mae”)

- Mortgage-backed securities and senior debt obligations
- Resolution Funding Corp. (REFCORP) obligations
- Farm Credit Enterprise
 - Consolidated system-wide bonds and notes
- Federal Agriculture Mortgage Association
- Tennessee Valley Authority;

(d) money market funds registered under the Federal Investment Company Act of 1940, whose shares are registered under the Federal Securities Act of 1933, and having a rating by S&P of “AAAm-G,” “AAA-m,” or “AA-m” and if rated by Moody’s rated “Aaa,” “Aa1” or “Aa2,” including funds for which the Trustee, its parent holding company, if any, or any affiliates or subsidiaries of the Trustee receives and retains a fee for services provided to the fund, whether as a custodian, transfer agent, investment advisor or otherwise;

(e) Certificates of deposit (including those placed by a third party pursuant to a separate agreement between the District and the Trustee) secured at all times by collateral described in (a) and/or (b) above. Such certificates must be issued by commercial banks, savings and loan associations or mutual savings banks including the Trustee and its affiliates. The collateral must be held by a third party and the Owners must have a perfected first security interest in the collateral;

(f) Certificates of deposit (including those placed by a third party pursuant to a separate agreement between the District and the Trustee), savings accounts, deposit accounts, time deposits, demand deposits, other deposit products, trust funds, trust accounts, overnight bank deposits, interest bearing deposits, interest bearing money market accounts, bankers’ acceptances or money market deposits, including those of the Trustee or any of its affiliates, which are fully insured by FDIC, including BIF and SAIF. In addition to the authority to invest funds in certificates of deposit set forth in this clause (f), an investment in nonnegotiable certificates of deposit made in accordance with the following conditions is an authorized investment: (i) the financial institution selected by the District arranges for the deposit of the funds in certificates of deposit in one or more federally insured depository institutions, wherever located, for the account of the District; (ii) the full amount of the principal and accrued interest of each of the certificates of deposit is insured by the United States of America or an instrumentality of the United States of America; and (iii) the financial institution selected by the District acts as custodian for the District with respect to the certificates of deposit issued for the account of the District;

(g) investment agreements, including GICs, forward purchase agreements and reserve fund put agreements;

(h) commercial paper rated, at the time of purchase, “Prime -1” by Moody’s and “A-1” or better by S&P;

(i) Bonds or notes issued by any state or municipality which are rated by Moody’s and S&P in one of the two highest rating categories assigned by such agencies;

(j) Certificates of deposit (including those placed by a third party pursuant to a separate agreement between the District and the Trustee), federal funds, deposit accounts, time

deposits, demand deposits, other deposit products, trust funds, trust accounts, overnight bank deposits, interest bearing deposits, interest-bearing money market accounts, or bankers acceptances (including those of the Trustee or any of its affiliates) with a maximum term of one year of any bank which has an unsecured, uninsured and unguaranteed obligation rating of “Prime-1” or “A3” or better by Moody’s and “A-1+” by S&P;

(k) repurchase agreements (including those of the Trustee or any of its affiliates) for 30 days or less must follow the following criteria: Repurchase agreements that provide for the transfer of securities from a dealer bank or securities firm (seller/borrower) to the Trustee (buyer/lender), and the transfer of cash from the Trustee to the dealer bank or securities firm with an agreement that the dealer bank or securities firm will repay the cash plus a yield to the Trustee in exchange for the securities at a specified date;

(l) medium-term notes: corporate notes issued by corporations organized and operating within the United States with a rating of “AAA” or higher at the time of purchase by a nationally recognized rating service and with a maximum remaining maturity of no more than three years after the date of purchase;

(m) the Local Agency Investment Fund created pursuant to Section 16429.1 of the California Government Code, to the extent the Trustee is authorized to register such investment in its name;

(n) Investment Trust of California, doing business as CalTRUST; and

(o) shares in a California common law trust established pursuant to Title 1, Division 7, Chapter 5 of the Government Code of the State of California which invests exclusively in investments permitted by Section 53601 of Title 5, Division 2, Chapter 4 of the Government Code of California, as it may be amended.

Ratings of Permitted Investments referred to herein shall be determined at the time of purchase of such Permitted Investments and without regard to ratings subcategories. The Trustee shall have no responsibility to monitor the ratings of Permitted Investments after the initial purchase of such Permitted Investment or the responsibility to validate the ratings of Permitted Investments prior to the initial purchase.

“*Principal Office*” means the corporate trust office of the Trustee currently located in San Francisco, California, or such other office designated by the Trustee from time to time, except that with respect to presentation of Certificates for payment or for registration of transfer or exchange such term shall mean the office or agency of the Trustee at which, at any particular time, its corporate trust agency business shall be conducted.

“*Project*” has the meaning set forth in the Installment Purchase Contract.

“*Purchaser*” means Oppenheimer & Co. Inc., as the underwriter and purchaser of the Certificates.

“*Record Date*” means the fifteenth day of the calendar month prior to an Interest Payment Date, whether or not such date is a Business Day.

“*Related Documents*” means this Trust Agreement, the Assignment Agreement and the Installment Purchase Contract.

“*S&P*” means S&P Global Ratings, a Standard & Poor’s Financial Services LLC business, and its successors.

“*Securities Depositories*” means The Depository Trust Company; and, in accordance with then current guidelines of the Securities and Exchange Commission, such other addresses and/or such other securities depositories as the Corporation or the District may designate in writing to the Trustee.

“*Trust Agreement*” means this Trust Agreement by and among the Trustee, the Corporation and the District, dated as of July 1, 2026, as originally executed and entered into and as it may from time to time be amended or supplemented in accordance herewith.

“*Trustee*” means U.S. Bank Trust Company, National Association, a national banking corporation duly organized and existing under and by virtue of the laws of the United States, or its successor as trustee hereunder or any other bank or trust company which may at any time be substituted in its place as trustee hereunder as provided in Section 7.01.

Section 1.02. Equal Security. In consideration of the acceptance of the Certificates by the Owners, this Trust Agreement shall be deemed to be and shall constitute a contract by and among the Trustee, the District, the Corporation and the Owners to secure the full and final payment of the interest and principal and prepayment premiums, if any, to be made by the District evidenced and represented by the Certificates, subject to the agreements, conditions, covenants and terms contained herein; and all agreements, conditions, covenants and terms contained herein required to be observed or performed by or on behalf of the Trustee shall be for the equal and proportionate benefit, protection and security of all Owners without distinction, preference or priority as to benefit, protection or security of any Certificates over any other Certificates by reason of the number or date thereof or the time of execution or delivery thereof or otherwise for any cause whatsoever, except as expressly provided herein or therein.

ARTICLE II

TERMS AND CONDITIONS OF CERTIFICATES

Section 2.01. Preparation of Certificates. The Trustee is hereby authorized and directed to execute and deliver on the Closing Date the Certificates in the aggregate principal amount of \$[____], registered in the name of Cede & Co., as nominee of DTC, evidencing and representing the aggregate principal amount of the Installment Payments and evidencing and representing an interest in the Installment Payments. The Certificates shall be designated “McKinleyville Community Services District Revenue Certificates of Participation, Series 2026A (Water Project).” In no event shall the Certificates be deemed a debt, obligation or liability of the Trustee.

Section 2.02. Denominations, Medium, Method and Place of Payment and Dating of Certificates. The Certificates shall be prepared in the form of fully registered Certificates in denominations of \$5,000 or any integral multiple thereof. The interest, principal and prepayment premiums, if any, evidenced and represented by the Certificates shall be payable in lawful money of the United States of America. Subject to the provisions of Section 2.11 hereof, the interest evidenced and represented by the Certificates shall be payable on their Interest Payment Dates by check mailed

via first-class mail on the Interest Payment Date by the Trustee to the respective Owners thereof as of the Record Date at their addresses as they appear in the books required to be kept by the Trustee pursuant to the provisions of Section 2.07 hereof or, upon the written request from any Owner of any Certificate in a denomination of, or Certificates aggregating, at least \$1,000,000 in principal amount, received on or prior to the fifteenth day of the month preceding an applicable Interest Payment Date, by wire in Federal Reserve funds on the Payment Date, with regard to which such payment is made. The principal evidenced and represented by the Certificates shall be payable on August 1 in each of the years and in the principal amounts as follows, or on prepayment prior thereto, upon surrender thereof at the designated corporate trust office of the Trustee:

| <i>Year (August 1)</i> | <i>Principal Amount</i> | <i>Interest Rate</i> |
|------------------------|-------------------------|----------------------|
| 20__ | \$ [] | % |

The Certificates shall be dated the Closing Date and shall evidence and represent interest from the Closing Date.

Section 2.03. Interest with Respect to the Certificates. Interest on the principal components of the Installment Payments relating to the Certificates shall be calculated at the rates per annum (based on a 360-day year of twelve 30-day months) set forth in Section 2.02 hereof.

Section 2.04. Form of Certificates. The Certificates and the assignment to appear thereon shall be in substantially the forms set forth in Appendix A hereto with appropriate or necessary insertions, omissions and variations as permitted or required hereby.

Section 2.05. Execution of Certificates. The Certificates shall be executed by the Trustee by the manual or electronic signature of an authorized officer of the Trustee.

Section 2.06. Transfer and Exchange of Certificates. Subject to the provisions of Section 2.11 hereof:

(a) Each Certificate shall be transferable only upon a register of the names of each certificate owner (the "Certificate Register"), which shall be kept for that purpose at the Principal Office of the Trustee, by the Owner thereof in person or by his attorney duly authorized in writing, upon surrender thereof together with a written instrument of transfer satisfactory to the Trustee duly executed by the Owner or his duly authorized attorney. Upon the transfer of any such Certificate, the Trustee shall provide in the name of the transferee a new Certificate or Certificates, of the same aggregate principal amount, interest rate and maturity as the surrendered Certificates (unless there has occurred a partial prepayment of such Certificate pursuant to Section 4.01 hereof, in which case the principal amount of the new Certificate shall be equal to the unrepaid principal portion of the Certificate submitted for transfer).

(b) The Trustee shall deem and treat the person in whose name any Outstanding Certificate shall be registered upon the Certificate Register as the absolute owner of such Certificate, whether such Certificate shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal of and interest on such Certificate and for all other purposes, and all such payments so made to any such Owner or upon his order shall be valid and effectual to satisfy and discharge the liability upon such Certificate to the extent of the sum or sums so paid, and neither the District nor the Trustee shall be affected by any notice to the contrary. The District agrees to indemnify and save the Trustee harmless from and against any and all loss, cost, charge, expense, judgment or liability incurred by it, acting in good faith and without negligence or willful misconduct under the Trust Agreement, in so treating such Owner.

In all cases in which the privilege of exchanging or transferring Certificates is exercised, the Trustee shall execute and deliver Certificates in accordance with the provisions of this Article. All Certificates surrendered in any such exchanges or transfers shall forthwith be canceled by the Trustee. For every such exchange or transfer of Certificates, whether temporary or definitive, the District and the Trustee may make a charge sufficient to reimburse any of them for any tax, fee or other governmental charge, other than one imposed by the District, required to be paid with respect to such exchange or transfer, which sum or sums shall be paid by the person requesting such exchange or transfer as a condition precedent to the exercise of the privilege of making such exchange or transfer. Notwithstanding any other provision hereof, the cost of preparing each new Certificate and any other expenses of the District or the Trustee incurred in connection therewith (except any applicable tax, fee or other governmental charge other than one imposed by the District) shall be paid by the District. The Trustee shall not be obliged to effect any exchange or transfer of any Certificate during the period after the mailing of notice calling such Certificate or a portion thereof for prepayment, nor during the 15 days preceding the giving of such notice of prepayment.

Section 2.07. Certificate Registration Books. The Trustee shall keep or cause to be kept at its Principal Office sufficient books for the registration and transfer of the Certificates, which shall, during normal business hours upon reasonable prior written notice, be open to inspection by the District and the Corporation (or its designated agent); and, upon presentation for such purpose, the Trustee shall, under such reasonable regulations consistent herewith as it may prescribe, register or transfer or cause to be registered or transferred, on the Certificate Register, Certificates as hereinbefore provided.

Section 2.08. Temporary Certificates. Pending preparation of the definitive Certificates, any Certificates delivered under the Trust Agreement may be initially delivered in temporary form exchangeable for definitive Certificates when ready for delivery. The temporary Certificates may be printed, lithographed or typewritten, shall be of such denominations as may be determined by the District, shall be without coupons and may contain such reference to any of the provisions hereof as may be appropriate. Every temporary Certificate shall be executed by the Trustee and be delivered by the Trustee upon the same conditions and in substantially the same manner as definitive Certificates. If the Trustee delivers temporary Certificates, it shall execute and furnish definitive Certificates without delay and, thereupon, the temporary Certificates shall be surrendered for cancellation at the Principal Office of the Trustee and the Trustee shall deliver in exchange for such temporary Certificates an equal aggregate principal amount of definitive Certificates of authorized denominations of the same interest rate or rates and maturity or maturities. Until so exchanged, the temporary Certificates shall be entitled to the same benefits under the Trust Agreement as definitive Certificates delivered pursuant hereto.

Section 2.09. Certificates Mutilated, Destroyed, Lost or Stolen. If any Certificate shall become mutilated, the Trustee, at the expense of the Owner of said Certificate, shall execute and deliver a new Certificate of like tenor in exchange and substitution for the Certificate so mutilated, but only upon surrender to the Trustee of the Certificate so mutilated. Every mutilated Certificate so surrendered to the Trustee shall be canceled by it and destroyed. If any Certificate shall be lost, destroyed or stolen, evidence of such loss, destruction or theft shall be submitted to the Trustee, and, if such evidence is satisfactory to the Trustee and if an indemnity satisfactory to the Trustee shall be given, the Trustee, at the expense of the Certificate Owner, shall execute and deliver a new Certificate of like tenor and numbered as the District or the Purchaser shall determine in lieu of and in substitution for the Certificate so lost, destroyed or stolen. The Trustee may require payment of a reasonable fee for each new Certificate delivered under this Section and of the reasonable expenses which may be incurred by the Trustee in carrying out the duties under this Section 2.09. Any Certificate executed and delivered under the provisions of this Section in lieu of any Certificate alleged to be lost, destroyed or stolen shall be equally and proportionately entitled to the benefits hereof with all other Certificates secured by the Trust Agreement. The Trustee shall not be required to treat both the original Certificate and any replacement Certificate as being Outstanding for the purpose of determining the principal amount of Certificates which may be executed and delivered under the Trust Agreement or for the purpose of determining any percentage of Certificates Outstanding under the Trust Agreement, but both the original and replacement Certificate shall be treated as one and the same. Notwithstanding any other provision of this Section 2.09, in lieu of delivering a new Certificate for a Certificate which has been mutilated, lost, destroyed or stolen and which has matured, the Trustee may make payment of such Certificate, upon receipt of indemnity satisfactory to Trustee.

Section 2.10. Evidence of Signatures of Certificate Owners and Ownership of Certificates. Any request, direction, consent, revocation of consent or other instrument in writing required or permitted by the Trust Agreement to be signed or executed by Certificate Owners may be in any number of concurrent instruments of similar tenor, and may be signed or executed by such Certificate Owners in person or by their attorneys or agents appointed by an instrument in writing for that purpose. Proof of the execution of any such instrument, or of any instrument appointing any such attorney or agent, and of the holding and ownership of Certificates shall be sufficient for any purpose hereof (except as otherwise herein provided), if made in the form of the Assignment attached to the Certificate in Appendix A hereto.

Nothing contained in this Article shall be construed as limiting the Trustee to such proof, it being intended that the Trustee may accept any other evidence of the matters herein stated which to the Trustee may seem sufficient. Any request or consent of the Owner of any Certificate shall bind every future Owner of the same Certificate in respect of anything done or suffered to be done by the District or the Trustee in pursuance of such request or consent.

Section 2.11. Book-Entry System.

(a) **Original Delivery.** The Certificates shall be initially delivered in the form of a separate single fully registered Certificate (which may be typewritten) for each maturity. Upon initial delivery, the ownership of each such Certificate shall be registered on the Certificate Register kept by the Trustee in the name of the Nominee. Except as provided in Section 2.11(c), the ownership of all of the Outstanding Certificates shall be registered in the name of the Nominee.

With respect to Certificates the ownership of which shall be registered in the name of the Nominee, the District and the Trustee shall have no responsibility or obligation to any Depository

System Participant or to any person on behalf of which the Depository holds an interest in the Certificates. Without limiting the generality of the immediately preceding sentence, the District and the Trustee shall have no responsibility or obligation with respect to: (i) the accuracy of the records of the Depository, the Nominee or any Depository System Participant with respect to any ownership interest in the Certificates; (ii) the delivery to any Depository System Participant or any other person, other than a Certificate Owner as shown in the Certificate Register, or any notice with respect to the Certificates, including any notice of prepayment; (iii) the selection by the Depository of the beneficial interests in the Certificates to be prepaid in the event the District elects to prepay the Certificate in part; (iv) the payment to any Depository System Participant or any other person, other than a Certificate Owner as shown in the Certificate Register, of any amount with respect to principal, premium, if any, or interest with respect to the Certificates; or (v) any consent given or other action taken by the Depository as Owner of the Certificates. The District and the Trustee may treat and consider the person in whose name each Certificate is registered as the absolute owner of such Certificates for the purpose of payment of principal of, premium, if any, and interest on such Certificates for the purpose of giving notices of prepayment and other matters with respect to such Certificates, for the purpose of registering transfers of ownership of such Certificates, and for all other purposes whatsoever. The Trustee shall pay the principal of and the interest and premium, if any, on the Certificates only to the respective Owners or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge all obligations with respect to payment of principal of and interest and premium, if any, on the Certificates to the extent of the sum or sums so paid. No person other than an Owner shall receive a Certificate evidencing the obligation of the District to make payments of principal, interest and premium, if any, pursuant to this Trust Agreement. Upon delivery by the Depository to the Nominee of written notice to the effect that the Depository has determined to substitute a new Nominee in its place, and subject to the provisions herein with respect to Record Dates, such new nominee shall become the Nominee hereunder for all purposes; and upon receipt of such a notice of the District shall promptly, but in no event later than two Business Days after receipt thereof, deliver a copy of the same to the Trustee.

(b) **Representation Letter.** In order to qualify the Certificates for the Depository's book-entry system, the District shall execute and deliver to such Depository a letter representing such matters as shall be necessary to so qualify the Certificates. The execution and delivery of such letter shall not in any way limit the provisions of Section 2.11(a) above or in any other way impose upon the District or the Trustee any obligation whatsoever with respect to persons having interests in the Certificates other than the Certificate Owners. In addition to the execution and delivery of such letter, the District may take any other actions, not inconsistent with this Trust Agreement, to qualify the Certificates for the Depository's book-entry program.

(c) **Transfers Outside Book-Entry System.** In the event that either: (i) the Depository determines not to continue to act as depository for the Certificates; or (ii) the District determines to terminate the Depository as such, then the District shall thereupon discontinue the book-entry system with such Depository. In such event, the Depository shall cooperate with the District and the Trustee in the execution and delivery of replacement Certificates by providing the Trustee with a list showing the interests of the Depository System Participants in the Certificates, and by surrendering the Certificates, registered in the name of the Nominee, to the Trustee on or before the date such replacement Certificates are to be executed and delivered. The Depository, by accepting delivery of the Certificates, agrees in the Letter of Representations to be bound by the provisions of this Section 2.11(c). If, prior to the termination of the Depository acting as such, the District fails to identify another qualified securities depository to replace the Depository, then the Certificates shall no longer be required to be registered in the Certificate Register in the name of the Nominee, but shall be registered

in whatever name or names the Owners transferring or exchanging Certificates shall designate, in accordance with the provisions of this Section 2.11 hereof.

In the event that the District determines that it is in the best interests of the beneficial owners of the Certificates that they be able to obtain certificated Certificates, the District may notify the Depository System Participants of the availability of such certificate Certificates through the Depository. In such event, the Trustee will, at the expense of the District, execute, transfer and exchange Certificates as required by the Depository and others in appropriate amounts; and whenever the Depository so requests, the District shall cooperate with the Depository in taking appropriate action: (i) to make available one or more separate certificates evidencing the Certificates to any Depository System Participant having Certificates credited to its account with the Depository; or (ii) to arrange for another qualified securities depository to maintain custody of a single certificate evidencing such Certificates, all at the District's expense.

Prior to any transfer of the Certificates outside the book-entry system (including, but not limited to, the initial transfer outside the book-entry system) the transferor shall provide or cause to be provided to the Trustee all information necessary to allow the Trustee to comply with any applicable tax reporting obligations, including without limitation any cost basis reporting obligations under Internal Revenue Code Section 6045, as amended. The Trustee shall conclusively rely on the information provided to it and shall have no responsibility to verify or ensure the accuracy of such information.

(d) ***Payments to the Nominee.*** Notwithstanding any other provision of the Trust Agreement to the contrary, so long as any Certificate is registered in the name of the Nominee, all payments with respect to principal of and interest and premium, if any, on such Certificates and all notices with respect to such Certificates shall be made and given, respectively, as provided in the letter described in Section 2.11(b) or as otherwise instructed in writing by the Depository.

ARTICLE III

PROCEEDS OF CERTIFICATES; INSTALLMENT PAYMENT

Section 3.01. Delivery of Certificates. The Trustee is hereby authorized to execute the Certificates and upon receipt of the proceeds of sale thereof deliver the Certificates to the Purchaser upon receipt of a Certificate of the District.

Section 3.02. Depositing of Proceeds of Certificates and Other Amounts. The proceeds received by the Trustee from the sale of the Certificates (\$_____, reflecting the principal amount thereof, plus/less a net original issue premium/discount of \$____ and less an underwriting discount of \$____) shall be utilized by the Trustee as follows:

- (i) \$_____ shall be deposited in the Acquisition Fund; and
- (ii) \$_____ shall be deposited in the Delivery Costs Fund.

Such funds are hereby established and shall be held hereunder. The Trustee may establish one or more temporary funds or accounts in its records to facilitate and record such deposits and transfers.

Section 3.03. Use of Money in the Delivery Costs Fund.

(a) The Trustee shall disburse funds from the Delivery Costs Fund only upon receipt of a signed requisition (stating the amount to be disbursed and the party or parties being paid) approved by the Authorized Officer of the District and accompanied by an invoice or statement for each such amount. Each such requisition shall be sufficient evidence to the Trustee of the facts stated therein and the Trustee shall have no duty to confirm the accuracy of such facts.

(b) Upon payment of all Delivery Costs, which shall be determined by a certificate to that effect by an Authorized Officer of the District delivered to the Trustee, or upon the date occurring three months after the Closing Date, whichever occurs first, the Trustee shall transfer all funds remaining in the Delivery Costs Fund to the Installment Payment Fund, and the Delivery Costs Fund shall thereupon be closed.

Section 3.04. Reserved.

Section 3.05. Deposit of Installment Payments. All Installment Payments and interest thereon shall be paid directly by the District to the Trustee, and if received by the Corporation at any time shall be deposited by the Corporation with the Trustee within one Business Day after the receipt thereof. All Installment Payments and interest thereon received by the Trustee shall be held in trust by the Trustee under the terms hereof and shall be deposited by it as and when received in the Installment Payment Fund, which fund the Trustee hereby agrees to establish and maintain so long as any Certificates are Outstanding.

Section 3.06. Installment Payment Fund. The Trustee shall deposit the following amounts in the Installment Payment Fund at the following respective times in the following respective accounts in the following order of priority in the manner hereinafter provided, each of which accounts the Trustee hereby agrees to establish and maintain so long as any Certificates are Outstanding, and the money in each of such accounts shall be disbursed only for the purposes and uses hereinafter authorized:

(a) ***Interest Account.*** The Trustee, on or before each Interest Payment Date, shall deposit in the Interest Account that amount of money received by it constituting the interest components of Installment Payments representing the interest due and unpaid or becoming due and payable to but not including such Interest Payment Date. No deposit shall be made into the Interest Account if the amount contained therein is at least equal to the interest component of Installment Payments representing the interest becoming due and payable upon all Outstanding Certificates on each succeeding Interest Payment Date within the then current Certificate Year. All money in the Interest Account shall be used and withdrawn by the Trustee solely for the purpose of paying the interest evidenced and represented by such Certificates to but not including their respective Interest Payment Dates or any other date on which the Certificates may be prepaid in accordance with Article IV hereof.

(b) ***Principal Account.*** The Trustee on or before each August 1, shall deposit in the Principal Account that amount of money received by it constituting the principal components of Installment Payments representing the principal to become due and unpaid or becoming due and payable on August 1. No deposit shall be made into the Principal Account if the amount contained therein is at least equal to the principal components of Installment Payments representing the principal to become due and unpaid or becoming due and payable on such Interest Payment Date. All moneys

in the Principal Account shall be used and withdrawn by the Trustee solely for the purpose of paying the principal evidenced and represented by such Certificates on the principal payment date.

(c) **Prepayment Account.** The Trustee, on the prepayment date specified in the Certificate of the District filed with the Trustee at the time that any prepayment is paid to the Trustee pursuant to the Installment Purchase Contract, shall deposit in the Prepayment Account the amount of such prepayment. All money in the Prepayment Account shall be used and withdrawn by the Trustee solely for the purpose of paying the interest and principal and any applicable premium evidenced and represented by such Certificates to be prepaid on their respective prepayment dates.

Section 3.07. Held in Trust. The moneys and investments held by the Trustee under Sections 3.04, 3.05 and 3.06 are irrevocably held in trust for the benefit of the Owners, and, in the case of the Rebate Fund established pursuant to Section 3.11 below, for payment as required to the United States Treasury, and for the purposes herein specified, and such moneys, and any income or interest earned thereon, shall be expended only as provided in this Trust Agreement, and shall not be subject to levy or attachment or lien by or for the benefit of any creditor of the District, the Trustee or the Corporation, or any of them.

Section 3.08. Commingling of Moneys in Funds. The Trustee at its sole discretion may, and upon the written request of the District shall, commingle any of the funds held by it pursuant to this Trust Agreement into a separate fund or funds for investment purposes only; provided, however, that all funds or accounts held by the Trustee hereunder shall be accounted for separately notwithstanding such commingling by the Trustee.

Section 3.09. Arbitrage Covenant. The District and the Corporation hereby covenant with the Owners of the Certificates that, notwithstanding any other provision of this Trust Agreement, they will make no use of the proceeds of the Certificates which would cause the Certificates to be “arbitrage bonds” subject to federal income taxation by reason of Section 148 of the Internal Revenue Code of 1986, as amended. The Trustee hereby covenants with the Owners of the Certificates that it will comply with the express provisions of this Trust Agreement and will follow the written directions of the District and, so long as the Trustee shall have complied with the written instructions of the District as provided in Section 3.11 hereof with respect to making any rebate indicated therein to the United States, the Trustee shall conclusively be deemed to have complied with its obligations hereunder and shall not be liable if the Certificates become arbitrage bonds.

Section 3.10. Use of Money in the Acquisition Fund. The Trustee hereby agrees to establish and maintain the Acquisition Fund until the completion of the Acquisition of the Project. All money in the Acquisition Fund shall be held by the Trustee in trust and shall be applied by the Trustee for the payment of the Acquisition Costs of the Project and the expenses incidental thereto (including reimbursement to the District for any such costs or expenses theretofore paid by it for the account of the Corporation whether or not paid prior to the date hereof) as provided in this Section 3.10. Before any payment is made from the Acquisition Fund by the Trustee, the District shall file with the Trustee a Certificate of the District in the form attached hereto as Appendix B.

Upon receipt of each such Certificate of the District, the Trustee shall, so long as the Trustee does not have actual knowledge of or has not received written notice that the District or the Corporation is then in default under the Installment Purchase Contract or hereunder, pay the amount set forth therein as directed by the terms thereof from moneys on deposit in the Acquisition Fund, except that the Trustee shall not make any such payment of Acquisition Costs if it has received a written stop notice

or any other written notice of any lien, right to lien or attachment upon, or claim affecting the right to receive payment of, any of the money to be so paid which has not been released or will not be released simultaneously with such payment, other than materialmen's or mechanics' liens accruing by mere operation of law or a written notice from the Corporation stating that the District is not authorized to act as agent for the Corporation with respect to the matter described in such Certificate of the District. Each such requisition shall be sufficient evidence to the Trustee of the facts stated therein and the Trustee shall have no duty to confirm the accuracy of such facts.

When the Acquisition of the Project has been completed to the satisfaction of the District or when the District determines that a portion of the Project will not be Acquired, the District shall deliver a Certificate of the District to the Trustee stating the fact and date of the completion of such improvements, and stating that all the Acquisition Costs and the expenses incidental thereto have been determined and paid (or that such claims and expenses have been paid less specified claims which are subject to dispute and for which a retention in the Acquisition Fund is to be maintained in the full amount of such claims until such dispute is resolved). Upon receipt of such certificate, the Trustee shall transfer (but less the amount of such retention) to the Installment Payment Fund all remaining moneys in the Acquisition Fund, to be credited to the payment of the Installment Payments as provided herein. In the event that the Acquisition Fund has not been depleted by the date which is three years after the Closing Date, the District shall provide the Trustee with an opinion of nationally recognized bond counsel to the effect that the investment of such remaining funds shall not adversely affect the tax-exempt status of the Certificates.

Section 3.11. Rebate of Excess Investment Earnings to United States. The District covenants to calculate the amount of, and to rebate to the United States, excess investment earnings, all in accordance with the Code and Treasury Regulations promulgated thereunder (the "Regulations"). The Trustee shall not be responsible for enforcing compliance with such rebate requirements.

(a) ***Obligation to Calculate Excess Investment Earnings.*** The District shall calculate or cause to be calculated, and shall provide, or cause to be provided, written notice to the Trustee of the excess investment earnings (as defined in the Code, "Excess Investment Earnings") at such times and in such manner as may be required pursuant to the Code. The District shall inform the Trustee how frequently calculations are to be made and shall ensure that a copy of all such calculations which indicate that a payment is required is given promptly to the Trustee.

(b) ***Rebate to United States.*** The District agrees to deposit with the Trustee, promptly upon the receipt of any calculations made pursuant to the preceding subsection (a), the amount of Excess Investment Earnings so calculated. The Trustee shall deposit all amounts paid to it for such purpose by the District in the Rebate Fund, which the Trustee shall establish when so directed in writing by the District. The Trustee shall pay to the United States of America from the amounts on deposit in the Rebate Fund such amounts as shall be identified pursuant to written notice filed with the Trustee by the District for such purpose from time to time. Payments to the United States of America shall be made to the address prescribed by the Regulations as the same may be from time to time in effect, accompanied by a Form 8038-T (or such other reports and statements as may be prescribed by such Regulations) prepared by the District. Following payment in full to the United States of America of all amounts due and owing under this Section 3.11(b) at the direction of the District, the Trustee shall withdraw from the Rebate Fund and transfer to the District all amounts remaining on deposit in the Rebate Fund.

(c) **Investment Transactions.** The District shall assure that Excess Investment Earnings are not paid or disbursed except as required in this Section 3.11. To that end, the District shall assure that investment transactions are on an arm's-length basis. In the event that Qualified Investments consist of certificates of deposit or investment contracts, investment in such Qualified Investments shall be made in accordance with the procedures described in the Regulations.

(d) **Maintenance of Records.** The District shall keep and retain for a period of six years following the retirement of the Certificates, records of the determinations made pursuant to this Section 3.11.

(e) **Engagement of Professional Services.** In order to provide for the administration of this Section 3.11, the District may provide for the employment of independent attorneys, accountants and consultants compensated on such reasonable basis as the District may deem appropriate.

(f) **Modification of this Section.** Any of the provisions of this Section 3.11 may be amended, modified or deleted in any manner whatsoever in the event that the District shall cause to be filed with the Trustee written directions making such amendment, modification or deletion, which written directions are accompanied by an opinion of nationally recognized bond counsel stating that such amendment, modification or deletion will not cause interest with respect to the Certificates to be includable in gross income of the Owners for federal income tax purposes. The Trustee shall be deemed conclusively to have complied with such provisions of this Section if it follows the directions of the District and shall have no liability or responsibility to enforce compliance by the District with the terms of the guidance for compliance with the rebate requirements.

ARTICLE IV

PREPAYMENT OF CERTIFICATES

Section 4.01. Terms of Prepayment.

(a) The Certificates are subject to extraordinary prepayment on any Interest Payment Date upon notice as hereinafter provided, as a whole or in part (on a pro-rata basis) in integral multiples of \$5,000, from prepaid Installment Payments made by the District pursuant to Section 6.01(a) of the Installment Purchase Contract from the Net Proceeds received by the District due to a casualty loss or governmental taking of the Enterprise or portions thereof by eminent domain proceedings, under the circumstances and upon the conditions and terms prescribed herein and in the Installment Purchase Contract, at a prepayment price equal to the sum of the principal amount evidenced thereby plus accrued interest accrued to the date fixed for prepayment of the Certificates, without premium; provided that such prepaid Installment Payment shall be received by the Trustee not later than the fifth (5th) day preceding the latest date on which the Trustee is required to give notice pursuant to Section 4.03 below.

(b) The Certificates maturing on or before August 1, 20__ shall not be subject to optional prepayment. The Certificates maturing on or after August 1, 20__ are subject to prepayment, in whole or in part in any integral multiple of \$5,000, at the option of the District ____ 1, 20__ or any date thereafter, from any available source of funds, at a prepayment price equal to the principal amount of the Certificates to be prepaid from the proceeds of such prepayment, in each case together with accrued interest thereon to the prepayment date, without premium; provided that timely notice of such

optional prepayment shall be provided to the Trustee by the District pursuant to Section 6.01(b) of the Installment Purchase Contract.

(c) The Certificates maturing on August 1, 20__ are also subject to mandatory sinking fund prepayment in part by lot, on August 1 in each year commencing August 1, 20__, from Installment Payments made by the District pursuant to the Installment Purchase Contract, at a prepayment price equal to the principal amount evidenced thereby to be prepaid, without premium, in the aggregate respective principal amounts and on August 1 in the respective years as set forth in the following table:

| <i>Sinking Fund Prepayment Date (August 1)</i> | <i>Principal Amount of Term Certificates to Be Prepaid</i> |
|----------------------------------------------------|----------------------------------------------------------------|
| 20__ | \$ |

(d) If some but not all of the term Certificates described in Section 4.01(c) above have been prepaid pursuant to Section 4.01(a) or (b) above, the total amount of all related future sinking fund payments shall be reduced by the aggregate principal amount of such Certificates so prepaid, to be allocated among such sinking fund payments on a pro rata basis as determined by the District (notice of which determination shall be given by the District to the Trustee) as set forth in a revised sinking fund schedule.

Section 4.02. Selection of Certificates for Prepayment; Purchase in Lieu of Prepayment.

In the event that part, but not all, of the Certificates are to be prepaid (other than pursuant to mandatory sinking fund payments under Section 4.01(c)), the Certificates to be prepaid shall be selected by the Trustee from maturities designated by the District in writing, and by lot within a maturity (subject to the procedures of the Depository in the case of Certificates registered in the name of the Nominee pursuant to Section 2.11).

The District may at any time buy Certificates at public or private sale at a price which, inclusive of brokerage fees, will not exceed the par amount of the Certificates so purchased, plus any applicable premium and any Certificates so purchased shall be tendered to the Trustee for cancellation. Term Certificates so purchased may be credited against sinking fund prepayments as set forth in Section 4.01 hereof.

Section 4.03. Notice of Prepayment; Rescission.

When prepayment is authorized or required pursuant to this Article, and subject to the Trustee’s timely receipt of funds and written notice from the District in the case of extraordinary or optional prepayment pursuant to Section 4.01(a) or (c) the Trustee shall give notice (the “Prepayment Notice”), at the expense of the District, of the prepayment of the Certificates. Such Prepayment Notice shall specify: (a) the Certificates or designated portions thereof (in the case of prepayment of the Certificates in part but not in whole) which are to be prepaid; (b) the date of prepayment; (c) the place or places where the prepayment will be made, including the name and address of any paying agent; (d) the prepayment price; (f) the CUSIP

numbers, if any, assigned to the Certificates to be prepaid; (f) in the case of any Certificate to be prepaid in part only, the amount of such Certificate to be prepaid; and (g) the original issue date, interest rate and stated maturity date of each Certificate to be prepaid in whole or in part. Such Prepayment Notice shall further state that on the specified date there shall become due and payable upon each Certificate or portion thereof being prepaid the prepayment price, together with interest accrued to the prepayment date, and that from and after such date interest with respect thereto shall cease to accrue and be payable. A Prepayment Notice may state that no representation is made as to the accuracy or correctness of the CUSIP numbers printed therein or on the Certificates.

Subject to the provisions stated above, the Trustee shall take the following actions with respect to such Prepayment Notice. Such notice shall be given by the Trustee at least 20 but not more than 45 days prior to the prepayment date, by telecopy or other electronic transmission, registered, certified or overnight mail, to DTC or another applicable Depository which shall state the information set forth above, but no defect in said notice nor any failure to give all or any portion of such further notice shall in any manner defeat the effectiveness of a call for redemption.

An optional Prepayment Notice may be conditional and state that the District shall have the right to rescind any optional prepayment by written notice to the Trustee on or prior to the date fixed for prepayment, in which case such optional prepayment shall be cancelled and annulled and such cancellation shall not constitute an Event of Default under this Trust Agreement. In addition, any such notice of optional prepayment shall be canceled and annulled if for any reason funds will not be or are not available on the date fixed for prepayment for the payment in full of the Certificates then called for prepayment, and such cancellation shall not constitute an Event of Default under this Trust Agreement. The District, the Corporation and the Trustee shall have no liability to the Owners or any other party related to or arising from such rescission or cancellation of prepayment. The Trustee shall mail notice of such rescission or cancellation of prepayment in the same manner as the original notice of prepayment was sent.

Neither failure to receive any Prepayment Notice nor any defect in such Prepayment Notice so given shall affect the sufficiency of the proceedings for the prepayment of any such other Certificates as to which proper notice was given as provided herein. Each check or other payment method used by the Trustee for the purpose of prepaying Certificates shall bear the CUSIP number identifying, by issue and maturity, the Certificates being prepaid with the proceeds of such check or other transfer.

Section 4.04. Partial Prepayment of Certificates. Upon surrender of any Certificate prepaid in part only, the Trustee shall execute and deliver to the Owner thereof a new Certificate or Certificates equal to the remaining principal amount of the Certificate surrendered.

Section 4.05. Effect of Prepayment. Notice having been given as aforesaid, and the moneys for the prepayment, including interest to the applicable prepayment date of the Certificates to be prepaid, having been set aside in the Prepayment Account, the portion of Certificates to be prepaid shall become due and payable on said prepayment date, and, upon presentation and surrender thereof at the office or offices specified in said notice, said Certificates shall be paid at the unpaid principal amount and premium, if any, with respect thereto, plus any unpaid and accrued interest to said prepayment date.

If, on said prepayment date, moneys sufficient for the prepayment of all the Certificates to be prepaid, together with interest to said prepayment date, shall be held by the Trustee so as to be available therefor on such prepayment date, and, if notice of prepayment thereof shall have been given as

aforesaid, then, from and after said prepayment date, interest with respect to the portion of Certificates to be prepaid shall cease to accrue and become payable. If said moneys shall not be so available on said prepayment date, interest with respect to such portion of Certificates shall continue to be payable until paid at the same rates as they would have been payable had they not been called for prepayment.

ARTICLE V

COVENANTS OF THE DISTRICT AND THE CORPORATION

Section 5.01. Compliance with Trust Agreement. The Corporation and the District will not suffer or permit any default by them to occur hereunder, but will faithfully comply with, keep, observe and perform all of the agreements, conditions, covenants and terms hereof required to be complied with, kept, observed and performed by them.

Section 5.02. Compliance with Installment Purchase Contract. The District and the Corporation will faithfully comply with, keep, observe and perform all of the agreements, conditions, covenants and terms contained in the Installment Purchase Contract required to be complied with, kept, observed and performed by them and will enforce the Installment Purchase Contract against the other party thereto in accordance with its terms.

Section 5.03. Observance of Laws and Regulations. The Corporation and the District will faithfully comply with, keep, observe and perform all valid and lawful obligations or regulations now or hereafter imposed on them by contract, or prescribed by any law of the United States of America or of the State of California, or by any officer, board or commission having jurisdiction or control, as a condition of the continued enjoyment of each and every franchise, right or privilege now owned or hereafter acquired by them, including their right to exist and carry on their respective businesses, to the end that such franchises, rights and privileges shall be maintained and preserved and shall not become abandoned, forfeited or in any manner impaired.

Section 5.04. Other Liens. The District will keep the Enterprise and all parts thereof free from judgments and materialmen's and mechanics' liens and free from all claims, demands, encumbrances and other liens of whatever nature or character, and free from any claim or liability which may hamper the District in conducting its business or utilizing the Enterprise, and the District shall defend against any and all actions or proceedings in which the validity hereof is or might be questioned, or may pay or compromise any claim or demand asserted in any such actions or proceedings. So long as any Certificates are Outstanding, neither the Corporation nor the District will create or suffer to be created any pledge of or lien on the Installment Payments and the Net Revenues other than as permitted hereunder or under the Installment Purchase Contract with respect to the Net Revenues.

Section 5.05. Prosecution and Defense of Suits. The District will promptly, upon request of the Trustee or any Owner, take such action from time to time as may be necessary or proper to remedy or cure any cloud upon or defect in the title to the Enterprise or any part thereof, whether now existing or hereafter developing, will prosecute all actions, suits or other proceedings as may be appropriate for such purpose and will indemnify and save the Trustee and every Owner harmless from all cost, damage, expense or loss, including attorneys' fees, which they or any of them may incur by reason of any such cloud, defect, action, suit or other proceeding.

Section 5.06. Accounting Records and Statements. The Trustee will keep proper accounting records in which complete and correct entries shall be made of all transactions made by the Trustee relating to the receipt, deposit and disbursement of the Installment Payments, and such accounting records shall be available for inspection by the Corporation, the District or any Owner or Owner's agent duly authorized in writing on any Business Day upon reasonable prior notice at reasonable hours and under reasonable conditions prescribed by the Trustee.

Section 5.07. Further Assurances. Whenever and so often as requested to do so by the Trustee (who has no duty to make such request) or any Owner, the Corporation and the District 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 Trustee and the Owners all advantages, benefits, interests, powers, privileges and rights conferred or intended to be conferred upon them by this Trust Agreement, the Installment Purchase Contract or the Assignment Agreement.

ARTICLE VI

DEFAULT AND LIMITATIONS OF LIABILITY

Section 6.01. Action on Default or Acceleration. If an Event of Default under Section 7.01 of the Installment Purchase Contract shall happen, then such Event of Default shall constitute an Event of Default hereunder. In each and every such case during the continuance of such Event of Default the Trustee or, subject to the provisions of Section 6.08 hereof, the Owners of not less than a majority in aggregate principal amount represented by the Certificates at the time Outstanding upon notice given in writing to the District and the Trustee may, upon being indemnified to its satisfaction, exercise the remedies provided to the Corporation in Section 7.01 of the Installment Purchase Contract.

Upon the occurrence of an Event of Default hereunder, the Trustee may declare the principal and interest with respect to all such Certificates immediately due and payable and such principal and interest shall thereupon be due and payable immediately. The Trustee shall apply amounts on deposit in the funds and accounts created under the Installment Purchase Contract and the Trust Agreement in accordance with Section 6.09 hereof.

Section 6.02. Other Remedies of the Trustee. The Trustee may, upon being indemnified to its satisfaction, and, subject to the provisions of Section 6.08 hereof, the Owners of not less than a majority in aggregate principal amount represented by the Certificates at the time Outstanding may:

(a) by mandamus or other action or proceeding or suit at law or in equity enforce its rights against the Corporation or the District or any board member, officer or employee thereof, and compel the Corporation or the District or any such board member, officer or employee to perform or carry out its duties under law and the agreements and covenants required to be performed by it or him contained herein;

(b) by suit in equity enjoin any acts or things which are unlawful or violate the rights of the Trustee;

(c) intervene in judicial proceedings that affect the Certificates or the security therefor; or

(d) seek the appointment of a receiver or other third party to operate the Enterprise and collect Revenues.

Nothing herein shall be deemed to authorize the Trustee to authorize or consent to or accept or adopt on behalf of any Owner any plan of reorganization, arrangement, adjustment or composition affecting the Certificates or the rights of any Owner thereof, or to authorize the Trustee to vote in respect of the claim of any Owner in any such proceeding without the approval of the Owners so affected.

Section 6.03. Non-Waiver. A waiver of any default or breach of duty or contract by the Trustee or the Owners 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 the Owners to exercise any right or remedy accruing upon any default or breach of duty or contract shall impair any such right 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 Trustee or the Owners by law or by this article may be enforced and exercised from time to time and as often as shall be deemed expedient by the Trustee.

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

Section 6.04. Remedies Not Exclusive. No remedy herein conferred upon or reserved to the Trustee 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 in law or in equity or by statute or otherwise and may be exercised without exhausting and without regard to any other remedy conferred by any law.

Section 6.05. No Liability by the Corporation to the Owners. The Corporation shall not have any obligation or liability to the Owners with respect to the payment when due of the Installment Payments by the District, with respect to the performance by the District of the other agreements and covenants required to be performed by it contained in the Installment Purchase Contract or herein or with respect to the performance by the Trustee of any right or obligation required to be performed by it contained herein.

Section 6.06. No Liability by the District to the Owners. Except for the payment when due of the Installment Payments and the interest thereon, and the performance of the other agreements and covenants required to be performed by it contained in the Installment Purchase Contract or herein, the District will not have any obligation or liability to the Owners with respect to this Trust Agreement or the preparation, execution, delivery or transfer of the Certificates or the disbursement of the Installment Payments, and the interest thereon, by the Trustee, or with respect to the performance by the Trustee of any right or obligation required to be performed by it contained herein.

Section 6.07. No Liability by the Trustee to the Owners. Except for the duty of the Trustee to make payments of principal, prepayment premiums and interest with respect to the Certificates from moneys received from the District, the Trustee will not have any obligation or liability to the Owners with respect to the payment when due of the Installment Payments and the interest thereon by the

District, or with respect to the performance by the District of the other agreements and covenants required to be performed by it contained in the Installment Purchase Contract or herein.

Section 6.08. Limitation on Owners' Right to Bring Suit. No Owner of any Certificate shall have any right to institute any proceeding, judicial or otherwise, under or with respect to this Trust Agreement, or for the appointment of a receiver or trustee or for any other remedy hereunder, at law or in equity, unless:

- (a) such Owner has previously given written notice to the Trustee of a continuing event of default;
- (b) the owners of not less than a majority in principal amount of the Certificates Outstanding shall have made written request to the Trustee to institute proceedings in respect of such event of default in its own name as Trustee hereunder;
- (c) such Owner or Owners have offered to the Trustee reasonable indemnity, satisfactory to the Trustee, against the costs, expenses and liabilities to be incurred in compliance with such request; and
- (d) the Trustee for 60 days after its receipt of such notice, request and offer of indemnity has failed to institute any such proceeding.

It being understood and intended that no one or more Owners shall have any right in any manner whatever by virtue of, or by availing of, any provision of this Trust Agreement to affect, disturb or prejudice the lien of this Trust Agreement or the rights of any other Owners or to obtain or to seek to obtain priority or preference over any other Owners or to enforce any right under this Trust Agreement, except in the manner herein provided and for the equal and ratable benefit of all Certificates. Notwithstanding the foregoing, the Owner of any Certificate shall have the right, which is absolute and unconditional, to receive payment of interest on such Certificate when due in accordance with the terms thereof and hereof and the principal of such Certificate at the stated maturity thereof and to institute suit for the enforcement of any such payment in accordance with the provisions of this Trust Agreement, and such rights shall not be impaired without the consent of such Owner.

Section 6.09. Application of Funds Upon Default. All moneys received by the Trustee or by any receiver pursuant to any right given or action taken under the provisions of this Article VI or under the provisions of Article VII of the Installment Purchase Contract shall, after payment of the reasonable costs and fees of, and the reasonable expenses (including legal fees and expenses) of, and liabilities and advances incurred or made by the Trustee in and about the performance of its powers and duties hereunder, be deposited in the Installment Payment Fund, and all moneys so deposited during the continuance of an Event of Default (other than moneys for the payment of Certificates which have previously matured or otherwise become payable prior to such Event of Default or for the payment of interest due prior to such Event of Default), together with all moneys in the Funds maintained by the Trustee under Article III hereof, shall be applied as follows:

- (a) Unless the principal of all Certificates shall have become or shall have been declared due and payable, all such moneys shall be applied:

FIRST, to the payment to the Persons entitled thereto of all installments of interest then due on the Certificates, with interest on overdue installments, if lawful, at the rate per

annum borne by the Certificates, 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 of interest, then to the payment ratably according to the amounts due on such installment, to the Persons entitled thereto without any discrimination or privilege;

SECOND, to the payment to the Persons entitled thereto of the unpaid principal of any of the Certificates which shall have become due (other than Certificates called for prepayment for the payment of which moneys are held pursuant to the provisions of this Trust Agreement), with interest on such Certificates at their rate from the respective dates upon which they became due, in the order of their due dates, and, if the amount available shall not be sufficient to pay in full Certificates due on any particular date, together with such interest, then to the payment ratably, according to the amount of principal and interest due on such date, to the Persons entitled thereto without any discrimination or privilege; and

THIRD, to the payment of amounts, if any, payable to the United States Treasury in respect of rebate.

(b) If the principal of all the Certificates shall have become due or shall have been declared due and payable, all such moneys shall be applied:

FIRST, to the payment of the principal and interest then due and unpaid upon the Certificates, with interest on overdue interest and principal, as aforesaid, without preference or priority over interest or of interest over principal or of any installment of interest over any other installment of interest, or of any Certificates over any other Certificates, ratably, according to the amounts due respectively for principal and interest, to the Persons entitled thereto without any discrimination or privilege; and

SECOND, to the payment of amounts, if any, payable to the United States Treasury in respect of rebate.

Whenever the Trustee shall apply such moneys, it shall fix the date (which shall be an Interest Payment Date unless it shall deem another date more suitable) upon which date such application is to commence and upon such date interest on the amounts of principal and interest to be paid on such date shall cease to accrue. The Trustee shall give such notice as it may deem appropriate of the deposit with it of any such moneys and of the fixing of any such date and of the special record date in accordance with Article II hereof. The Trustee shall not be required to make payment to the holder of any unpaid Certificate until such Certificate shall be presented to the Trustee for appropriate endorsement or for cancellation if fully paid.

ARTICLE VII

THE TRUSTEE

Section 7.01. Trustee; Duties, Removal and Resignation. By executing and delivering the Trust Agreement, the Trustee accepts the duties and obligations of the Trustee provided in the Trust Agreement, but only upon the terms and conditions set forth in the Trust Agreement. The District (so long as an Event of Default has not occurred) or the Owners of a majority in aggregate principal amount of all Certificates Outstanding may, by 30 days' prior written request, remove the Trustee initially a party hereto, and any successor thereto, and in such event, or in the event that the Trustee resigns, the

District shall appoint a successor Trustee, but any such successor shall be: (a) a bank, national banking association or trust company that is supervised by the Office of Comptroller of the Currency and has at least \$250 million in assets; (b) a state-chartered commercial bank or trust company that is a member of the Federal Reserve System and has at least \$1 billion of assets; or (c) otherwise approved by the Insurer in writing. If such bank, national banking association, or trust company publishes a report of condition at least annually, pursuant to law or to the requirements of any supervising or examining authority above referred to, then for the purposes of this Section the combined capital and surplus of such bank, national banking association or trust company shall be deemed to be its combined capital and surplus as set forth in its most recent report of conditions so published.

The Trustee may at any time resign by giving written notice to the District and by giving to the Certificate Owners notice by mailing a notice of such resignation to their addresses appearing in the Certificate register. Upon receiving any such notice of resignation, the District shall promptly appoint a successor Trustee by an instrument in writing; provided, however, that in the event that the District does not appoint a successor Trustee within 30 days following receipt of such notice of resignation or giving notice of removal, the retiring Trustee may petition an appropriate court having jurisdiction to appoint a successor Trustee. Any resignation or removal of the Trustee shall not become effective until written acceptance of appointment by the successor Trustee under the Trust Agreement. Additionally, no removal, resignation or termination of the Trustee or, if applicable, the paying agent shall take effect until a successor, acceptable to the Insurer, shall be qualified and appointed.

Any Trustee which shall resign or be removed upon 30 days' prior written notice pursuant to this Section shall be entitled to compensation in accordance with Section 7.02 and to reimbursement for all reasonable and proper expenses and advances incurred and not previously reimbursed for its activities in connection with the Trust Agreement and the Installment Purchase Contract and for any indemnification due pursuant to the Trust Agreement or the Installment Purchase Contract and not previously paid. Any Trustee which resigns or is removed, upon payment of its unpaid compensation and expenses hereunder, shall fully discharge all of the right, title and interest of the retiring Trustee and the accounts and funds hereunder shall vest in said successor Trustee, and such retiring Trustee shall promptly pay over, assign and deliver to the successor Trustee any money or other property then held by such Trustee hereunder, and deliver any and all records, or copies thereof, in respect of the funds and accounts held hereunder which it may have.

Section 7.02. Compensation of the Trustee. The District shall pay from time to time, upon receipt of a statement, to the Trustee reasonable compensation for the Trustee's services and shall reimburse the Trustee for all of its reasonable advances and expenditures, including but not limited to advances to and fees and expenses of independent appraisers, accountants, consultants, counsel, agents and attorneys-at-law or other experts employed by it in the exercise and performance of its powers and duties under the Trust Agreement. Such compensation and reimbursement shall be paid promptly by the District. The lien of the Trustee on amounts held by it under the Trust Agreement for its services rendered under the Trust Agreement shall be superior to the rights of the Certificate Owners to receive scheduled payments of principal and interest with respect to their Certificates; provided that the Trustee shall have no lien on moneys in the Prepayment Account or the Rebate Fund.

The District shall, under the Installment Purchase Contract, hold harmless and indemnify the Trustee for all costs, claims, expenses and liabilities incurred by or asserted against the Trustee in the performance of its duties under this Trust Agreement, the Installment Purchase Contract, the Assignment Agreement or any related document executed in connection herewith or therewith, including any such reasonable costs, claims, expenses and liabilities, including legal fees and expenses,

incurred in the course of defending itself against any claims or actions or enforcing any remedies under this Trust Agreement or any related document. Any such indemnity shall not extend to any costs, claims, expenses or liabilities adjudicated to have been caused by the negligence or willful misconduct of the Trustee. The indemnification of the Trustee under this Trust Agreement shall extend to its directors, officers, employees and agents. The obligations of the Corporation and the District under this Section shall survive the payment of the Certificates and the discharge of this Trust Agreement and the removal or resignation of the Trustee.

When the Trustee incurs expenses or renders services after the occurrence of an Event of Default, such expenses and the compensation for such services are intended to constitute expenses of administration under any federal or state bankruptcy, insolvency, arrangement, moratorium, reorganization or other debtor relief law.

Section 7.03. Protection to Trustee. The District shall indemnify, protect and hold the Trustee harmless and the Trustee shall incur no liability for acting upon any notice, resolution, consent, order, certificate, report or other paper or document reasonably believed by it to be genuine and to have been signed or presented by the proper party or parties. The Trustee, in its discretion, may consult with counsel, who may be counsel to the District or the Corporation, with regard to legal questions, and the opinion or advice of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it under the Trust Agreement in good faith in accordance therewith. Whenever in the administration of its duties under the Trust Agreement, the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action under the Trust Agreement, such matter (unless other evidence in respect thereof be specifically prescribed in the Trust Agreement) may, in the absence of bad faith on the part of the Trustee, be deemed to be conclusively proved and established by the certificate of an Authorized Officer of the District and such certificate shall be full warranty to the Trustee for any action taken or suffered under the provisions of the Trust Agreement upon the faith thereof, but in its discretion the Trustee may, in lieu thereof (but shall not be obligated to), accept other evidence of such matter.

The Trustee may in good faith buy, sell, own, hold and deal in any of the Certificates executed pursuant to the Trust Agreement, and may join in any action which any Owner may be entitled to take with like effect as if the Trustee were not a party to the Trust Agreement. The Trustee, either as principal or agent, may also engage in or be interested in any financial or other transaction with the Corporation or the District, and may act as depository, trustee, or agent for any committee or body of Owners of Certificates or other obligations of the District as freely as if it were not Trustee under the Trust Agreement.

The recitals, statements and representations contained in this Trust Agreement or in the Certificates, save only the Trustee's execution of the Certificates, shall be taken and construed as made by and on the part of the District, and not by the Trustee, and the Trustee does not assume, and shall not have, any responsibility or obligation for the correctness of any thereof. The Trustee shall not be deemed to make any representations with respect to the security afforded by this Trust Agreement, the Installment Purchase Contract or the Assignment Agreement. The Trustee may execute any of the trusts or powers hereof and perform the duties required of it under the Trust Agreement by or through attorneys, agents or receivers, shall not be responsible for the negligence or misconduct of such attorneys, agents or receivers appointed by it with due care, and shall be entitled to advice of counsel concerning all matters of trust and its duty under the Trust Agreement. The Trustee shall be fully reimbursed by the District for reasonable expenses incurred in hiring attorneys, agents or receivers in connection with the performance of its obligations under the Trust Agreement.

Before taking any action hereunder the Trustee may require that a satisfactory indemnity bond or other indemnity satisfactory to the Trustee be furnished for the reimbursement of all reasonable expenses to which it may be put and to protect it against all liability which may be incurred in connection with the taking of such action, except liability which is adjudicated to have resulted from its negligence or willful misconduct; provided, however, that the Trustee shall not seek such indemnity prior to making payments on the Certificates. The Trustee, prior to the occurrence of an Event of Default, and after the curing or waiving of all Events of Default which may have occurred, undertakes to perform only such duties as are specifically set forth in this Trust Agreement. The Trustee shall, during the existence of any Event of Default (which has not been cured or waived), exercise such of the rights and powers vested in it by this Trust Agreement, and use the same degree of care and skill in their exercise, as a prudent person would exercise or use in the conduct of such person's own affairs.

The Trustee shall not be deemed to have knowledge of an Event of Default under the Installment Purchase Contract (except in connection with a failure of the District to make Installment Payments when due) until it has actual knowledge thereof, or until notified in writing of such Event of Default. In acting as Trustee hereunder, the Trustee acts solely in its capacity as Trustee hereunder and not in its individual or personal capacity, and all persons, including without limitation the Owners, the District and the Corporation, having any claim against the Trustee shall look only to the funds and accounts held by the Trustee hereunder for payment, except as otherwise provided herein. Under no circumstances shall the Trustee be liable in its individual or personal capacity for the obligations evidenced by the Certificates.

Every provision of this Trust Agreement, the Installment Purchase Contract and the Assignment Agreement relating to the conduct or liability of the Trustee shall be subject to the provisions of this Trust Agreement, including without limitation, this Article. The Trustee is authorized and directed to execute the Assignment Agreement in its capacity as Trustee. The Trustee shall not be liable with respect to any action taken or not taken by it in accordance with the direction of the Owners of a majority (or other percentage provided for herein) in aggregate principal amount of Certificates at the time Outstanding relating to the exercise of any right or remedy available to the Trustee hereunder or under the Installment Purchase Contract or any other trust or power conferred upon the Trustee.

The Trustee makes no representation or warranty, either express or implied, as to the value, design, condition, merchantability or fitness for any particular purpose or fitness for the use contemplated by the District or the Corporation of the Project or any portion thereof, or any other representation or warranty with respect to the Project or any portion thereof. In no event shall the Trustee be liable for incidental, indirect, special or consequential damages in connection with this Trust Agreement or the Installment Purchase Contract or the existence, furnishing or functioning of the Project or the District's use of the Project. The Trustee shall have no responsibility or liability with respect to any information, statements or recital in any offering memorandum or other disclosure material prepared or distributed with respect to the issuance of these Certificates.

The Trustee shall have the right to accept and act upon instructions, including funds transfer instructions ("Instructions") given pursuant to this Trust Agreement and delivered using Electronic Means ("Electronic Means" shall mean the following communications methods: e-mail, facsimile transmission, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys issued by the Trustee, or another method or system specified by the Trustee as available for use in connection with its services hereunder); provided, however, that the District and/or Corporation shall provide to the Trustee an incumbency certificate listing officers with the

authority to provide such Instructions (“Authorized Officers”) and containing specimen signatures of such Authorized Officers, which incumbency certificate shall be amended by the District and/or the Corporation whenever a person is to be added or deleted from the listing. If the District and/or Corporation elects to give the Trustee Instructions using Electronic Means and the Trustee in its discretion elects to act upon such Instructions, the Trustee’s understanding of such Instructions shall be deemed controlling. The District and Corporation understand and agree that the Trustee cannot determine the identity of the actual sender of such Instructions and that the Trustee shall conclusively presume that directions that purport to have been sent by an Authorized Officer listed on the incumbency certificate provided to the Trustee have been sent by such Authorized Officer. The District and Corporation shall be responsible for ensuring that only Authorized Officers transmit such Instructions to the Trustee and that the District, Corporation and all Authorized Officers are solely responsible to safeguard the use and confidentiality of applicable user and authorization codes, passwords and/or authentication keys upon receipt by the District and/or Corporation. The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee’s reliance upon and compliance with such Instructions notwithstanding the fact that such directions conflict or are inconsistent with a subsequent written instruction. The District and Corporation agree: (i) to assume all risks arising out of the use of Electronic Means to submit Instructions to the Trustee, including without limitation the risk of the Trustee acting on unauthorized Instructions, and the risk of interception and misuse by third parties; (ii) that they are fully informed of the protections and risks associated with the various methods of transmitting Instructions to the Trustee and that there may be more secure methods of transmitting Instructions than the method(s) selected by the District and Corporation; (iii) that the security procedures (if any) to be followed in connection with their transmission of Instructions provide to them a commercially reasonable degree of protection in light of its particular needs and circumstances; and (iv) to notify the Trustee immediately upon learning of any compromise or unauthorized use of the security procedures.

The Trustee shall not be considered in breach of or in default in its obligations hereunder or progress in respect thereto in the event of enforced delay (“unavoidable delay”) in the performance of such obligations due to unforeseeable causes beyond its control and without its fault or negligence, including, but not limited to, Acts of God or of the public enemy or terrorists, acts of a government, acts of the other party, fires, floods, epidemics, pandemics, quarantine restrictions, strikes, freight embargoes, earthquakes, explosion, mob violence, riot, inability to procure or general sabotage or rationing of labor, equipment, facilities, sources of energy, material or supplies in the open market, litigation or arbitration involving a party or others relating to zoning or other governmental action or inaction pertaining to the Project, malicious mischief, condemnation, and unusually severe weather or delays of suppliers or subcontractors due to such causes or any similar event and/or occurrences beyond the control of the Trustee.

The Trustee 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 errors in judgment made in good faith unless negligent in ascertaining pertinent facts.

In acting or omitting to act pursuant to the Assignment Agreement, the Installment Purchase Contract or any other documents executed in connection herewith or therewith, the Trustee shall be entitled to all of the rights, immunities and indemnities accorded to it under this Trust Agreement and the Installment Purchase Contract, including, but not limited to, this Article VII.

None of the provisions of this Trust Agreement shall require the Trustee to expend or risk its own funds or otherwise to incur any liability, financial or otherwise, in the performance of any of its

duties hereunder, or in the exercise of any of its rights or powers if it shall have reasonable grounds for believing that repayment of such funds or indemnity satisfactory to it against such risk or liability is not assured to it.

The Trustee shall not be accountable for the use or application by the District of any of the Certificates or the proceeds thereof or for the use or application of any money paid over by the Trustee in accordance with the provisions of this Trust Agreement or for the use and application of money received by any paying agent. The Trustee may become the owner of Certificates secured hereby with the same rights it would have if not Trustee.

The permissive right of the Trustee to do things enumerated in this Trust Agreement shall not be construed as a duty and the Trustee shall not be answerable for other than its negligence or willful misconduct.

Section 7.04. Payment from Trust Estate Only. All payments to be made by the Trustee under and pursuant to this Trust Agreement shall be made only from the corpus, income and proceeds of the funds and accounts hereunder and only to the extent that the Trustee shall have received sufficient contribution, income and proceeds in accordance with the terms of this Trust Agreement.

Section 7.05. Merger or Consolidation. Any company into which the Trustee may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which the Trustee may sell or transfer all or substantially all of its corporate trust business, provided that such company shall be eligible under Section 7.01 hereof, shall be the successor to the Trustee without the execution or filing of any paper or further act, anything herein to the contrary notwithstanding.

Section 7.06. No Filing Responsibility. For the avoidance of doubt, the Trustee has no responsibility under this Trust Agreement for the preparation, filing, or continuation of any Uniform Commercial Code or other filings or recordings necessary to the perfection of, and is not otherwise responsible for the validity or perfection of, any lien or security interest granted hereunder or any rights assigned under the Assignment Agreement.

ARTICLE VIII

AMENDMENT OF OR SUPPLEMENT TO TRUST AGREEMENT

Section 8.01. Amendment or Supplement by Consent of Owners. The Trust Agreement may be amended in writing by agreement among all of the parties, but no such amendment (except as provided below) shall become effective as to the Owners of the Certificates then Outstanding, unless and until approved by the Owners of a majority in aggregate principal amount of Certificates Outstanding; provided that no such amendment shall impair the right of any Owner to receive such Owner's proportionate share of any Installment Payments in accordance with such Owner's Certificate of Participation unless consented to by the applicable Certificate Owner. Furthermore, no such amendment or supplement shall: (a) reduce the rate of interest evidenced hereby or extend the time of payment of such interest or reduce the amount of principal evidenced hereby or extend the maturity date hereof without the prior written consent of the Owner hereof; (b) reduce the percentage of Owners of Certificates whose consent is required for the execution of any amendment of or supplement to the Trust Agreement; or (c) modify any rights or obligations of the Trustee without its prior written consent thereto. Notwithstanding the foregoing, the Trust Agreement and the rights and obligations provided

thereby may also be modified or amended at any time without the consent of any Owners of the Certificates, but only: (i) for the purpose of curing any ambiguity, or of curing, correcting or supplementing any defective provision contained in the Trust Agreement; or (ii) in regard to questions arising under the Trust Agreement which the District may deem necessary or desirable and not inconsistent with the Trust Agreement and which shall not materially adversely affect the interests of the Owners; provided that the Corporation, the District and the Trustee may rely in entering into any such amendment of the Trust Agreement upon the opinion of nationally recognized bond counsel stating that the requirements of this sentence shall have been met with respect to such amendment. The Trustee may in its discretion, but shall not be obligated to, enter into any amendment or modification which adversely affects the Trustee's own rights, duties or immunities under this Trust Agreement or otherwise.

In the event of any such amendment or supplement, copies of such amendment or supplement and any other documents relating thereto shall be provided by the District to Moody's (to the extent that Moody's maintains a rating on the Certificates) and S&P (to the extent that S&P maintains a rating on the Certificates) at least 15 days prior to the effective date thereof.

Section 8.02. Disqualified Certificates. Certificates owned or held by or for the account of the District shall not be deemed outstanding for the purpose of any consent or other action or any calculation of Outstanding Certificates provided in this Article VIII, and shall not be entitled to consent to or take any other action provided in this Article VIII; except that in determining whether the Trustee shall be protected in relying upon any such demand, request, direction, consent or waiver of an Owner, only Certificates which the Trustee actually knows to be owned or held by or for the account of the District shall be disregarded unless all Certificates are so owned or held, in which case such Certificates shall be considered outstanding for the purpose of such determination. The Trustee may adopt appropriate regulations to require each Owner, before such Owner's consent provided for herein shall be deemed effective, to reveal if the Certificates as to which such consent is given are disqualified as provided in this Section 8.02. Upon request of the Trustee, the District shall specify in a certificate to the Trustee those Certificates disqualified pursuant to this Section and the Trustee may conclusively rely on such certificate.

Section 8.03. Execution of Amendments. In executing, or accepting the additional trusts created by, any supplement or amendment permitted by this Article or the modification thereby of the trusts created by this Trust Agreement, the Trustee shall be entitled to receive, and shall be fully protected in relying upon, an opinion of counsel stating that the execution of such supplemental indenture is authorized or permitted by this Trust Agreement and complies with the terms hereof. The Trustee may, but shall not be obligated to, enter into any such supplemental indenture which affects the Trustee's own rights, duties or immunities under this Trust Agreement or otherwise.

ARTICLE IX

DEFEASANCE

Section 9.01. Defeasance. Any Outstanding Certificates shall be paid and discharged in any one or more of the following ways:

(a) by paying or causing to be paid the principal and interest with respect to the Certificates Outstanding to be defeased, as and when the same become due and payable;

(b) by depositing with the Trustee, in trust, before maturity, money which, together with the amounts which are then on deposit in the Installment Payment Fund is fully sufficient to pay such Certificates Outstanding, including all principal and interest relating thereto;

(c) by depositing with the Trustee, in trust, non-callable Federal Securities (the "Defeasance Obligations") in such amount as a nationally recognized certified public accountant shall determine will, together with the interest to accrue thereon and moneys then on deposit in the Installment Payment Fund to be applied to such defeasance together with the interest to accrue thereon, be fully sufficient to pay and discharge such Certificates (including all principal and interest) at or before their respective maturity dates;

(d) by depositing with the Trustee, cash or Defeasance Obligations for the payment of a portion of Installment Payments, said Defeasance Obligations to be held by the Trustee, as agent for District and to be applied by the Trustee to pay Installment Payments representing the obligation of the District under the Installment Purchase Contract.

In the event of a refunding as described in Sections 9.01(c) and (d) above: (i) the District shall cause to be delivered to the Trustee and the Insurer three days prior to any deposit date and upon any reinvestment of the defeasance amount, draft copies of any escrow agreement and a report of an independent firm of nationally recognized certified public accountants verifying the sufficiency of the escrow established to pay such Certificates in full on the maturity or prepayment date ("Verification"); (ii) the escrow agreement or instructions shall provide that no: (A) substitution of a Defeasance Obligation shall be permitted except with another Defeasance Obligation and upon delivery of a new Verification; (B) reinvestment of a Defeasance Obligation shall not be permitted except as contemplated by the original Verification or upon delivery of a new Verification and an opinion of nationally recognized bond counsel that such substitution will not adversely affect the Owners of the Insured Obligations for federal income tax purposes and the prior written consent of the Insurer, which consent will not be unreasonably withheld; (C) the District will not exercise any prior optional redemption of Insured Obligations secured by the escrow agreement or any other redemption other than mandatory sinking fund redemptions unless: (1) the right to make any such redemption has been expressly reserved in the escrow agreement and such reservation has been disclosed in detail in the official statement for the refunding bonds; and (2) as a condition to any such redemption there shall be provided to the Insurer a Verification report as to the sufficiency of escrow receipts without reinvestment to meet the escrow requirements remaining following any such redemption; and (D) the District 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; and (iii) there shall be delivered an opinion of nationally recognized bond counsel to the effect that the escrow agreement is valid and enforceable and such Certificates are no longer "Outstanding" under the Trust Agreement. Each Verification and defeasance opinion shall be acceptable in form and substance, and addressed, to the District and the Insurer. Certificates shall be deemed "Outstanding" under the Trust Agreement unless and until they are in fact paid and retired or the above criteria are met.

Notwithstanding the fact that some Certificates may not have been surrendered for payment, all obligations of the Corporation, the Trustee and the District under the Trust Agreement with respect to all defeased Certificates shall cease and terminate, except only the obligation of the Trustee to pay or cause to be paid to the Owners of the Certificates all sums due thereon and the obligation of the District to indemnify and pay the Trustee in accordance with Sections 7.02 and 7.03 hereof.

Upon the defeasance of all Outstanding Certificates, any funds held by the Trustee, at the time of one of the events described above in Section 9.01(a), (b), (c) or (d), which are not required for the payment to be made to Owners, or for payments to be made to the Trustee by the District, shall be paid over to the District upon delivery of a certificate of a certified public accountant that such funds are not required to be paid to the Owners.

Section 9.02. Unclaimed Moneys. Anything contained herein to the contrary notwithstanding, any money held by the Trustee in trust for the payment and discharge of the interest or principal evidenced and represented by any of the Certificates which remains unclaimed for two years after the date when the payments evidenced and represented by such Certificates have become payable, if such money was held by the Trustee at such date, or for two years after the date of deposit of such money if deposited with the Trustee after the date when the interest and principal evidenced and represented by such Certificates have become payable, the Trustee shall pay such amounts to the District (without liability for interest) as its absolute property free from trust, and the Trustee shall thereupon be released and discharged with respect thereto and the Owners shall look only to the District for interest and principal represented by such Certificates; provided, however, that before being required to make any such payment to the District, the Trustee shall, at the expense and written request of the District, cause to be published once a week for two successive weeks in a financial newspaper a notice that such money remains unclaimed and that after a date named in such notice, which date shall not be less than 30 days after the date of the first publication of such notice, the balance of such money then unclaimed will be returned to the District.

ARTICLE X

CERTIFICATE INSURANCE PROVISIONS

Section 10.01. Insured Obligations. Notwithstanding any other provisions of this Trust Agreement, the provisions of this Article X shall apply to the Insured Obligations.

Section 10.02. Notices and Other Information to be Given to Insurer. The District will provide the Insurer with all notices and other information it is obligated to provide: (a) under its Continuing Disclosure Certificate attached as Appendix D of its Official Statement; and (b) to the Owners of Insured Obligations or the Trustee under the Security Documents. The notice address of the Insurer is:

[TO COME]

Section 10.03. Amendments, Supplements and Consents.

(a) *Amendments or Supplements to Security Documents.* Any amendments or supplements to the Security Documents 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 Security Documents or in any supplement thereto;

(ii) To grant or confer upon Owners any additional rights, remedies, powers, authority or security that may lawfully be granted to or conferred upon the Owners of the Insured Obligations; or

(iii) To add to the conditions, limitations and restrictions on the issuance of Parity Obligations under the provisions of the Security Documents other conditions, limitations and restrictions thereafter to be observed;

(iv) To add to the covenants and agreements of the District in the Security Documents other covenants and agreements thereafter to be observed by the District or to surrender any right or power therein reserved to or conferred upon the District; or

(v) To issue additional parity debt in accordance with the requirements set forth in the Security Documents (unless otherwise specified herein).

The District shall send copies of any such amendment or supplements to the Insurer and the rating agencies which have assigned a rating to the Insured Obligations.

(b) ***Consent of Insurer in Addition to Owner Consent.*** Whenever any Security Documents require the consent of holders of Insured Obligations, the Insurer's consent shall also be required. Any amendment, supplement, modification to, or waiver of, any of the Security Documents that adversely affects the rights or interests of the Insurer shall be subject to the prior written consent of the Insurer.

Section 10.04. Insolvency. Any reorganization or liquidation plan with respect to the District must be acceptable to the Insurer. Each Owner of the Insured Obligations hereby appoints the Insurer as its agent and attorney-in-fact with respect to the Insured Obligations and agrees that the Insurer may at any time during the continuation of any proceeding by or against the District under the United States Bankruptcy Code or any other applicable bankruptcy, insolvency, receivership, rehabilitation or similar law (an "Insolvency Proceeding") direct all matters relating to such Insolvency Proceeding, including without limitation: (a) all matters relating to any claim or enforcement proceeding in connection with an Insolvency Proceeding (a "Claim"); (b) the direction of any appeal of any order relating to any Claim; (c) the posting of any surety, supersedeas or performance bond pending any such appeal; and (d) the right to vote to accept or reject any plan of adjustment. In addition, each Owner of the Insured Obligations delegates and assigns to the Insurer, to the fullest extent permitted by law, its rights with respect to the Insured Obligations in the conduct of any Insolvency Proceeding, including, without limitation, all rights of any party to an adversary proceeding or action with respect to any court order issued in connection with any such Insolvency Proceeding.

Section 10.05. Control by Insurer Upon Default. Anything in the Security Documents 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 Owners of the Insured Obligations or the Trustee for the benefit of the Owners of the Insured Obligations under any Security Document. No default or event of default may be waived without the Insurer's written consent.

Section 10.06. Insurer as Owner. Upon the occurrence and continuance of a default or an event of default, the Insurer shall be deemed to be the sole owner of the Insured Obligations for all purposes under the Security Documents, including, without limitations, for purposes of exercising remedies and approving amendments.

Section 10.07. Consent of Insurer for Acceleration. The Insurer's prior written consent is required as a condition precedent to and in all instances of acceleration.

Section 10.08. Grace Period for Payment Defaults. No grace period shall be permitted for payment defaults on the Insured Obligations. No grace period for a covenant default shall exceed 30 days without the prior written consent of the Insurer.

Section 10.09. Special Provisions for Insurer Default. If an Insurer Default shall occur and be continuing, then, notwithstanding anything in Sections 10.03 through 10.06 above to the contrary: (a) if at any time prior to or following an Insurer Default, the Insurer has made payment under the Policy, to the extent of such payment the Insurer shall be treated like any other holder of the Insured Obligations for all purposes, including giving of consents; and (b) if the Insurer has not made any payment under the 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 Policy, in which event, the foregoing clause (a) shall control. For purposes of this paragraph, “Insurer Default” means: (i) the Insurer has failed to make any payment under the Policy when due and owing in accordance with its terms; or (ii) the Insurer shall: (A) 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; (B) 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; (C) 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; (D) file an answer admitting the material allegations of a petition filed against it in any such proceeding described in clauses (i)(A) – (D), make a general assignment for the benefit of creditors; or (E) take action for the purpose of effecting any of the foregoing; or (iii) any state or federal agency or instrumentality shall order the suspension of payments on the 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 10.10. Insurer As Third Party Beneficiary. The Insurer is recognized as and shall be deemed to be a third party beneficiary of the Security Documents and may enforce the provisions of the Security Documents as if it were a party thereto.

Section 10.11. Payment Procedure Under the Policy.

(a) In the event that principal and/or interest due on the Insured Obligations shall be paid by the Insurer pursuant to the Policy, the Insured Obligations shall remain outstanding for all purposes, not be defeased or otherwise satisfied and not be considered paid by the District, the assignment and pledge of or lien on the Installment Payments and the Net Revenues and all covenants, agreements and other obligations of the District to Trustee and Owners of the Certificates shall continue to exist and shall run to the benefit of the Insurer, and the Insurer shall be subrogated to the rights of the Trustee and Owners of the Certificates with respect to such Insured Obligations.

(b) In the event that on the second (2nd) Business Day prior to any payment date on the Insured Obligations, the Trustee has not received sufficient moneys to pay all principal of and interest on the Insured Obligations due on any payment date, the Trustee shall immediately notify the Insurer 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 Insured Obligations has been required to disgorge payments of principal of or interest on the Insured Obligations 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 consent to the following, and the Trustee shall irrevocably be designated, appointed, directed and authorized to act as attorney-in-fact for subsequent holders of the Insured Obligations:

(i) If there is a deficiency in amounts required to pay interest and/or principal on the Insured Obligations, the Trustee shall: (i) execute and deliver to the Insurer, in form satisfactory to the Insurer, an instrument appointing the Insurer as agent and attorney-in-fact for the holders (or attorney-in-fact for subsequent holders) of the Insured Obligations, in any legal proceeding related to the payment and assignment to the Insurer of the claims for interest on the Insured Obligations; (ii) receive as holder of the Insured Obligations (or attorney-in-fact for subsequent holders), in accordance with the tenor of the Policy payment from the Insurer with respect to the claims for interest so assigned; (iii) segregate all such payments in a separate account (the “[] Policy Payment Account”) to only be used to make scheduled payments of principal of and interest on the Insured Obligation; and (iv) disburse the same to pay Insured Obligations.

(ii) If there is a deficiency in amounts required to pay principal of the Insured Obligations, the Trustee shall: (A) execute and deliver to the Insurer in form satisfactory to the Insurer an instrument appointing the Insurer as agent and attorney-in-fact for the holders (or attorney-in-fact for subsequent holders) of the Insured Obligations, in any legal proceeding related to the payment of such principal and an assignment to the Insurer of the Insured Obligations surrendered to the Insurer; (B) receive as holder of the Insured Obligations (or attorney-in-fact for subsequent holders), in accordance with the tenor of the Policy payment therefor from the Insurer; (C) segregate all such payments in the [] Policy Payment Account to only be used to make scheduled payments of principal of and interest on the Insured Obligation; and (D) disburse the same to pay Insured Obligations.

(iii) The Trustee shall designate any portion of payment of principal on Insured Obligations paid by the Insurer, whether when due or upon prepayment, on its books as a reduction in the principal amount of Insured Obligations registered to the then current holder, whether DTC or its nominee or otherwise, and shall issue a replacement Insured Obligation 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 Insured Obligation shall have no effect on the amount of principal or interest payable by the District on any Insured Obligation or the subrogation or assignment rights of the Insurer.

(e) Payments with respect to claims for interest on and principal of Insured Obligations disbursed by the Trustee from proceeds of the Policy shall not be considered to discharge the obligation of the District with respect to such Insured Obligations, and the Insurer shall become the owner of such unpaid Insured Obligations 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. The Security Documents shall not be discharged or terminated unless all amounts due or to become due to the Insurer have been paid in full or duly provided for.

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

(i) They recognize that to the extent that the Insurer makes payments directly or indirectly (e.g., by paying through a paying agent or trustee), on account of principal or interest on the Insured Obligations, the Insurer will be subrogated to the rights of Owners to receive the amount of such principal and interest from the District, with interest thereon, as provided and solely from the sources stated in the Security Documents and the Insured Obligations; and

(ii) The District will accordingly pay to the Insurer the amount of such principal and interest, with interest thereon as provided in the transaction documents and the Insured Obligations, but only from the sources and in the manner provided therein for the payment of principal of and interest on the Insured Obligations to the Owners, and will otherwise treat the Insurer as the owner of such rights to the amount of such principal and interest.

Section 10.12. Reimbursement of Insurer. The District agrees unconditionally that it will pay or reimburse the Insurer on demand any and all reasonable charges, fees, costs, losses, liabilities and expenses that the Insurer may pay or incur, including, but not limited to, fees and expenses of the Insurer's agents, attorneys, accountants, consultants, appraisers and auditors and reasonable costs of investigations, in connection with the administration (including waivers and consents, if any), enforcement, defense, exercise or preservation of any rights and remedies in respect of the Security Documents ("Administrative Costs"). For purposes of the foregoing, costs and expenses shall include a reasonable allocation of compensation and overhead attributable to the time of employees of the Insurer spent in connection with the actions described in the preceding sentence. The District agrees that failure to pay any Administrative Costs on a timely basis will result in the accrual of interest on the unpaid amount at the Late Payment Rate, compounded semi-annually, from the date that payment is first due to the Insurer until the date that the Insurer is paid in full. Notwithstanding anything herein to the contrary, the District agrees to pay to the Insurer: (a) a sum equal to the total of all amounts paid by the Insurer under the Policy ("[] Policy Payment"); and (ii) interest on such [] Policy Payments from the date paid by the Insurer until payment thereof in full by the District, payable to the Insurer at the Late Payment Rate per annum (collectively, "[] Reimbursement Amounts") compounded semi-annually. Notwithstanding anything to the contrary, including without limitation the post default application of revenue provisions, [] Reimbursement Amounts and Administrative Costs shall be, and the District hereby covenants and agrees that the [] Reimbursement Amounts and Administrative Costs are, solely payable from and secured by a lien on and pledge of the same revenues and other collateral pledged to the Insured Obligations on a parity with debt service due on the Insured Obligations.

Section 10.13. Exercise of Rights by Insurer. The rights granted to the Insurer under the Security Documents to request, consent to or direct any action are rights granted to the Insurer in consideration of its issuance of the 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 Owners and such action does not evidence any position of the Insurer, affirmative or negative, as to whether the consent of Owners or any other person is required in addition to the consent of the Insurer.

Section 10.14. Payment upon Nonpayment by District. The Insurer shall be entitled to pay principal or interest on the Insured Obligations that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the District (as such terms are defined in the Policy) and any amounts

due on the Insured Obligations as a result of acceleration of the maturity thereof in accordance with the Security Documents, whether or not the Insurer has received a claim upon the Policy.

Section 10.15. No Transfer. So long as the Insured Obligations are outstanding or any amounts are due and payable to the Insurer, the District shall not sell, lease, transfer, encumber or otherwise dispose of the Enterprise or any material portion thereof, except upon obtaining the prior written consent of the Insurer.

Section 10.16. No Impairment. No contract shall be entered into or any action taken by which the rights of the Insurer or security for or source of payment of the Insured Obligations may be impaired or prejudiced in any material respect except upon obtaining the prior written consent of the Insurer.

Section 10.17. Additional Events of Default. If an event of default occurs under any agreement pursuant to which any Obligation of the District has been incurred or issued which permits the holder of such Obligation or trustee to accelerate the Obligation or otherwise exercise rights or remedies that are adverse to the interest of the holders of the Insured Obligations or the Insurer, as the Insurer may determine in its sole discretion, then an event of default shall be deemed to have occurred under this Trust Agreement and the related Security Documents for which the Insurer or the Trustee, at the direction of the Insurer shall be entitled to exercise all available remedies under the Security Documents, at law and in equity. For purposes of the foregoing, “Obligation” shall mean any bonds, loans, certificates, installment or lease payments or similar obligations that are payable and/or secured on a parity or subordinate basis to the Insured Obligations.

Section 10.18. Definitions. Terms used in this Article X and not otherwise defined herein shall have the following meanings. For the avoidance of confusion, it is understood and agreed that the Insured Obligations bear interest at the gross interest rate described in Section 2.02 hereof and that references in this Article X to the payment of interest on the Insured Obligations are references to payment of interest at such gross interest rate.

“Insured Obligations” shall mean the Certificates.

“Late Payment Rate” means the lesser of: (a) the greater of; (i) the per annum rate of interest, publicly announced from time to time by JPMorgan Chase Bank, N.A., at its principal office in The City of New York, New York, as its prime or base lending rate (“Prime Rate”) (any change in such Prime Rate to be effective on the date such change is announced by JPMorgan Chase Bank, N.A.) plus 5%; and (ii) the then applicable highest rate of interest on the Insured Obligations and (b) the maximum rate permissible under applicable usury or similar laws limiting interest rates including K.S.A. 10-1009. In the event that JPMorgan Chase Bank, N.A., ceases to announce its Prime Rate, the Prime Rate shall be the prime or base lending rate of such other bank, banking association or trust company as the Insurer, in its sole and absolute discretion, shall designate. Interest at the Late Payment Rate on any amount owing to the Insurer shall be computed on the basis of the actual number of days elapsed in a year of 360 days.

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

“Security Documents” shall mean this Trust Agreement, the Installment Purchase Contract, the Assignment Agreement and any additional or supplemental document executed in connection with the Insured Obligations.

ARTICLE XI

MISCELLANEOUS

Section 11.01. Benefits of Trust Agreement Limited to Parties. Nothing contained herein, expressed or implied, is intended to give to any person other than the Corporation, the District, the Trustee and the Owners any claim, remedy or right under or pursuant hereto, and any agreement, condition, covenant or term contained herein required to be observed or performed by or on behalf of the Corporation or the District shall be for the sole and exclusive benefit of the Trustee and the Owners.

Section 11.02. Successor Deemed Included in All References to Predecessor. Whenever either the Corporation, the District, the Trustee or any officer thereof is named or referred to herein, such reference shall be deemed to include the successor to the powers, duties and functions that are presently vested in the Corporation, the District, the Trustee or such officer, and all agreements, conditions, covenants and terms required hereby to be observed or performed by or on behalf of the Corporation, the District, the Trustee or any officer thereof shall bind and inure to the benefit of the respective successors thereof whether so expressed or not.

Section 11.03. Execution of Documents by Owners. Any declaration, consent, request or other instrument which is permitted or required herein to be executed by Owners may be in one or more instruments of similar tenor and may be executed by Owners in person or by their attorneys appointed in writing. The fact and date of the execution by any Owner or his or her attorney of any declaration, consent, 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 take acknowledgments of deeds to be recorded in the state or territory in which he purports to act, that the person signing such declaration, consent, 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, or by such other proof as the Trustee or the paying agent, as the case may be, may accept which it may deem sufficient. Any declaration, consent, request or other instrument in writing of the Owner of any Certificate shall bind all future owners of such Certificate with respect to anything done or suffered to be done by the Corporation, the District or the Trustee in good faith and in accordance therewith. Additionally, a signed and delivered facsimile copy of this Trust Agreement or a signed copy transmitted electronically in a portable document format (PDF) shall be binding on the party signing the facsimile or electronically transmitted copy, and such copy shall have the same effect as the original. Any party who delivers such a signature page agrees to later deliver an original counterpart to any party which requests it.

Section 11.04. Waiver of Personal Liability. No board member, officer or employee of the Corporation or the District shall be individually or personally liable for the payment of the interest or principal evidenced and represented by the Certificates, but nothing contained herein shall relieve any board member, officer or employee of the District or the Corporation from the performance of any official duty provided by any applicable provisions of law or by the Installment Purchase Contract or hereby.

Section 11.05. Acquisition of Certificates by District. All Certificates acquired by the District, whether by purchase or gift or otherwise, shall be surrendered to the Trustee for cancellation.

Section 11.06. Content of Certificates. Every Certificate of the District with respect to compliance with any agreement, condition, covenant or term contained herein (other than a Certificate of the District filed with the Trustee in connection with a disbursement from the Delivery Costs Fund and the Acquisition Fund, the contents of which certificate shall be as set forth in Sections 3.03 and 3.10, respectively, hereof) shall include: (a) a statement that the person or persons making or giving such certificate have read such agreement, condition, covenant or term 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 term has been complied with; and (c) a statement as to whether, in the opinion of the signers, such agreement, condition, covenant or term has been complied with. Any Certificate of the District may be based, insofar as it relates to legal matters, upon an opinion of counsel unless the person making or giving such certificate knows that the opinion of counsel with respect to the matters upon which such 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 or information with respect to which is in the possession of the District, upon a representation by an officer or officers of the District unless the counsel executing such opinion of counsel knows that the representation with respect to the matters or 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 11.07. Notice by Mail. Any notice required to be given hereunder by mail to any Owners of Certificates shall be given by mailing a copy of such notice, first-class postage prepaid, to the Owners of such Certificates at their addresses appearing in the books required to be kept by the Trustee pursuant to the provisions of Section 2.07 not less than 30 days nor more than 60 days following the action or prior to the event concerning which notice thereof is required to be given unless this Trust Agreement expressly provides a different provision; provided that receipt of any such notice shall not be a condition precedent to the effect of such notice and failure to receive any such notice shall not affect the validity of the proceedings taken in connection with the action or the event concerning which such notice was given.

Section 11.08. Funds. Any fund or account required to be established and maintained herein 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 funds shall at all times be maintained in accordance with sound accounting practice and with due regard for the protection of the security of the Certificates and the rights of the owners.

Section 11.09. Investments.

(a) Amounts on deposit in any fund or account created pursuant to the Installment Purchase Contract or this Trust Agreement shall be invested in Permitted Investments which will, as nearly as practicable, mature on or before the dates when such money is anticipated to be needed for disbursement hereunder, in accordance with such written directions as the District may from time to time provide to the Trustee. Investment directions shall be received at least two Business Days prior to the date of making the investment. If no such direction has been received by the Trustee in sufficient

time, the Trustee shall invest such amounts in Permitted Investments of the type described in clause (d) of the definition thereof; provided that the Trustee shall have received a written instruction of the District specifying a specific money market fund and, if no such written instruction of the District is so received, the Trustee shall hold such moneys uninvested. The Trustee may act as principal or agent in the acquisition or disposition of any such investment. The Trustee shall not be liable or responsible for any loss suffered in connection with any such investment made by it under the terms of and in accordance with this Section 11.09. The Trustee may sell or present for prepayment any obligations so purchased whenever it shall be necessary in order to provide moneys to meet any payment of the funds so invested, and the Trustee shall not be liable or responsible for any losses resulting from any such investment sold or presented for prepayment. Interest or profit received from the investment of amounts on deposit in the Delivery Costs Fund shall be retained therein and used as described in Section 3.03. Interest or profit received from the investment of amounts on deposit in the Acquisition Fund shall be retained therein and used as described in Section 3.10. Interest or profit received on investments not described in the previous two sentences shall be deposited to the Acquisition Fund until the Project is Acquired, and thereafter to the Installment Payment Fund.

The Trustee may exclusively rely that any investment directed by the District hereunder is a Permitted Investment as required by this Trust Agreement (including as to the suitability and legality of the directed investment). The Trustee may act as depository, manager, advisor or sponsor with regard to any Permitted Investment.

(b) In computing the amount in any fund or account, Permitted Investments shall be valued at fair market value, marked to market, exclusive of accrued interest. The Trustee shall perform such valuation no less often than once a year or more frequently than monthly. In determining market value of Permitted Investments, the Trustee may use and rely conclusively and without liability upon any generally recognized pricing information service (including brokers and dealers in securities) available to it.

(c) If at any time after investment therein a Permitted Investment ceases to meet the criteria set forth in the definition of Permitted Investments and such obligation, aggregated with other non-conforming investments, exceeds 10% of invested funds, such Permitted Investment shall be sold or liquidated at the written direction of the District. At the written direction of the District the Trustee shall terminate any repurchase agreement upon a failure of the counterparty thereto to maintain the requisite collateral percentage after the restoration period and, if not paid by the counterparty in federal funds against transfer of the repurchase securities, at the written direction of the District, the Trustee shall, liquidate the collateral. The Trustee shall, upon actual knowledge of a default under a repurchase or investment agreement or the withdrawal or suspension of either of the ratings of a repurchase or investment agreement provider or a drop in the ratings thereon below "AA" or "Aa," as appropriate, or "AAA" or "Aaa," as appropriate, in the case of a foreign bank, shall at the written direction of the District, demand further collateralization of the agreement or termination thereof and liquidation of the collateral. In the event that any funds or accounts are invested in an investment agreement described in clause (j) of the definition of Permitted Investments, at the written direction of the District, the Trustee shall give notice to the provider of such investment agreement in accordance with the terms of such investment agreement to receive funds thereunder with no penalty or premium.

(d) The District acknowledges that to the extent that regulations of the Comptroller of the Currency or other applicable regulatory entity grant to the District the right to receive brokerage confirmations of security transactions as they occur, at no additional cost, the District specifically waives receipt of such confirmations to the extent permitted by law. The Trustee will furnish the

District periodic cash transaction statements which include detail for all investment transactions made by the Trustee hereunder.

Section 11.10. Article and Section Headings, Gender and References. The headings or titles of the several articles and sections hereof and the table of contents appended hereto shall be solely for convenience of reference and shall not affect the meaning, construction or effect hereof, and words of any gender shall be deemed and construed to include all genders. All references herein to “Articles,” “Sections” and other subdivisions or clauses are to the corresponding articles, sections, subdivisions or clauses hereof; and the words “hereby,” “herein,” “hereof,” “hereto,” “herewith,” “hereunder” and other words of similar import refer to this Trust Agreement as a whole and not to any particular article, section, subdivision or clause hereof.

Section 11.11. Partial Invalidity. If any one or more of the agreements, conditions, covenants or terms contained herein required to be observed or performed by or on the part of the Corporation, the District or the Trustee shall be contrary to law, then such agreement or agreements, such condition or conditions such covenant or covenants or such term or terms shall be null and void and shall be deemed separable from the remaining agreements, conditions, covenants and terms hereof and shall in no way affect the validity hereof or of the Certificates, and the Owners shall retain all the benefit, protection and security afforded to them under any applicable provisions of law.

Section 11.12. California Law. This Trust Agreement shall be construed and governed in accordance with the laws of the State of California.

Section 11.13. Notices. All written notices to be given hereunder shall be given by certified mail to the party entitled thereto at its address set forth in the Installment Purchase Contract, or at such other address as such party may provide to the other parties in writing from time to time.

Section 11.14. Effective Date. This Trust Agreement shall become effective upon its execution and delivery.

Section 11.15. Execution in Counterparts. This Trust Agreement may be executed in several counterparts, each of which shall be deemed an original, and all of which shall constitute but one and the same instrument.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the parties hereto have executed and attested this Trust Agreement by their officers thereunto duly authorized as of the day and year first written above.

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

By: _____
Authorized Officer

CSDA FINANCE CORPORATION

By: _____
Neil McCormick
Chief Executive Officer

MCKINLEYVILLE COMMUNITY SERVICES DISTRICT

By: _____
Patrick Kaspari, P.E.
General Manager

[Signature Page to Trust Agreement]
Series 2026A (Water Project)

APPENDIX A

FORM OF CERTIFICATE OF PARTICIPATION

EVIDENCING THE DIRECT, UNDIVIDED FRACTIONAL INTEREST OF THE OWNER HEREOF IN INSTALLMENT PAYMENTS TO BE MADE TO THE CSDA FINANCE CORPORATION BY THE MCKINLEYVILLE COMMUNITY SERVICES DISTRICT

**MCKINLEYVILLE COMMUNITY SERVICES DISTRICT
REVENUE CERTIFICATE OF PARTICIPATION
SERIES 2026A
(WATER PROJECT)**

No. R- _____ \$ _____

| Interest Rate | Maturity Date | Original Issue Date | CUSIP |
|----------------------|----------------------|----------------------------|--------------|
| _____ % | August 1, 20__ | July [__], 2026 | 581719 _____ |

REGISTERED OWNER: ****CEDE & CO.****

PRINCIPAL AMOUNT: _____ DOLLARS

THIS IS TO CERTIFY that the Owner specified above of this Certificate of Participation (the "Certificate") is the Owner of an undivided interest in the rights to receive certain installment payments (the "Installment Payments") and the interest thereon under and pursuant to that certain Installment Purchase Contract, dated as of July 1, 2026 (the "Installment Purchase Contract"), between the McKinleyville Community Services District, duly organized and validly existing under the laws of the State of California (the "District"), and the CSDA Finance Corporation, a nonprofit corporation duly organized and validly existing under the laws of the State of California (the "Corporation"), all of which rights to receive such Installment Payments and the interest thereon, together with certain other rights, have been assigned by the Corporation to U.S. Bank Trust Company, National Association, as trustee (the "Trustee"), a national banking association duly organized and validly existing under the laws of the United States and having a corporate trust office in San Francisco, California, or in such other place as designated by the Trustee or any other bank or trust company which may at any time be substituted in its place as provided in the Trust Agreement hereinafter mentioned.

This Certificate is one of the duly authorized certificates of participation designated "McKinleyville Community Services District Revenue Certificates of Participation, Series 2026A (Water Project)" aggregating \$[_____] in principal amount which have been executed by the Trustee under and pursuant to the terms of a Trust Agreement, dated as of July 1, 2026 (the "Trust Agreement"), by and among the Trustee, the Corporation and the District, and all capitalized terms used herein not otherwise defined shall have the definitions for such terms contained in the Trust Agreement or the Installment Purchase Contract.

The Owner of this Certificate is entitled to receive, subject to the terms of the Installment Purchase Contract and any right of prepayment prior thereto hereinafter provided for, on the date set forth on the front hereof (the "Maturity Date"), upon surrender of this Certificate on the Maturity Date

or on the date of prepayment prior thereto at the principal corporate trust office of the Trustee in St. Paul, Minnesota, or such other place as designated by the Trustee, the Principal Amount specified above representing the Owner's share of the Installment Payments becoming due and payable on the Maturity Date, and to receive on February 1 and August 1 of each year, commencing February 1, 2027 (each, an "Interest Payment Date") to and including the Maturity Date or the date of prepayment prior thereto, whichever is earlier, by check mailed via first-class mail on the Interest Payment Date to the owner at the address shown on the registration books for the Certificates on the fifteenth day of the calendar month prior to an Interest Payment Date, or, upon the written request from any Owner of any Certificate in a denomination of, or Certificates aggregating, at least \$1,000,000, received on or prior to the fifteenth day of the month preceding the applicable Interest Payment Date, by wire in Federal Reserve funds, the Owner's share of the interest on the Installment Payments at the rate set forth on the front hereof. All such amounts are payable in lawful money of the United States of America.

Interest on the principal components shall be at a rate equal to the rate set forth on the front hereof, which shall be calculated based on a 360-day year of twelve 30-day months.

Copies of the Trust Agreement are on file at the corporate trust office of the Trustee in San Francisco, California and reference is hereby made to the Trust Agreement and to any and all amendments thereof and supplements thereto for a description of the agreements, conditions, covenants and terms securing the Certificates, for the nature, extent and manner of enforcement of such agreements, conditions, covenants and terms, for the rights and remedies of the Owners of the Certificates with respect thereto and for the other agreements, conditions, covenants and terms upon which the Certificates are executed and delivered thereunder.

The Installment Payments relating to the Certificates are a special obligation of the District, payable solely from: (a) Net Revenues (as defined in the Installment Purchase Contract); and (b) moneys on deposit in the funds and accounts established under the Trust Agreement and the Installment Purchase Contract. The Installment Payments do not constitute a debt of the District or of the State of California or of any political subdivision thereof within the meaning of any constitutional or statutory debt limitation or restriction.

To the extent and in the manner permitted by the terms of the Trust Agreement, the provisions of the Trust Agreement may be amended or supplemented in writing by the parties thereto (in certain instances without the consent of the Owners of Certificates), but no such amendment or supplement shall: (a) reduce the rate of interest evidenced hereby or extend the time of payment of such interest or reduce the amount of principal evidenced hereby or extend the Maturity Date hereof without the prior written consent of the Owner hereof; (b) reduce the percentage of Owners of Certificates whose consent is required for the execution of any amendment of or supplement to the Trust Agreement; or (c) modify any rights or obligations of the Trustee without its prior written consent thereto.

The Certificates are authorized to be executed and delivered in the form of fully registered Certificates in denominations of \$5,000 or any integral multiple thereof.

This Certificate is transferable or exchangeable by the Owner hereof in person or by the Owner's attorney duly authorized in writing, at the designated corporate trust operations office of the Trustee, or such other place as designated by the Trustee, but only in the manner, subject to the limitations and upon payment of the charges provided in the Trust Agreement, and upon surrender of this Certificate for cancellation accompanied by delivery of a duly executed written instrument of transfer or exchange in a form approved by the Trustee. Upon such transfer or exchange, a new

Certificate or certificates of authorized denominations of the same Maturity Date and interest rate representing the same aggregate principal amount hereof will be executed and delivered by the Trustee to the owner thereof in exchange therefor. The Trustee shall require the payment by the Owner requesting such transfer or exchange of any tax or other governmental charge required to be paid with respect to such transfer or exchange. The Trustee may treat the Owner hereof as the absolute owner hereof for all purposes, whether or not this Certificate shall be overdue, and the Trustee shall not be affected by any knowledge or notice to the contrary; and payment of the interest and principal and prepayment premium, if any, evidenced by this Certificate shall be made only to such Owner, which payments shall be valid and effectual to satisfy and discharge liability evidenced by this Certificate to the extent of the sum or sums so paid.

The Trustee shall not be obligated to make any such registration of transfer or exchange of Certificates during the 15-day period prior to the date on which notice of prepayment must be mailed pursuant to the Trust Agreement, or with respect to any Certificate which has been selected for prepayment pursuant to the Trust Agreement.

The Certificates shall be subject to prepayment as set forth in the Trust Agreement.

As provided in the Trust Agreement, notice of prepayment hereof shall be mailed, first-class postage prepaid, not less than 20 nor more than 45 days prior to the prepayment date, to the Owner of this Certificate at such Owner's address as it appears in the registration books maintained by the Trustee, but failure to give any such notice or any defect therein shall not affect the validity of the proceedings for the prepayment of this Certificate. If this Certificate is called for prepayment and payment is duly provided therefor as specified in the Trust Agreement, the interest evidenced hereby shall cease to accrue from and after the date fixed for prepayment.

The Trustee has no obligation or liability to the Owners of the Certificates for the payment of the interest or principal or prepayment premiums, if any, evidenced by the Certificates; but rather the Trustee's sole obligations are to administer, for the benefit of the District and the Corporation and the Owners of the Certificates, the various funds established under the Trust Agreement and Installment Purchase Contract. The Trustee has executed this Certificate solely in its capacity as Trustee under the Trust Agreement and not in its individual or personal capacity. The Trustee is not liable for the obligations evidenced by the Certificates except from amounts held by it in its capacity as Trustee under the Trust Agreement. The Corporation has no obligation or liability whatsoever to the Owners of the Certificates.

Unless this Certificate is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to the District or its agent 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.

IN WITNESS WHEREOF, this Certificate has been executed by the manual or electronic signature of an authorized officer of the Trustee.

Dated: July [], 2026

U.S. BANK TRUST COMPANY, NATIONAL
ASSOCIATION, solely as Trustee (not
individually)

By: _____
Authorized Officer

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto

**(Please print or typewrite name and address of Transferee)
(Tax Identification or Social Security No.)**

the within bond and all rights thereunder and hereby irrevocably constitutes and appoints _____ attorney to transfer the within bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

NOTICE: The signature to this assignment must correspond with the name as it appears upon the face of the within bond in every particular, without alteration or enlargement or any change whatever.

Signature Guaranteed:

Signature(s) must be guaranteed by a national bank or trust company or by a brokerage firm having a membership in one of the major stock exchanges and who is a member of a Medallion Signature Program.

STATEMENT OF INSURANCE

[TO COME].

APPENDIX B

FORM OF ACQUISITION FUND CERTIFICATE OF THE DISTRICT

U.S. Bank Trust Company, National Association
1 California Street, Suite 1000
San Francisco, California
Attention: Corporate Trust Services

RE: Disbursement from the Acquisition Fund pursuant to Section 3.10 of the Trust Agreement, dated as of July 1, 2026 (the "Agreement"), among U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, as Trustee (the "Trustee"), the CSDA FINANCE CORPORATION (the "Corporation") and the MCKINLEYVILLE COMMUNITY SERVICES DISTRICT (the "District")

Notice No. _____

You are hereby instructed to pay to the parties listed on Exhibit A hereto the sum listed opposite such parties' names as a payment of the cost of the Acquisition of the Project for the items listed on the Schedule attached hereto and the expenses incidental thereto (including reimbursement to the District for certain of such costs or expenses) from the Acquisition Fund as provided in Section 3.10 of the Trust Agreement. This cost has been properly incurred, is a proper charge under the Agreement against payment of the costs of the Acquisition of the Project and has not been the basis of any previous disbursements. The amount remaining in the Acquisition Fund, together with interest earnings thereon will, after payment of the amount set forth in this requisition, be sufficient to pay all remaining costs of the Acquisition of the Project as presently estimated.

I hereby certify that:

- (a) the District is authorized to act as agent for the Corporation with respect to this Certificate and the undersigned is duly authorized by the District to deliver this Certificate;
- (b) an obligation in the stated amount has been properly incurred under and pursuant to the Installment Purchase Contract and each such obligation is a proper charge against the Acquisition Fund and has not been subject of any previous Certificate of the District;
- (c) there has not been filed with or served upon the Corporation or the District a stop notice or any other notice of any lien, right to lien or attachment upon, or claim affecting the right to receive payment of, any of the money payable to the person named in this Certificate which has not been released or will not be released with the payment of such obligation, other than materialmen's or mechanics' liens accruing by mere operation of laws;
- (d) in the case of each payment made under any contract for installation or construction, insofar as such obligation was incurred for work, materials, equipment or supplies, such work was actually performed on behalf of the District or such materials, equipment or supplies were actually installed in furtherance of the Project or delivered at the site for that purpose or delivered for storage or fabrication at a place or places approved by the District;

(e) in the case of increased costs of the Acquisition of the Project, the amount of such increase has been or is herewith being deposited with the Trustee, or otherwise made available by the District; and

(f) no event of default has occurred and is continuing.

Very truly yours,

District Representative

EXHIBIT A

| Name and Address of Payee | Purpose | Amount \$ |
|--------------------------------------|----------------|----------------------|
|--------------------------------------|----------------|----------------------|