
INDENTURE

by and between

U.S. BANK NATIONAL ASSOCIATION, AS TRUSTEE

and

CALIFORNIA SCHOOL FINANCE AUTHORITY

Dated as of March 1, 2021

\$ _____

California School Finance Authority

2020-21 State Aid Intercept Notes

(Fiscal Year 2020-21 School and Community College District Deferrals)

Series A

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INDENTURE

This Indenture (the “Indenture”), dated as of March 1, 2021, by and between the CALIFORNIA SCHOOL FINANCE AUTHORITY (the “**Authority**”), a public instrumentality of the State of California, created by the California School Finance Authority Act (constituting Chapter 18 (commencing with Section 17170) of Part 10 of Division 1 of Title 1 of the Education Code of the State of California) (the “**CSFA Act**”), and U.S. BANK NATIONAL ASSOCIATION, a national banking association duly organized and existing under and by virtue of the laws of the United States of America, as trustee (the “**Trustee**”);

WITNESSETH:

WHEREAS, Section 53850 *et seq.* of the Government Code of the State of California (the “**Act**”) provides that tax and revenue anticipation notes (“**TRANS**”) may be issued by a school district, community college district, or county board of education pursuant to the terms of Section 53853(b) of the Act; and

WHEREAS, the Authority, acting pursuant to its powers under the constitution and laws of the State of California (the “**State**”), desires to provide assistance to one or more school districts, community college districts or county offices of education named in Schedule I hereto (with such other school districts, community college districts and county offices of education as may be identified in a Supplemental Indenture, each a “**Participant**” and collectively, the “**Participants**”) located within the State, in connection with their cash-flow borrowing needs; and

WHEREAS, the Participants, or any of them, may from time to time during the Fiscal Year (herein defined) need to borrow moneys at a tax-exempt [or taxable] rate of interest in order to meet their respective cash-flow needs, all pursuant to Section 53850 *et seq.* of the Act; and

WHEREAS, the Act provides that the respective California counties in which the Participants are located (each a “**County**” and collectively, the “**Counties**”) may issue tax and revenue anticipation notes or revenue anticipation notes on behalf of any requesting school district, community college district or county offices of education located in the respective County upon the satisfaction of certain conditions and subject to Section 53853 of the Act; and

WHEREAS, the Board of Supervisors of each of the Counties has either (i) failed or declined to authorize the issuance of the TRANS within the time period specified in said Section 53853 of the Act, or (ii) otherwise advised the respective Participant that one or more series of TRANS may be issued by the Participant on its own behalf in connection with the Program (defined below); and

WHEREAS, the Authority is authorized to issue bonds, notes, lease obligations, certificates of participation, commercial paper, and any other evidences of indebtedness to finance working capital (as defined in the CSFA Act) and capital improvements for school districts, community college districts, and county offices of education, including the Participants, pursuant to the CSFA Act; and

WHEREAS, the Authority has established a program (the “**Program**”) under which it will issue and sell one or more series of its notes and apply the proceeds from the sale of the notes to simultaneously purchase from the Participants TRAns to be issued by [or on behalf of] the Participants; and

WHEREAS, the Participants have determined to participate in the Program and to issue or cause to be issued and sell to the Authority one or more Series of Tax and Revenue Anticipation Notes, each series having the same maturity date and, with respect to the initial series, in the respective principal amounts set forth in Schedule I hereto (collectively, the “**Series A District Notes**,” and with such other Additional District Notes (as hereinafter defined) as may be identified in a Supplemental Indenture, individually, a “**District Note**” and, collectively, the “**District Notes**”); and

WHEREAS, each Participant has authorized the pooling of each Series of its District Notes with certain Series of District Notes issued by other Participants, and the assignment by the Authority of such District Notes to the Trustee to secure the payment of one or more series of notes issued under this Indenture, as supplemented by Supplemental Indentures (each, a “**Series of Authority Notes**”) corresponding to such Series of District Notes, in order to achieve a lower net interest cost and lower costs associated with issuing the District Notes; and

WHEREAS, with respect to the Series A District Notes issued on _____, 2021, the Authority will issue its California School Finance Authority, State Aid Intercept Notes (Fiscal Year 2020-21 School and Community College District Deferrals), Series A (the “**Series A Authority Notes**”), which may include taxable and tax-exempt tranches, under this Indenture; and

WHEREAS, in connection with the Program, the Authority and the Participants have appointed Montague DeRose and Associates, LLC, as “**Municipal Advisor**,” the law firm of Norton Rose Fulbright US LLP as “**Note Counsel**,” Nixon Peabody LLP as “**Disclosure Counsel**,” and U.S. Bank National Association as Trustee, and RBC Capital Markets LLC and Citigroup Global Markets Inc., as joint senior managers, each acting on behalf of itself and other underwriters to be appointed by the State Treasurer at a later date (collectively, the “**Underwriters**”) have been appointed to purchase all of the Series A Authority Notes from the Authority; and

WHEREAS, each Participant has entered into an initial purchase agreement (each a “**District Note Purchase Agreement**”) with the Authority pursuant to which the Authority has agreed to purchase such Participant’s Series A District Notes and in connection therewith to issue the Series A Authority Notes to finance the purchase of such Series A District Notes; and

WHEREAS, each Participant has authorized the pooling of each Series of its District Notes with certain Series of District Notes issued by other Participants, and has acknowledged that the Authority will enter into this Indenture and will issue the Series A Authority Notes secured pursuant to the terms hereof by its Series A District Notes; and

WHEREAS, certain Participants may issue additional Series of District Notes (the “**Additional District Notes**”) from time to time to be purchased by the Authority and assigned to the Trustee to secure the payment of additional series of notes (the “**Additional Authority Notes**”

and collectively with the Series A Authority Notes, the “**Authority Notes**”) issued pursuant to this Indenture and one or more supplemental indentures (each, a “**Supplemental Indenture**” and together with this Indenture, the “**Indenture**”); and

WHEREAS, pursuant to the Program and this Indenture, the Authority has assigned and will assign its interest in each Series of District Notes to the Trustee to secure the payment of the corresponding Series of Authority Notes; and

WHEREAS, the Trustee, pursuant hereto, accepts the assignment of the Series A District Notes and all duties, obligations and trusts of the Trustee established in this Indenture; and

WHEREAS, the Trustee, pursuant to Supplemental Indentures, will accept the assignment of each series of Additional District Notes, if any; and

WHEREAS, each Series of Authority Notes may be secured by any credit facility (each a “**Credit Instrument**”) identified by type and provided by the entity, if any (each a “**Credit Provider**”), designated in Schedule I hereto with regard to the Series A Authority Notes or in a Supplemental Indenture with regard to a Series of Additional Authority Notes; and

WHEREAS, the Authority has determined 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 Indenture and delivery of the Series A Authority Notes 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 Indenture;

NOW, THEREFORE, IN CONSIDERATION OF THE PREMISES AND OF THE MUTUAL AGREEMENTS AND COVENANTS CONTAINED HEREIN AND FOR OTHER VALUABLE CONSIDERATION, THE RECEIPT AND SUFFICIENCY OF WHICH ARE HEREBY ACKNOWLEDGED, 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 shall, for all purposes hereof and of any amendment hereof or supplement hereto and of the Authority Notes 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 (provided that the respective Credit Instrument(s) and/or Supplemental Credit Enhancement(s) and the respective Credit Agreement(s) and/or Supplemental Credit Enhancement Agreement(s) shall be governed by the definitions set forth therein):

“**Act**” means 53850 *et seq.* of the Government Code of the State of California.

“Additional Authority Notes” means all California School Finance Authority State Aid Intercept Notes (Fiscal Year 2020-21 School and Community College District Deferrals) (other than the Series A Authority Notes) authorized by and at any time Outstanding pursuant to this Indenture and a Supplemental Indenture, and executed, issued and delivered from time to time in connection with a Pool in accordance with Section 2.12 hereof.

“Additional Credit Agreement” means the agreement or commitment letter, if any, designated in a Supplemental Indenture as the credit agreement for the corresponding Series of Additional Authority Notes.

“Additional Credit Instrument” means the instrument, if any, designated in a Supplemental Indenture as the credit instrument for a corresponding Series of Additional Authority Notes.

“Additional Credit Provider” means the credit provider, if any, designated in a Supplemental Indenture as the credit provider for the corresponding Series of Additional Authority Notes.

“Additional District Notes” means, collectively, the tax and revenue anticipation notes issued by or on behalf of one or more Participants in the respective Series and aggregate principal amounts thereof (whether or not such District Notes are the first or a subsequent Series of District Notes issued by or on behalf of such Participant), as set forth in a Supplemental Indenture and assigned to an Additional Pool securing each corresponding Series of Additional Authority Notes.

“Additional Interest Payment Date” means each date on which interest on a Series of Additional Authority Notes and the corresponding Series of District Notes becomes due and payable, as specified in the applicable Supplemental Indenture.

“Additional Investment Agreement” means an investment agreement pursuant to which, initially, all or a portion of the proceeds of the corresponding Series of Additional Authority Notes are to be invested, executed and delivered by the Trustee on behalf of each of the Participants whose Series of Additional District Notes are assigned to such corresponding Series of Additional Authority Notes.

“Additional Pool” means each pool composed of Additional District Notes of a Series assigned to and securing the payment of a Series of Additional Authority Notes.

“Additional Principal Payment Date” means each date on which the principal of a Series of Additional Authority Notes and the corresponding Series of District Notes becomes due and payable, as specified in the applicable Supplemental Indenture.

“Additional Series Pledged Accounts” means, with respect to each Series of Additional Authority Notes, the Costs of Issuance Account relating to such Series of Additional Authority Notes, the Proceeds Accounts for each Series of Additional District Notes assigned to the Additional Pool relating to such Series of Additional Authority Notes, the Payment Accounts for each Series of Additional District Notes assigned to the Additional Pool relating to such Series of Additional Authority Notes, the Interest Account relating to such Series of Additional Authority

Notes, the Principal Account relating to such Series of Additional Authority Notes, and the Credit Account, if any, relating to such Series of Additional Authority Notes.

“Additional Supplemental Credit Enhancement” means the instrument, if any, designated in a Supplemental Indenture as the supplemental credit enhancement for the corresponding Series of Additional Authority Notes.

“Additional Supplemental Credit Enhancement Agreement” means the agreement, if any, designated in a Supplemental Indenture as the supplemental credit enhancement agreement for the corresponding Series of Additional Authority Notes.

“Additional Supplemental Credit Enhancer” means the entity designated in a Supplemental Indenture as the provider of the Additional Supplemental Credit Enhancement.

“Authority” means the California School Finance Authority, a public instrumentality of the State of California, created by the CSFA Act.

“Authority Note Payment Fund” means the fund by that name established in Section 3.02.

“Authority Notes” means, collectively, the Series A Authority Notes and all Additional Authority Notes.

“Authority Resolution” means that certain resolution adopted by the Authority Board on _____, 2021, pertaining to the issuance by the Authority of the Series A Authority Notes and the establishment of the Program for the Fiscal Year.

“Authorized Participant Representative” means the President or Chairperson, Secretary or Clerk of the governing board of a Participant, the Superintendent, the Superintendent/President, Chancellor, the Assistant Superintendent of Business, the Assistant Superintendent, the Vice President of Business and Administration, the Vice Chancellor of Administrative Services, the business manager, director of business or fiscal services or chief financial or business officer of the Participant, as the case may be, or the equivalent, or, in the absence of said officer, his or her duly appointed designee, or such other officers of a Participant designated in Section 4 of such Participant’s Resolution, or any other person at the time designated to act on behalf of such Participant by written certificate furnished to the Trustee, containing the specimen signature of such person and signed on behalf of such Participant by the Chair, the President, the Clerk or the Secretary of the governing board of such Participant, or the Superintendent, the Superintendent/President, or the Chancellor of such Participant.

“Business Day” means any day except (i) Saturday, (ii) Sunday, (iii) California State Holidays, or (iv) any day on which banks located in the city in which the designated trust office of the Trustee or the principal office of the applicable Credit Provider or Supplemental Credit Enhancer is located, or in San Francisco, California or Los Angeles, California, or New York, New York, are required or authorized to remain closed.

“Certificate” or “Request” means, with respect to a Participant, an instrument in writing signed on behalf of such Participant by an Authorized Participant Representative, and with respect

to the Authority, an instrument in writing signed on behalf of the Authority by its Chair, Secretary, Treasurer or Executive Director or other person at the time designated to act on behalf of the Authority by written certificate furnished to the Trustee.

“Change in State Law” means action by the State legislature following the issuance of a Series of Authority Notes in which the State advances or further defers the dates upon which the Deferral Amounts are to be paid.

“Closing Date” means [_____, 2021].

“Code” means the Internal Revenue Code of 1986 and the regulations issued or applicable thereunder.

“Confirmation of Pricing” means, collectively, those certain pricing confirmation supplements executed at the time of pricing each Series of District Notes and attached as Schedule I to the District Notes Purchase Agreements applicable to such Series of District Notes.

“Continuing Disclosure Agreement” means, collectively, each Continuing Disclosure Agreement between the Authority and the Dissemination Agent, dated the date of issuance and delivery of the corresponding Series of Authority Notes, as originally executed and as it may be amended or supplemented from time to time in accordance with the terms thereof.

“Costs of Issuance” means all items of expense directly or indirectly payable by or reimbursable to a Participant or the Authority and related to the authorization, execution and delivery of each Series of District Notes and the related sale of a Series of Authority Notes, which may include, but are not limited to, any fees, costs or premium for each Credit Provider’s Credit Instrument and each Supplemental Credit Enhancer’s Supplemental Credit Enhancement, costs of preparation, reproduction and delivery of documents, filing and recording fees, fees and charges of the Trustee, Trustee counsel fees, fees of the Authority and its Counsel, State Treasurer’s Office fees, Municipal Advisor fees, Note Counsel and Disclosure Counsel fees and charges, other legal fees and charges, fees and disbursements of consultants and professionals, fees and charges for preparation, execution, safekeeping and delivery of the applicable Series of Authority Notes and any other costs, charges or fees (including any supplemental credit enhancement on any individual District Note) in connection with the original issuance of a Series of District Notes and the applicable Series of Authority Notes.

“Costs of Issuance Account” means each Costs of Issuance Account created in the Costs of Issuance Fund under Section 3.02 relating to a Series of Authority Notes.

“Costs of Issuance Fund” means the fund by that name established in Section 3.02.

“County” or **“Counties”** means the California counties in which the Participants are located.

“County Treasurer” means the County Treasurer in any County in which a Participant is located.

“County Treasury Pool” means the local government money fund of the respective County Treasurer that invests the assets of the respective County’s school districts, community colleges and other public agencies in the region.

“Credit Account” means each account by that name established in Section 3.02.

“Credit Agreement” means, collectively, each Additional Credit Agreement.

“Credit Fund” means the fund of that name created by Section 3.02.

“Credit Instrument” means, collectively, each Additional Credit Instrument for the corresponding Series of Additional Authority Notes.

“Credit Provider” means, collectively, each Additional Credit Provider.

“CSFA Act” means Chapter 18 (commencing with Section 17170) of Part 10 of Division 1 of Title 1 of the Education Code of the State of California.

“Debt Service Payments” means the moneys paid by each Participant as and for payments of principal of and interest on its respective District Notes and Additional District Notes, if any, which moneys shall include the Pledged Revenues and amounts deposited in the related Participant’s Payment Account and any other moneys lawfully available therefor pursuant to the related District Resolution.

“Default Rate” means the rate of interest per annum payable with respect to the outstanding portion of each Defaulted District Note which (i) if the Defaulted District Notes are paid in whole or in part by an unreimbursed draw or claim or payment under or from a Credit Instrument and/or Supplemental Credit Enhancement applicable thereto, is the rate of interest per annum specified in, and calculated in accordance with, the corresponding Credit Agreement or Supplemental Credit Enhancement Agreement, as applicable, or (ii) if the Defaulted District Notes are unpaid and no Credit Instrument or Supplemental Credit Enhancement is applicable thereto, is the rate of interest per annum sufficient to produce a yield on the outstanding portion of such Defaulted District Notes equal to the rate or, in the case of a Series of Authority Notes, the rates of interest payable on the applicable Series of Authority Notes (or applicable portions thereof), computed on the basis of a 360-day year consisting of twelve thirty-day months.

“Defaulted District Note” means a District Note (i) the principal of and/or interest on which has been paid in whole or in part with the proceeds of a drawing, claim or payment under or from the applicable Credit Instrument and/or Supplemental Credit Enhancement which drawing, claim or payment remains not fully reimbursed on the applicable Interest Payment Date or Principal Payment Date, or (ii) any of the principal of or interest on which is not paid on the applicable Principal Payment Date.

“Deferral Amounts” means the principal apportionments designated by the State that would normally be distributed to Participants during the Deferral Months of the Fiscal Year but which instead have been deferred by State law to the Repayment Periods occurring during Fiscal Year 2021-22, subject to a Change in State Law.

“Deferral Months” means the months in which Deferral Amounts would normally be distributed but have instead been deferred by the State, and with respect to the Series A Authority Notes, means the months of February 2021 through and including June 2021.

“Department” means the California Department of Education.

“Dissemination Agent” means the State Treasurer, acting in its capacity as Dissemination Agent under the terms of any Continuing Disclosure Certificate applicable to the Authority Notes, or any successor dissemination agent designated in writing by the State Treasurer and which has filed with the State Treasurer a written acceptance of such designation.

“District Note Purchase Agreement” means each District Note Purchase Agreement by and between a Participant and the Authority relating to the purchase by the Authority of such Participant’s District Notes. **“District Note Purchase Agreements”** mean all such District Note Purchase Agreements, collectively.

“District Notes” means, collectively, the Series A District Notes and all Additional District Notes. **“District Note”** refers to the District Notes individually.

“DTC” or **“Depository Trust Company”** means The Depository Trust Company, New York, New York.

“Electronic Means” shall have the meaning set forth in Section 9.04 hereof.

“Escrow Account” means each Escrow Account created in the Escrow Fund under Section 3.03(d) relating to a Series of District Notes.

“Escrow Fund” means the fund by that name, established pursuant to Section 3.02.

“Escrow Release Date” means the date determined by the Authority following the computation by the Department of the Final June Deferral Amounts, and with respect to Series A Authority Notes, means [June __, 2021], or as soon as possible, but not later than three (3) Business Days following the Authority’s notification to the Trustee under Section 3.03(d) hereof.

“Estimated June Deferral Amounts” means the estimated calculation by the Department of the Deferral Amounts for the June 2021 Deferral Month based on the first principal apportionment (P-1) information.

“Event of Default” shall have the meaning ascribed thereto in Section 8.01 hereof and in each Participant Resolution.

“Federal Securities” means any of the following which are noncallable and 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:

(1) direct general obligations (including stripped obligations) of (including obligations issued or held in book entry form on the books of the Department of the Treasury of the United

States of America), or obligations the payment of principal of and interest on which are directly or indirectly unconditionally guaranteed by, the United States of America;

(2) direct obligations (including stripped obligations) of any department, agency or instrumentality of the United States of America the timely payment of principal of and interest on which are fully guaranteed by the United States of America; and

(3) refunded municipal obligations rated AAA by S&P, AAA by Fitch, or Aaa by Moody's, the timely payment of principal of and interest on are fully guaranteed by the United States of America.

“Final June Deferral Amounts” means the final calculation by the Department of the Deferral Amounts for the June 2021 Deferral Month based on the second principal apportionment (P-2) information.

“Fiscal Year” means the period from July 1, 2020 through and including June 30, 2021.

“Fitch” means Fitch Ratings, Inc., and its successors and assigns.

["Funds Subject to Intercept” means the Pledged Revenues representing State Aid and Other State Aid Subject to Apportionment.]

“Indenture” means this Indenture, dated as of [March] 1, 2021, by and between the Trustee and the Authority, as originally executed and entered into and as it may from time to time be amended or supplemented in accordance herewith.

“Interest Account” means each account by that name established in Section 3.02.

“Interest Payment Date” means each Series A Interest Payment Date, and each Additional Interest Payment Date.

“Investment Agreement” means, collectively, the Series A Investment Agreement, if any, and each Additional Investment Agreement.

“Maturity Date” means the date on which the principal of and interest on a District Note become due and payable.

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

“Municipal Advisor” means Montague DeRose & Associates LLC and its successors and assigns or such other financial advisory firm appointed by the Authority.

“Note Counsel” means Norton Rose Fulbright US LLP or an attorney or firm of attorneys of nationally recognized standing in matters pertaining to the validity of, and tax-exempt nature of interest on, obligations issued by states and their political subdivisions, appointed by the Authority.

“Opinion of Counsel” means a written opinion of Note Counsel.

[**“Other State Aid Subject to Apportionment”** includes the categorical programs that are funded from the State School Fund designated for apportionment to a K-12 Participant or a Community College Participant.]

“Outstanding,” when used as of any particular time with reference to Authority Notes, means (subject to the provisions of Section 10.02) all Authority Notes except -

(1) Authority Notes cancelled by the Trustee or surrendered to the Trustee for cancellation;

(2) Authority Notes paid or deemed to have been paid within the meaning of Section 11.01; and

(3) Authority Notes in lieu of or in exchange or substitution for which other Authority Notes shall have been authenticated and delivered by the Trustee hereunder.

“Owner” means the registered owner of any Outstanding Authority Note.

“Participant Resolutions” means the respective resolutions adopted by the governing boards of the Participants and, where applicable (and if a respective County elected to do so), in the case of school districts, community college districts and county offices of education that are not fiscally accountable, the respective resolutions adopted by the county boards of supervisors, in each case authorizing the issuance of District Notes in one or more Series under Section 53853 of the Act and approving the execution and delivery by the Authority of this Indenture, any Supplemental Indenture and the Authority Notes, as originally adopted and as it may from time to time be amended or supplemented in accordance therewith.

“Participants” means the California school districts, community college districts and county offices of education listed in Schedule I hereto with regard to the Series A Authority Notes and in a Supplemental Indenture with regard to Additional Authority Notes, and, where applicable, the Counties electing to be the issuers of the District Notes for the school districts that are not fiscally accountable, and in each case their successors and assigns.

“Payment Account” means each account created pursuant to each Participant’s Resolution and maintained by the Trustee in the Authority Note Payment Fund under Section 3.02 relating to a Series of District Notes, for the collection and deposit of Pledged Revenues for the repayment of the related Participant’s District Notes, including amounts held in the Payment Account and invested in Permitted Investments.

“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 and approved by the applicable Credit Provider and Supplemental Credit Enhancer, if any:

(1) Federal Securities;

(2) Any direct or indirect obligations of an agency or department of the United States of America whose obligations represent the full faith and credit of the United States of America, or which are rated A or better by Fitch, S&P or Moody's (or whichever one of them is then rating the applicable Series of Authority Notes);

(3) Interest-bearing deposit accounts (including certificates of deposit) in federal or State chartered savings and loan associations or in federal or State of California banks (including the Trustee), provided that: (i) the unsecured obligations of such commercial bank or savings and loan association are rated A or better by Moody's or S&P (or whichever one of them is then rating the applicable Series of Authority Notes);

(4) Commercial paper rated in the highest short-term rating category by Moody's or S&P (or whichever one of them is then rating the applicable Series of Authority Notes);

(5) Federal funds or bankers acceptances with a maximum term of one year of any bank which an unsecured, uninsured and unguaranteed obligation rating in the highest rating category of Moody's or S&P (or whichever one of them is then rating the applicable Series of Authority Notes);

(6) Units of a money-market fund portfolio composed solely of obligations guaranteed by the full faith and credit of the United States of America rated in one of the two highest rating categories by Moody's and S&P (or whichever one of them is then rating the applicable Series of Authority Notes);

(7) Units of a money-market fund portfolio rated in the highest rating category by S&P and Moody's (or whichever one of them is then rating the applicable Series of Authority Notes);

(8) Any obligations which are then legal investments for moneys of the Participants under the laws of the State of California; provided, that if such investments are not fully insured by the Federal Deposit Insurance Corporation, such investments shall be, or shall be issued by entities the debt securities of which are, rated in the highest short-term (with regard to any modifiers) or one of the two highest long-term rating categories by Moody's and S&P (or whichever one of them is then rating the applicable Series of Authority Notes);

(9) The applicable Investment Agreement or any substitute therefor (with, if applicable, the consent of the applicable Credit Provider or Supplemental Credit Enhancer) which substitution results in a maintenance of the original rating on the applicable Series of Authority Notes; provided such agreement is with a financial entity (the "Provider"), or with a financial entity whose obligations are guaranteed or insured by a financial entity (the "Guarantor"), the Provider's or the Guarantor's senior debt or investment contracts or obligations under its investment contracts being rated in one of the two highest long-term rating categories by Moody's and S&P (or whichever one of them is then rating the applicable Series of Authority Notes) or whose commercial paper rating is in the highest rating category (with regard to any modifiers) of each such rating agencies (or whichever one of them is then rating the applicable Series of Authority Notes) or is fully collateralized by investments listed in subsection (1) hereof as required by S&P and Moody's (or whichever one of them is then rating the applicable Series of Authority Notes) to be rated in one of the two highest rating categories;

(10) Any other prudent investment rated in one of the two highest rating categories by Moody's and S&P (or whichever one of them is then rating the applicable Series of Authority Notes) approved by the applicable Credit Provider or Supplemental Credit Enhancer, and the Authority;

(11) The Local Agency Investment Fund managed by the office of the Treasurer of the State of California; or

(12) [For non-State credit Participants, if applicable, any County Treasury of a County in which the Participant is situated, the proceeds of whose note are to be invested, provided that the investment of such proceeds by the applicable County Treasurer is made in compliance with California Government Code Section 53601.]

"Person" means any individual, corporation, partnership, joint venture, association, joint stock company, trust, unincorporated organization or government or any agency or political subdivision of a government or any entity whatsoever.

"Pledge Date" means the last Business Day of each Repayment Period.

"Pledged Revenues" means the revenues pledged by a Participant in its Participant Resolution for the payment of its District Notes and related Authority Notes.

"Pool" means, collectively, the Series A Pool and each Additional Pool.

"Pool Interest Fund" means the fund by that name established in Section 3.02.

"Pool Principal Fund" means the fund by that name established in Section 3.02.

"Predefault Obligations" means, with respect to any individual Series of Authority Notes, (i) the respective obligations owed to the applicable Supplemental Credit Enhancer and Credit Provider under the corresponding Supplemental Credit Enhancement Agreement and Credit Agreement, respectively and, as the case may be, by the respective Participants whose Series of District Notes have been assigned to the Pool securing such Series of Authority Notes, (ii) all indemnification to the applicable Supplemental Credit Enhancer and Credit Provider, as the case may be, by such respective Participants, (iii) all other amounts due to the applicable Supplemental Credit Enhancer and Credit Provider by such respective Participants under the corresponding Supplemental Credit Enhancement Agreement and Credit Agreement, as applicable (including interest on overdue Predefault Obligations to the extent permitted by law), and (iv) if applicable, all fees and expenses of the applicable Supplemental Credit Enhancer and Credit Provider under the corresponding Supplemental Credit Enhancement Agreement and Credit Agreement, as applicable, to the extent they are not Costs of Issuance, becoming due prior to an Event of Default under the respective Participant Resolutions.

"Principal Account" means each account by that name established in Section 3.02.

"Principal Office of the Trustee" means the principal corporate trust office of the Trustee, which, for the Trustee initially appointed hereunder, is located in San Francisco, California; provided that for transfer, exchanges, payment and registration of Authority Notes, "Principal

Office of the Trustee” shall mean the corporate trust office of U.S. Bank National Association in San Francisco, California, or such other office specified by the Trustee.

“Principal Payment Date” means the Series A Principal Payment Date, and each Additional Principal Payment Date.

“Proceeds Fund” means the fund by that name established in Section 3.02.

“Proceeds Account” means each Proceeds Account created in the Proceeds Fund under Section 3.03(b) relating to a Series of District Notes.

“Program” means the California School Finance Authority State Aid Intercept Notes (Fiscal year 2020-21 School and Community College District Deferrals) pursuant to which one or more Series of Authority Notes are issued by the Authority to assist Participants in financing cash flow deficits.

“Purchase Agreement” means each purchase agreement between the Authority and the Underwriters, relating to the purchase of the applicable Series of Authority Notes by the Underwriters thereof.

“Rating Agency” means Fitch, S&P and Moody’s, or whichever one of them is then rating the applicable Series of Authority Notes, if any.

“Rebate Fund” means the fund by that name established in Section 7.10.

“Reimbursement Obligations” means with respect to an individual Series of Authority Notes (i) the respective obligations of the respective Participants issuing a Series of Authority Notes that have been assigned to the Pool securing such Series of Authority Notes under the corresponding Supplemental Credit Enhancement Agreement and Credit Agreement, as applicable, including, without limitation, obligations evidenced by Defaulted District Notes, (ii) all indemnification to the corresponding Supplemental Credit Enhancer and Credit Provider, as applicable, by such respective Participants, (iii) all other amounts at any time due to the corresponding Supplemental Credit Enhancer and Credit Provider, as applicable, by such respective Participants under the Supplemental Credit Enhancement Agreement and Credit Agreement, as applicable, (including any Predefault Obligations and interest on any overdue Reimbursement Obligations to the extent permitted by law), and, (iv) if applicable, all fees and expenses of the corresponding Supplemental Credit Enhancer and Credit Provider, as applicable, under the Supplemental Credit Enhancement Agreement and Credit Agreement, as applicable, exclusive of Costs of Issuance, becoming due as a result of or after an Event of Default under the respective Participant Resolutions.

“Released Escrow Amounts” mean the amount on deposit in each Escrow Account which is the lesser of the Estimated June Deferral Amount then on deposit in the Escrow Account or the Final June Deferral Amount for a Participant.

“Repayment Period” shall have the meaning ascribed to such term in the District Participant Resolutions.

“Representation Letter” means that certain blanket letter of representations addressed to DTC, and pertaining to the issuance of Authority Notes in book-entry form.

“Representative” means RBC Capital Markets, LLC and Citigroup Global Markets, Inc., each as Representative of itself and the Underwriters named in the Series A Purchase Agreement, and such other underwriters as may be approved by the Authority, collectively, as underwriters and purchasers of each Series of Authority Notes under and pursuant to the respective series Purchase Agreement.

“Requisition” means, depending on the context, either a request from the Authority or Municipal Advisor for payment by the Trustee of Costs of Issuance, in the form set forth in Exhibit B for a Costs of Issuance Requisition, or a request from a Participant for payment by the Trustee of Proceeds Account funds, in the form set forth in Exhibit C for a Proceeds Account Requisition.

“S&P” means S&P Global Ratings, a business unit of Standard & Poor’s Financial Services LLC, and its successors and assigns, except that if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, then the term “S&P” shall be deemed to refer to any other nationally recognized securities rating agency selected by the Authority.

“SEC” means the Securities and Exchange Commission.

“Securities Depository” means The Depository Trust Company, 570 Washington Blvd, 4th Floor, Jersey City, New Jersey 07310 Attn: Call Notification Department, or, in accordance with then current guidelines of the Securities and Exchange Commission, such other addresses and/or such other securities depository as the Authority may designate to the Trustee in writing.

“Series” means any individual series of Authority Notes or District Notes, as designated in this Indenture, a Supplemental Indenture or a Participant Resolution, as applicable.

“Series A Authority Notes” means the \$_____ California School Finance Authority State Aid Intercept Notes (Fiscal Year 2020-21 School and Community College District Deferrals), Series A, authorized by, and at any time Outstanding pursuant to, this Indenture.

“Series A Costs of Issuance Account” means the account by that name established in Section 3.02.

“Series A District Notes” means the tax and revenue anticipation notes issued by the Participants in the respective Series and aggregate principal amounts, as described in Schedule I hereto and assigned to the Series A Pool securing the Series A Authority Notes.

“Series A Interest Account” means the account by that name established in Section 3.02.

“Series A Interest Payment Date” means each date on which interest on the Series A Authority Notes and the corresponding Series A District Notes becomes due and payable, being _____, 2021.

“Series A Investment Agreement” means that certain Investment Agreement, if any, identified in the Confirmation of Pricings relating to the Series A District Notes assigned to the Series A Pool securing the Series A Authority Notes pursuant to which net proceeds of a portion of the Series A Authority Notes are to be invested, as executed and delivered by the Trustee on behalf of each of the applicable Participants.

“Series A Pledged Accounts” means, with respect to the Series A Authority Notes, the Series A Costs of Issuance Account, the Proceeds Accounts for each Series of District Notes assigned to the Series A Pool, the Payment Accounts for each Series of District Notes assigned to the Series A Pool, the Series A Interest Account and the Series A Principal Account.

“Series A Pool” means the Pool composed of Series A District Notes assigned to and securing the payment of the Series A Authority Notes.

“Series A Principal Account” means the account by that name established in Section 3.02.

“Series A Principal Payment Date” means the date on which the principal of the Series A Authority Notes and the corresponding Series A District Notes becomes due and payable, being _____, 2021.

“Series A Purchase Agreement” means the Purchase Agreement by and between the Authority and the Representative related to the Series A Authority Notes.

“Series of Authority Notes” and **“Authority Notes of a Series”** means each Series of Authority Notes.

[**“State Aid”** means the State apportionment comprised of: (a) for K-12 Participants and county offices of education, revenues and funding included in the local control funding formula (LCFF), special education and funding for several other programs, or (b) for Community College Participants, revenues and funding for the student centered funding formula (“SCFF”) that are calculated using a base allocation tied to enrollment, a supplemental allocation primarily based on enrollment of low-income students and a student success allocation based on various performance metrics, pursuant to Section 84750.4 of the California Education Code.]

“State Controller” means the California State Controller.

“Supplemental Credit Enhancement” means, collectively, each Additional Supplemental Credit Enhancement.

“Supplemental Credit Enhancement Agreement” means, collectively, each Additional Supplemental Credit Enhancement Agreement.

“Supplemental Credit Enhancer” means, collectively, each Additional Supplemental Credit Enhancer.

“Supplemental Indenture” means any indenture approved by the Authority in accordance with Article X of this Indenture amending or supplementing this Indenture or any Supplemental Indenture, or providing for the issuance of Additional Authority Notes.

“Tax Certificate” has the meaning ascribed thereto in Section 7.04(a) hereof.

“Tax-Exempt Notes” means [Authority Notes, the interest on which is intended to be excluded from the gross income of the holders thereof for federal income tax purposes.]

“Taxable Notes” means [Authority Notes not issued as Tax-Exempt Notes].

“Trustee” means U.S. Bank National Association, a national banking association duly organized and existing under and by virtue of the laws of the United States of America, at its principal corporate trust office in San Francisco, California, or any other bank or trust company at its principal corporate trust office which may at any time be substituted in its place, as trustee under this Indenture.

Section 1.02. Indenture Constitutes a Contract; Obligation of Indenture and Authority Notes. In consideration of the purchase and acceptance of any and all of each Series of the Authority Notes authorized to be issued under this Indenture by those who shall hold the same from time to time:

(a) this Indenture shall be deemed to be and shall constitute a contract among the Authority, the Trustee, each Supplemental Credit Enhancer, each Credit Provider, and the Owners from time to time of the corresponding Series of Authority Notes;

(b) subject to the provisions of Section 5.01(c) hereof, the pledge of the Series A Pledged Accounts and the other moneys, rights and interests made in this Indenture in Section 1.03(a) and 5.01 hereof and the related covenants and agreements set forth in this Indenture to be performed by and on behalf of the Authority shall be for the equal and ratable benefit, protection and security of the Owners of any and all of the Series A Authority Notes and each Supplemental Credit Enhancer, and each Credit Provider relating to the Series A Authority Notes, all of which regardless of the time or times of their issue or maturity shall be of equal rank without preference, priority or distinction of any of such Series A Authority Notes over any other thereof; and each Series A Authority Note shall be a special obligation of the Authority payable solely from the moneys, rights and interest pledged for payment of the Series A Authority Notes in Section 1.03(a) and 5.01 hereof; and

(c) subject to the provisions of Section 5.01(c) hereof, the pledge of the Additional Series Pledged Accounts and the other moneys, rights and interests made in this Indenture in Section 1.03(b) and Section 5.01 hereof and the related covenants and agreements set forth in this Indenture to be performed by and on behalf of the Authority shall be on a Series by Series basis, for the equal and ratable benefit, protection and security of the Owners of any and all Additional Authority Notes of such Series and each Additional Supplemental Credit Enhancer, and each Additional Credit Provider relating to such Series of Additional Authority Notes, all of which regardless of the time or times of their issue or maturity/maturities shall be of equal rank without preference, priority or distinction of any Additional Authority Note of such Series over any other Additional Authority Notes of the same Series; and each Additional Authority Note of a Series shall be a special obligation of the Authority payable solely from the moneys, rights and interest pledged for payment of the Additional Authority Notes of such Series in Section 1.03(b) and 5.01 hereof.

Section 1.03. Pledge Effected by Indenture.

(a) Series A Authority Notes: Subject to the provisions of this Indenture permitting the application thereof for or to the purposes and on the terms and conditions set forth in this Indenture, including the provisions of Section 5.01(c) hereof, there are hereby pledged for the payment of the principal of and interest on the Series A Authority Notes in accordance with their terms and the provisions of this Indenture, and the Trustee, as trustee on behalf of the Owners, is hereby granted an express lien on, the proceeds of such Series A Authority Notes, all moneys on deposit in the Series A Pledged Accounts (other than in the Rebate Fund) credited by or pursuant to this Indenture, including the investments thereof (if any) other than investments which are to be deposited into the Rebate Fund, the rights and interest of the Authority in and to the Debt Service Payments on the respective Series A District Notes assigned to the Series A Pool, the documents evidencing and securing the same, the District Participant Resolutions to the extent relating to the Series A District Notes and the collections received therefrom by the Authority or the Trustee on its behalf, and any and all other property of any kind from time to time hereafter pledged as additional security for the Series A Authority Notes under this Indenture by a Supplemental Indenture, by delivery or by writing of any kind of the Authority or by any person on its behalf. The pledge and lien of this Section 1.03(a) is created and established to secure the payment of the principal of and interest on the Series A Authority Notes in accordance with the terms and the provisions of this Indenture.

(b) Each Series of Additional Authority Notes: Subject to the provisions of this Indenture permitting the application thereof for or to the purposes and on the terms and conditions set forth in this Indenture, including the provisions of Section 5.01(c) hereof, there are hereby pledged for the payment of the principal of and interest on each Series of Additional Authority Notes in accordance with their terms and the provisions of this Indenture and the applicable Supplemental Indenture, and the Trustee, as trustee on behalf of the Owners, is hereby granted an express lien on, the proceeds of such Series of Additional Authority Notes, all moneys on deposit in the Additional Series Pledged Accounts (other than in the Rebate Fund) relating to such Series of Additional Authority Notes credited by or pursuant to this Indenture, including the investments thereof (if any) other than investments which are to be deposited into the Rebate Fund, the rights and interest of the Authority in and to the Debt Service Payments on the corresponding Series of Additional District Notes assigned to the Additional Pool securing such Series of Additional Authority Notes, the documents evidencing and securing the same, the Participant Resolutions to the extent relating to such Series of Additional District Notes and the collections received therefrom by the Authority or the Trustee on its behalf, and any and all other property of any kind from time to time hereafter pledged as additional security for such Series of Additional Authority Notes under this Indenture by a Supplemental Indenture, by delivery or by writing of any kind of the Authority or by any person on its behalf. The pledge and lien of this Section 1.03(b) is created and established to secure the payment of the principal of and interest on such Series of Additional Authority Notes (including reimbursement of the corresponding Supplemental Credit Enhancer or Credit Provider, as applicable) in accordance with the terms and the provisions of this Indenture and the applicable Supplemental Indenture; provided, however, that all amounts in the Credit Account, if any, of the Credit Fund attributable to each such Series of Authority Notes are pledged and shall be applied solely to payment of the principal of and interest on the corresponding Series of Authority Notes.

ARTICLE II

CONDITIONS AND TERMS OF AUTHORITY NOTES

Section 2.01. Initial Issuance of Authority Notes. The Authority Notes to be issued under this Indenture are hereby created initially in one Series consisting of the Series A Authority Notes. The Authority may at any time issue Additional Authority Notes pursuant to a Supplemental Indenture upon satisfaction of the conditions precedent set forth in Section 2.12 hereof.

The Series A Authority Notes are designated as the “California School Finance Authority State Aid Intercept Notes (Fiscal Year 2020-21 School and Community College District Deferrals), Series A.” The aggregate principal amount of Series A Authority Notes which may be issued and Outstanding under this Indenture shall be _____ dollars (\$_____), exclusive of Authority Notes executed and authenticated as provided in Section 2.09. The Trustee is hereby authorized and directed to authenticate the Series A Authority Notes in the aggregate principal amount of _____ dollars (\$_____). The Series A Authority Notes shall be initially delivered in the form of one Series A Authority Note for the full principal amount thereof and shall be registered in the name of “Cede & Co.,” as nominee of DTC.

Any Additional Authority Notes shall be designated as provided in the Supplemental Indenture pursuant to which such Additional Authority Notes are to be issued. The aggregate principal amount of Additional Authority Notes which may be issued under this Indenture shall be limited as provided in such Supplemental Indenture.

Section 2.02. Denominations, Medium and Method and Place of Payment and Dating of Authority Notes. The Authority Notes shall be prepared in the form of fully registered notes in denominations of [one hundred thousand dollars (\$100,000)] or any integral multiple thereof. The interest on and principal of the Authority Notes shall be payable in lawful money of the United States of America. The interest on the Authority Notes shall be payable on the applicable Interest Payment Dates, and the principal of the Authority Notes shall be payable on the applicable Principal Payment Date thereof upon surrender thereof by the respective Owners thereof at the Principal Office of the Trustee. The Trustee may treat the Owner of any Authority Note as the absolute owner of such Authority Note for all purposes, whether or not such Authority Note shall be overdue, and the Trustee shall not be affected by any knowledge or notice to the contrary; and payment of the interest on and principal of such Authority Note shall be made only to such Owner as above provided, which payments shall be valid and effectual to satisfy and discharge the liability on such Authority Note to the extent of the sum or sums so paid. All Authority Notes paid pursuant to the provisions of this section shall be cancelled and destroyed by the Trustee and shall not be redelivered and a certificate of destruction shall be delivered to the Authority and the applicable Credit Provider.

Each Authority Note shall be dated the date of its initial issuance.

Section 2.03. Terms of the Authority Notes. (a) Terms of the Series A Authority Notes. Each Series A Authority Note shall mature on the Series A Principal Payment Date, shall

bear interest at the rate of _____ percent (____%), payable on each Series A Interest Payment Date, and shall have the principal thereof payable on the Series A Principal Payment Date, upon surrender of the Series A Authority Note by the Owner thereof, at the Principal Office of the Trustee.

The interest payable on the Series A Authority Notes shall be computed on the basis of a 360- day year of twelve 30-day months.

The Series A Authority Notes shall not be subject to prepayment or redemption prior to the Series A Principal Payment Date.

(b) Terms of Additional Authority Notes. The maturity date or dates, interest rate or rates, interest payment date or dates, computation of interest, and redemption or prepayment provisions applicable to any Series of Additional Authority Notes shall be determined by the Authority at the time of issuance thereof pursuant to the Supplemental Indenture under which such Series of Additional Authority Notes are issued. Principal of and interest on such Series of Additional Authority Notes shall be payable in such manner as may be specified in such Supplemental Indenture.

Section 2.04. Form of Authority Notes. The Authority Notes and the form of assignment to appear thereon shall be in substantially the forms in Exhibit A hereto, with appropriate or necessary insertions, omissions and variations as permitted or required thereby or hereby. The Authority Notes may be prepared in typewritten, lithographed or printed form.

Section 2.05. Execution of Authority Notes. The Authority Notes shall be executed by the Chairperson of the Authority, or by such other persons as shall have been authorized by resolution of the Authority to execute and attest the Authority Notes, by manual or facsimile signature and shall be authenticated by the Trustee by the manual signature of an authorized officer of the Trustee. The Authority Notes may, but need not bear the seal of the Authority, if any.

Section 2.06. Transfer and Exchange of Authority Notes. All Authority Notes are transferable or exchangeable by the Owner thereof, in person or by his attorney duly authorized in writing, at the Principal Office of the Trustee in the books required to be kept by the Trustee pursuant to the provisions of Section 2.07, upon surrender of such Authority Notes accompanied by delivery of a duly executed written instrument of transfer or exchange in a form acceptable to the Trustee. Whenever any Authority Note or Authority Notes shall be surrendered for transfer or exchange, the Trustee shall execute and deliver a new Authority Note or Authority Notes of the same Series and of authorized denominations representing the same aggregate principal amount, except that the Trustee shall require the payment by any Owner requesting such transfer or exchange of any tax or other governmental charge required to be paid with respect to such transfer or exchange. All Authority Notes surrendered pursuant to the provisions of this section shall be cancelled by the Trustee and shall not be redelivered.

Section 2.07. Registration Books. The Trustee will keep at its Principal Office sufficient books for the registration of the ownership, transfer or exchange of the Authority Notes, which books shall be available for inspection by the Authority, each Supplemental Credit Enhancer

or each Credit Provider, as applicable, the Participants or any Owner or his agent duly authorized in writing at reasonable hours and under reasonable conditions during regular business hours upon reasonable prior notice; and upon presentation for such purpose the Trustee shall, under such reasonable regulations as it may prescribe, register the ownership, transfer or exchange of the Authority Notes in such books as hereinabove provided. The ownership of any Authority Notes may be proved by the books required to be kept by the Trustee pursuant to the provisions of this section.

Section 2.08. Temporary Authority Notes. The Authority Notes may be initially delivered in temporary form exchangeable for definitive Authority Notes of like Series when ready for delivery, which temporary Authority Notes shall be printed, lithographed or typewritten, shall be of such denominations as may be determined by the Authority, shall be in fully registered form and shall contain such reference to any of the provisions hereof as may be appropriate. Every temporary Authority Note shall be executed and delivered by the Authority and authenticated by the Trustee upon the same conditions and terms and in substantially the same manner as definitive Authority Notes. If the Authority executes and delivers and the Trustee authenticates temporary Authority Notes, it will prepare and authenticate definitive Authority Notes without delay, and in that case, upon demand of the Owner of any temporary Authority Notes, such definitive Authority Notes shall be exchanged without cost to such Owner for temporary Authority Notes at the Principal Office of the Trustee upon surrender of such temporary Authority Notes, and until so exchanged such temporary Authority Notes shall be entitled to the same benefit, protection and security hereunder as the definitive Authority Notes executed and delivered hereunder. All temporary Authority Notes surrendered pursuant to the provisions of this section shall be cancelled by the Trustee and shall not be redelivered.

Section 2.09. Authority Notes Mutilated, Destroyed, Lost or Stolen. If any Authority Note shall become mutilated, the Authority shall execute and deliver and the Trustee shall authenticate a new Authority Note of like tenor and Series in exchange and substitution for the Authority Note so mutilated, but only upon surrender to the Trustee of the Authority Note so mutilated, and every mutilated Authority Note so surrendered to the Trustee shall be cancelled by it. If any Authority Note shall be lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the Trustee, and if such evidence is satisfactory to the Trustee and indemnity satisfactory to the Trustee shall be given, the Trustee shall authenticate and deliver a new Authority Note of like tenor and Series and principal amount in lieu of and in substitution for the destroyed, lost or stolen Authority Note. The Trustee may require payment of a sum not exceeding the actual cost of preparing each new Authority Note authenticated and delivered by it under this section and of the expenses which may be incurred by it under this section. Any replacement Authority Note executed and delivered under the provisions of this section in lieu of and in substitution for any mutilated, destroyed, lost or stolen Authority Note shall be equally and proportionately entitled to the benefit, protection and security hereof with all other Authority Notes of the same Series executed and delivered hereunder; and the Trustee shall not be required to treat both the original Authority Note and any replacement Authority Note as being Outstanding for the purpose of determining the principal amount of Authority Notes which may be executed and delivered hereunder or for the purpose of determining any percentage of Authority Notes Outstanding hereunder, but both the original and the replacement Authority Note shall be treated as one and the same. Notwithstanding any other provisions of this section, rather than executing and delivering a new Authority Note for a mutilated, destroyed, lost or stolen Authority Note the

corresponding Principal Payment Date of which has occurred or is about to occur, the Trustee may make payment of the principal evidenced and represented by such mutilated, destroyed, lost or stolen Authority Note directly to the Owner thereof under such regulations as the Trustee may prescribe.

Section 2.10. Special Covenants as to Book-Entry Only System.

(a) Except as otherwise provided in subsections (b) and (c) of this Section 2.10, and except with respect to any Series of Authority Notes wholly owned by the applicable Supplemental Credit Enhancer or Credit Provider, which shall be registered in the name of the applicable Supplemental Credit Enhancer, or Credit Provider (or applicable nominee), as the case may be, each Series of Authority Notes initially executed and delivered hereunder shall be registered in the name of Cede & Co., as nominee for DTC, or such other nominee as DTC may request. Payment of the principal of and interest on each Authority Note registered in the name of Cede & Co. shall be made to the account, in the manner and at the address indicated in or pursuant to the Representation Letter delivered to DTC by the Authority.

(b) Each Series of Authority Notes issued hereunder shall be initially in the form of a single authenticated fully registered note for the full principal amount of such Series of Authority Notes. Upon initial execution of the respective Series of Authority Notes, the ownership of all such Authority Notes shall be registered in the registration records maintained by the Trustee pursuant to Section 2.07 in the name of Cede & Co., as nominee of DTC, or such other nominee as DTC may request. The Trustee, the Authority and the Participants may treat DTC (or its nominee) as the sole and exclusive Owner of the Authority Notes registered in its name for the purposes of payment of the principal of and interest on such Authority Notes, selecting any Authority Notes or portions thereof to be prepaid, giving any notice permitted or required to be given to an Owner under this Indenture, registering the transfer of Authority Notes, obtaining any consent or other action to be taken by the Owners and for all other purposes whatsoever; and neither the Trustee, the Authority nor the Participants shall be affected by any notice to the contrary. Neither the Trustee, the Authority nor the Participants shall have any responsibility or obligation to any Participant (which shall mean, for purposes of this Section 2.10, securities brokers and dealers, banks, trust companies, clearing corporations and other entities, some of whom directly or indirectly own DTC), any person claiming a beneficial ownership interest in the Authority Notes under or through DTC or any Participant, or any other person which is not shown on the registration records as being an Owner, with respect to (i) the accuracy of any records maintained by DTC or any Participant, (ii) the payment by DTC or any Participant of any amount in respect of the principal or interest represented by such Authority Notes, (iii) any notice which is permitted or required to be given to the Owners under this Indenture, (iv) the selection by DTC or any Participant of any person to receive payment in the event, if any, of a partial redemption of the Authority Notes, or (v) any consent given or other action taken by DTC as Owner. The Trustee shall pay all principal of and premium, if any, and interest on the applicable Series of Authority Notes only at the times, to the accounts, at the addresses and otherwise in accordance with the Representation Letter. Upon delivery by DTC to the Trustee of written notice to the effect that DTC has determined to substitute a new nominee in place of its then existing nominee, the applicable Series of Authority Notes will be transferable to such new nominee in accordance with subsection (f) of this Section 2.10.

(c) In the event that the Authority determines that it is in the best interests of the beneficial owners of the Authority Notes of any Series that they be able to obtain certificates, the Trustee shall, upon the written instruction of the Authority, so notify DTC, whereupon DTC shall notify the Participants of the availability through DTC of Authority Notes of such Series. In such event, the Authority Notes of such Series will be transferable in accordance with subsection (f) of this Section 2.10. DTC may determine to discontinue providing its services with respect to the Authority Notes of any Series at any time by giving written notice of such discontinuance to the Authority or the Trustee and discharging its responsibilities with respect thereto under applicable law. In such event, the Authority Notes of such Series will be transferable in accordance with subsection (f) of this Section 2.10. Whenever DTC requests the Authority or the Trustee to do so, and the Authority will cooperate with DTC in taking appropriate action after reasonable notice to arrange for another securities depository to maintain custody of all certificates evidencing the Authority Notes of such Series then Outstanding. In such event, the Authority Notes of such Series will be transferable to such securities depository in accordance with subsection (f) of this Section 2.10, and thereafter, all reference in this Indenture to DTC or its nominee shall be deemed to refer to such successor securities depository and its nominee, as appropriate.

(d) Notwithstanding any other provision of this Indenture to the contrary, so long as all Authority Notes of a Series Outstanding are registered in the name of any nominee of DTC, all payments with respect to the principal and interest represented by each such Series of Authority Notes and all notices with respect to each such Series of Authority Notes shall be made and given, respectively, to DTC as provided in the Representation Letter.

(e) The Authority shall have executed and delivered the Representation Letter and, in connection with any successor nominee for DTC and any successor depository, enter into comparable arrangements, and shall have the same rights with respect to its actions thereunder as it has with respect to its actions under this Indenture.

(f) In the event that any transfer or exchange of any Series of Authority Notes is authorized under subsection (b) or (c) of this Section 2.10 or required because a Series of Authority Notes are held wholly in the name of the corresponding Supplemental Credit Enhancer or Credit Provider, as applicable, such transfer or exchange shall be accomplished upon receipt by the Trustee from the Owner thereof of the Authority Notes of the Series to be transferred or exchanged and appropriate instruments of transfer to the permitted transferee, all in accordance with the applicable provisions of Section 2.06. In the event any Series of Authority Notes are issued to Owners other than Cede & Co., its successor as nominee for DTC as Owner of all such Series of Authority Notes, another securities depository as Owner of all such Series of Authority Notes, or the nominee of such successor securities depository, the provisions of Section 2.02, 2.03 and 2.06 shall also apply to, among other things, the registration, exchange and transfer of such Series of Authority Notes and the method of payment of principal of, premium, if any, and interest on such Series of Authority Notes.

Section 2.11. Registration of Authority Notes Held Wholly in the Name of a Supplemental Credit Enhancer or Credit Provider. (a) Each Series of Authority Notes held wholly in the name of the corresponding Supplemental Credit Enhancer or Credit Provider shall be transferred to, and registered in the name of, such Supplemental Credit Enhancer or Credit Provider, as the case may be, or to such person as such Supplemental Credit Enhancer or Credit

Provider may direct, unless such Supplemental Credit Enhancer or Credit Provider otherwise consents in writing. All such Series of Authority Notes shall be labeled by the Trustee as not transferable to any person other than the Authority, the Participants or such Supplemental Credit Enhancer or Credit Provider, as applicable.

(b) In the event a Supplemental Credit Enhancer or a Credit Provider sells or transfers the corresponding Series of Authority Notes described in this Section 2.11, such Supplemental Credit Enhancer or Credit Provider will be responsible for complying with all securities laws in connection with such sale or transfer and the Trustee shall not have any liability therefor.

Section 2.12. Issuance of Additional Authority Notes. The Authority may at any time issue a Series of Additional Authority Notes pursuant to a Supplemental Indenture, secured by and payable from an Additional Pool separate and distinct from all other Pools constituted hereunder and consisting of a Series of Additional District Notes that have not been assigned to any other Pool, secured by a pledge of and charge and lien upon such Additional Pool and the other security provided by Section 1.03(b) herein, which pledge, charge and lien shall be separate and distinct from any previously granted pledge, charge and lien securing any other Series of Outstanding Authority Notes theretofore issued hereunder, and subject to the following specific conditions, which are hereby made conditions precedent to the issuance of any such Series of Additional Authority Notes:

(a) The Authority shall be in compliance with all agreements and covenants contained herein.

(b) Each Participant that is seeking to issue a Series of Additional District Notes in connection with such Series of Additional Authority Notes and that has previously adopted a Participant Resolution and issued District Notes in connection with one or more prior Series of Outstanding Authority Notes, shall be in compliance with all agreements and covenants contained in each such Participant Resolution, shall not issue Additional District Notes unless such Additional District Notes are issued in compliance with Section 2(B) of such Participant Resolution, and shall not have issued any tax and revenue anticipation notes relating to the 2020-2021 fiscal year except (i) in connection with the Program under such Participant Resolution, or (ii) notes secured by a pledge of its unrestricted revenues that is subordinate in all respects to the pledge of unrestricted revenues under such Participant Resolution, and no Event of Default shall have occurred and be continuing with respect to any such outstanding previously issued notes or Series of District Notes.

(c) The aggregate principal amount of Authority Notes issued and at any time Outstanding hereunder shall not exceed any limit imposed by law, by this Indenture or by any Supplemental Indenture.

(d) Whenever the Authority shall determine to execute and deliver any Series of Additional Authority Notes pursuant to this Section 2.12, the Authority and the Trustee shall enter into a Supplemental Indenture providing for the issuance of such Series of Additional Authority Notes, specifying the maximum principal amount thereof and prescribing the terms and conditions thereof. The Supplemental Indenture shall prescribe the form or forms of such Series of Additional Authority Notes and shall provide for the distinctive designation, denominations, method of

numbering, dates, interest rates and places of payment of principal and interest. The Supplemental Indenture may contain any other provision authorized or not prohibited by this Indenture relating to such Series of Additional Authority Notes.

(e) Before such Series of Additional Authority Notes shall be issued, the Authority shall file or cause to be filed the following documents with the Trustee:

(1) An Opinion of Counsel to the effect that (A) such Additional Authority Notes constitute the valid and binding obligations of the Authority, (B) such Additional Authority Notes are special obligations of the Authority and are payable from interest and principal payments made by the applicable Participants on their respective corresponding District Notes, and (C) the applicable Supplemental Indenture has been duly executed and delivered by, and constitutes the valid and binding special obligation of, the Authority.

(2) A Certificate of the Authority and each Participant whose District Notes will secure such Series of Additional Authority Notes certifying as to the incumbency of its officers and stating that the requirements of this Section 2.12 have been met.

(3) A certified copy of the Participant Resolution and any supplemental Participant Resolution, if applicable, of each Participant that is seeking to issue a Series of Additional District Notes authorizing the issuance thereof.

(4) A certified copy of a resolution of the Authority authorizing the execution and delivery of the applicable Purchase Agreements with the participating Participants, the Supplemental Indenture, and any Additional Supplemental Credit Enhancement Agreement, Additional Credit Agreement, or Additional Investment Agreement, and authorizing the issuance of the Additional Authority Notes.

(5) An executed counterpart or duly authenticated copy of the applicable Purchase Agreement with each participating Participant, the Supplemental Indenture, and any Additional Supplemental Credit Enhancement Agreement, Additional Credit Agreement, or Additional Investment Agreement.

(6) A Confirmation of Pricing relating to such Series of Additional Authority Notes from each participating Participant.

(7) The executed Series of Additional District Notes and Additional Authority Notes from the issuers thereof.

Upon the delivery to the Trustee of the foregoing instruments and upon the Trustee's receipt of Certificates of each Participant and of the Authority stating that all applicable provisions of this Indenture have been complied with (so as to permit the issuance of the Series of Additional Authority Notes in accordance with the Supplemental Indenture then delivered to the Trustee), the Trustee shall authenticate and deliver said Additional Authority Notes, in the aggregate principal amount specified in such Supplemental Indenture, to, or upon the Request of, the Authority. Upon execution and delivery by the Authority and authentication by the Trustee, said Additional Authority Notes shall be valid and binding notwithstanding any defects in satisfying any of the foregoing requirements.

ARTICLE III

PROCEEDS OF AUTHORITY NOTES

Section 3.01. Delivery of Authority Notes. The Trustee is hereby authorized to authenticate and deliver the Series A Authority Notes to the Representative thereof pursuant to the Purchase Contract applicable to the Series A Authority Notes, upon receipt of a written Request of the Authority, the Series of District Notes comprising the Pool securing the Series A Authority Notes and the proceeds of sale of the Series A Authority Notes.

Section 3.02. Establishment of Funds and Accounts; Deposit of Authority Note Proceeds.

(a) The Trustee hereby agrees to establish and maintain hereunder, in trust, the following funds and accounts:

(1) the Costs of Issuance Fund, and therein:

(A) the Series A Costs of Issuance Account, and

(B) a separate Costs of Issuance Account for each Series of Additional Authority Notes,

(2) the Proceeds Fund, and therein:

(A) a separate Proceeds Account for each Series A District Note assigned to the Series A Pool, and

(B) a separate Proceeds Account for each Additional District Note assigned to each Additional Pool,

(3) the Authority Note Payment Fund, and therein:

(A) a separate Payment Account for each Series A District Note assigned to the Series A Pool, and

(B) a separate Payment Account for each Additional District Note assigned to each Additional Pool,

(4) the Pool Interest Fund, and therein:

(A) the Series A Interest Account, and

(B) a separate Interest Account for each Series of Additional Authority Notes,

(5) the Pool Principal Fund, and therein:

(A) the Series A Principal Account, and

(B) a separate Principal Account for each Series of Additional Authority Notes,
and

(6) the Escrow Fund, and therein:

(A) a separate Escrow Account for each Series A District Note assigned to the Series A Pool with an Estimated June Deferral Amount, and

(B) a separate Escrow Account for each Additional District Note assigned to each Additional Pool,

and

(7) if applicable, the Credit Fund, and therein:

(A) a separate Credit Account for each Series of Additional Authority Notes.

(b) The proceeds received from the sale of the Series A Authority Notes are to be deposited in the following funds in the following amounts:

Costs of Issuance Fund (Series A Costs of Issuance Account) \$ _____

Proceeds Fund (with deposits to Proceeds Accounts attributable to the Series A District Notes assigned to secure the Series A Authority Notes in the amounts set forth in Schedule II hereto) \$ _____

Escrow Fund (with deposits to Escrow Accounts attributable to the Series A District Notes assigned to secure the Series A Authority Notes in the amounts set forth in Schedule III hereto) \$ _____

Section 3.03. Use of Money in the Costs of Issuance Fund, Proceeds Fund, Payment Fund and Escrow Fund.

(a) (1) Costs of Issuance Fund. The moneys in each Cost of Issuance Account in the Costs of Issuance Fund shall be used and withdrawn by the Trustee, to pay the Costs of Issuance of the related Series of Authority Notes upon receipt of a Requisition in substantially the form attached hereto as Exhibit B submitted by the Authority or the Municipal Advisor. In the event the total of any Requisition exceeds the amount then on deposit in the Costs of Issuance Fund, the Trustee shall promptly notify the Authority of the shortfall, and await further instructions from the Authority

(2) On the earliest of [September 1, 2021], or on such earlier date upon Request of the Authority, amounts, if any, remaining in the Series A Costs of Issuance Account and not required

to pay identified Costs of Issuance for the Series A Authority Notes specified in writing by the Municipal Advisor to the Trustee, including any initial or additional fees or expenses of the Trustee, or any identified Predefault Obligations and Reimbursement Obligations attributable to the Series A Authority Notes, shall be transferred to the Authority Note Payment Fund and credited to the Payment Accounts therein attributable to the Series A District Notes assigned to secure the Series A Authority Notes, in proportion to the amounts initially deposited in the Series A Costs of Issuance Account from proceeds of the Series A Authority Notes attributable to each Participant, as set forth in a certificate of the Municipal Advisor submitted to the Trustee.

(3) On the date set forth in the applicable Supplemental Indenture relating to a Series of Additional Authority Notes, amounts, if any, remaining in the Costs of Issuance Account relating to such Series of Additional Authority Notes and not required to pay identified Costs of Issuance for such Series of Additional Authority Notes specified in writing by the Municipal Advisor to the Trustee, including any initial or additional fees or expenses of the applicable Additional Credit Provider or Additional Supplemental Credit Enhancer, or the Trustee, or any identified Predefault Obligations and Reimbursement Obligations attributable to such Series of Additional Authority Notes, shall be transferred to the Authority Note Payment Fund and credited to the Payment Accounts therein attributable to the corresponding Series of Additional District Notes assigned to secure such Series of Additional Authority Notes, in proportion to the amounts initially deposited in such Costs of Issuance Account from the proceeds of such Series of Additional Authority Notes attributable to each Participant, as set forth in a certificate of the Municipal Advisor submitted to the Trustee.

(b)(1) Proceeds Fund. All money in the Proceeds Fund shall be transferred by the Trustee at Closing as directed by the Authority. The Trustee shall establish an account in the Proceeds Fund for each Series of District Notes of each Participant assigned to a Pool (each a "Proceeds Account"). Funds in the Proceeds Fund shall be credited to the Proceeds Account attributable to the applicable Series of District Notes in amounts set forth in Schedule II hereto with respect to each of the Series A District Notes, and as subsequently set forth in the applicable Supplemental Indenture with respect to each Series of Additional District Notes.

(2) Moneys in each Proceeds Account shall be disbursed by the Trustee in the name of the Participant to the County Treasury Pool of the Participant that issued the related Series of District Notes at Closing or as soon as practical, pursuant to a Certificate of the Authority, and shall be used by the Participant for any purpose for which the Participant is authorized to use and expend moneys loaned to it by the Authority under the CSFA Act.

(c) Authority Note Payment Fund. The Trustee shall transfer from each Payment Account attributable to a Series of District Notes of a Participant to the corresponding Authority Note Payment Fund attributable to such Series of District Notes of such Participant, taking into consideration investment earnings (as set forth in a Certificate from the Municipal Advisor to the Trustee) anticipated to be received by the principal and/or interest payment date applicable to such respective Series of District Notes:

(1) on the tenth Business Day of each Repayment Period designated on the face of such Series of District Notes of such Participant (or, with respect to a Series of Additional District Notes, such other day as set forth in the Supplemental Indenture applicable to the corresponding

Series of Additional Authority Notes), up to, but excluding, the last Repayment Period, amounts which are equal to the percentages of the principal and interest due to be paid in each such Repayment Period with respect to such Participant's respective Series of District Notes as designated on the face of such respective Series of District Notes, and

(2) on the tenth Business Day of the last Repayment Period applicable to such Series of District Notes of such Participant (or, with respect to a Series of Additional District Notes, such other day as set forth in the Supplemental Indenture applicable to the corresponding Series of Additional Authority Notes), or, if only one Repayment Period is applicable to such Series of District Notes, on the tenth Business Day of such Repayment Period (or, with respect to a Series of Additional District Notes, such other day as set forth in the Supplemental Indenture applicable to the corresponding Series of Additional Authority Notes), an amount equal to the lesser of (i) the principal of and interest on such Series of District Notes, less any amounts transferred to such Payment Account from excess amounts in the Costs of Issuance Account of the related Series of Authority Notes pursuant to Section 3.03(a) hereof, and less (without duplication) any amounts then on deposit in such Payment Account for payment of such Series of District Notes, and (ii) the total amount, if any, remaining in the corresponding Escrow Account attributable to such Series of District Notes of such Participant.

If on the tenth Business Day of the first (or single) Repayment Period applicable to such Series of District Notes of such Participant (or, with respect to a Series of Additional District Notes, such other day as set forth in the Supplemental Indenture applicable to the corresponding Series of Additional Authority Notes), the amount in the related Payment Account is less than the aggregate amount required to be transferred pursuant to clause (1) above, the Trustee shall transfer the amount [next received from the State Controller on behalf of the Participant] equal to the shortfall to the corresponding Payment Account in the Authority Note Payment Fund on such day of receipt.]

(3) Payments made by or on behalf of each Participant with respect to a Series of its District Notes prior to the tenth Business Day of any Repayment Period (as defined in such Participant's Resolution and indicated on the face of each such Participant's Series of District Notes) for such Series of District Notes shall be credited to the Payment Account related to such Series of District Notes, provided, however, with respect to a Participant that has issued more than one Series of District Notes, that payments made with respect to a Series of District Notes prior to the last day of the first Repayment Period of such Series of District Notes, shall, to the extent of any deficiency with respect to payments due on any other Series of District Notes of such Participant in any Repayment Period applicable to such other Series of District Notes, be applied to such deficiency and deposited in the Payment Account(s) attributable to such other Series of District Notes of such Participant in accordance with the priority provisions set forth in subsection 11(B) or 11(G), as applicable, of such Participant's Resolution. Amounts deposited in the Payment Account shall not be available for disbursement to such Participant, except as provided in Section 5.01 (k).

Except as expressly provided herein, neither the Authority nor the Trustee shall have any obligation or liability to the Beneficial Owners of the Authority Notes with respect to payment of principal of or interest on the District Notes or the observance or performance by any Participant

of any obligations or agreements or the exercise of any rights under the respective Participant Resolutions.

(d) Escrow Fund. All moneys in the Escrow Fund shall be deposited by the Trustee at Closing as directed by the Authority. The Trustee shall establish an account in the Escrow Fund for each Series of District Notes of each Participant assigned to a Pool with an Estimated June Deferral Amount (each an “Escrow Account”). The portion of District Note Proceeds reflecting the Estimated June Deferral Amounts for such Participant will be sequestered into an Escrow Account held by the Trustee in the name of each Participant. Funds in the Escrow Fund shall be credited to the Escrow Accounts attributable to the applicable Series of District Notes in amounts set forth in Schedule III hereto reflecting the Estimated June Deferral Amounts with respect to each such Series A District Note, and as subsequently set forth in the applicable Supplemental Indenture with respect to each Series of Additional District Notes.

The amounts on deposit in the Escrow Fund shall be [invested by the Trustee in Permitted Investments] until the Escrow Release Date. Prior to the Escrow Release Date, the Authority will provide the Trustee with instructions indicating the Released Escrow Amounts for each Escrow Account. On the Escrow Release Date, the Trustee shall transfer in the name of the Participant for deposit in its County Treasury Pool the applicable Released Escrow Amount. The amount remaining in each Escrow Account following the Escrow Release Date, if any, shall be transferred by the Trustee to that Participant’s Payment Account first, as a credit towards the payment on each Series of District Notes and, second, for payment of corresponding Predefault Obligations and Reimbursement Obligations of or allocable to such Participant, and, third, shall be returned to such Participant after the last day of the last Repayment Period applicable to such Series of District Notes.

In addition, with respect to a Participant that has issued several Series of District Notes, the Trustee shall not disburse any moneys from any Escrow Accounts related to such Participant if it has received written notice or actual knowledge that an Event of Default has occurred and is continuing under any Participant Resolution or supplemental Participant Resolution, if any, of such Participant.

ARTICLE IV

TRUSTEE’S DUTIES REGARDING DISTRICT NOTES

Section 4.01. Authenticating Agent. The Trustee shall be the authenticating agent for the Participants in connection with the issuance of each Series of District Notes under each Participant Resolution.

Section 4.02. Registrar and Paying Agent. The Trustee shall be the registrar and paying agent for each Series of the District Notes. As long as any Series of District Notes is outstanding under the applicable Participant Resolution, the issuing Participant shall maintain and keep an office or agency at the Principal Office of the Trustee for making Debt Service Payments on the corresponding Series of District Notes and for the registration and transfer of such Series of District Notes.

Section 4.03. Cancellation of Paid District Notes. Each Series of District Notes, when paid in full (including by reimbursement to the applicable Supplemental Credit Enhancer or Credit Provider, as applicable, as provided in Section 6.01), shall be cancelled by the Trustee; provided, however, that each Series of District Notes shall be deemed outstanding and shall not be cancelled by the Trustee until (i) the Owners of the corresponding Series of Authority Notes have been paid in full with respect to such Series of District Notes, and (ii) the Supplemental Credit Enhancer or Credit Provider, as applicable, has been reimbursed for the drawings or payments made under the Supplemental Credit Enhancement or Credit Instrument, as applicable, related to such Series of District Notes and all Predefault Obligations and Reimbursement Obligations due and owing such Supplemental Credit Enhancer or Credit Provider, as applicable, related to such Series of District Notes have been paid.

ARTICLE V

DISTRICT NOTE PAYMENTS AND INTERCEPT

Section 5.01. Assignment of District Notes and Intercept. (a) Each Series of District Notes, when issued, shall be identified with a Pool, and, subject to the provisions of this Indenture permitting the application thereof for or to the purposes and on the terms and conditions set forth in this Indenture, including the provisions of Section 5.01(c) hereof, (i) all right, title and interest of the Authority therein and to all payments thereon, are hereby irrevocably assigned and pledged and transferred to the Trustee for the benefit of the Owners of the corresponding Series of Authority Notes and the corresponding Supplemental Credit Enhancer or Credit Provider, as applicable, (ii) the payments on each such Series of District Notes shall be used for the punctual payment of the interest on and principal of the corresponding Series of Authority Notes or the reimbursement of drawings under or payments made pursuant to or from the corresponding Supplemental Credit Enhancement or, Credit Instrument, as applicable, and (iii) each such Series of District Notes shall not be used for any other purpose (including the payment of Authority Notes of a different Series or reimbursements to the Supplemental Credit Enhancer or Credit Provider, as applicable, relating to a different Series of Authority Notes) so long as any of the corresponding Series of Authority Notes remain Outstanding.

(b) Subject to Section 5.01(c) hereof, all payments on a Series of District Notes assigned to a particular Pool shall be applied to payment of the interest on and principal of the corresponding Series of Authority Notes (including reimbursement of the corresponding Supplemental Credit Enhancer or Credit Provider, as applicable).

(c) Notwithstanding any other provisions of this Indenture, with regard to a Participant that has issued more than one Series of District Notes, to the extent, on any Interest Payment Date or Principal Payment Date, there is a deficiency with respect to any Series of District Notes of such Participant and to the extent any payment on any Series of District Notes of such Participant is being made from moneys other than the proceeds of a Series of District Notes, the Trustee shall apportion all such payments received from such Participant relating to all of its District Notes in accordance with the priority provisions set forth in Section 11(G) of such Participant's Resolution, and the Trustee shall apply such apportioned payments according to the preceding paragraph with respect to each such Series of District Notes. Moneys in the Payment Account attributed to a Series of District Notes of one Participant shall not be used in any manner (directly or indirectly) to make

up any deficiency in the Payment Account attributed to a Series of District Notes of another Participant.

(d) As security for the payment of the principal of and interest on all Series of District Notes issued under the applicable Participant Resolution, subject to the payment priority provisions set forth therein, each Participant has pledged the Pledged Revenues in an amount equal to the percentages of the principal and interest due with respect to its Series of District Notes at maturity for the corresponding Repayment Periods specified in its Confirmation of Pricing. Subject to Section 5.01(c) hereof, and to the extent permitted by law, the assignment, transfer and pledge effected by this section shall constitute a lien on and security interest in the Debt Service Payments of and all other rights under the District Notes of each Series, including the Pledged Revenues and any other amounts deposited in the respective Payment Accounts as provided in the related Participant Resolutions, for the foregoing purpose in accordance with Section 1.03 and the terms hereof and shall attach, be perfected and be valid and binding from and after delivery to the Authority of the District Notes of each Series and as applicable, without any physical delivery thereof, notice, filing or further act. Each Participant has approved, and the Trustee hereby accepts, such assignment of the District Notes of each Series, as and when issued.

(e) In order to effect, in part, the pledge provided for in subsection (d) of this Section, each Participant pursuant to its Participant Resolution has agreed to the establishment and maintenance of its Payment Account for each Series of District Notes issued thereunder, and the Trustee was appointed as the responsible agent to maintain such fund until the payment of the principal of the corresponding Series of District Notes and the interest thereon. Pursuant to its Participant Resolution, each Participant has covenanted and agreed to cause to be deposited directly in its applicable Payment Account in each Repayment Period from (i) the [Pledged Revenues]/[Funds Subject to Intercept], as further described in clause (f) below and (ii) at the Participant's option, Unrestricted Revenues (as defined in the Participant Resolution) during any Repayment Period, taking into consideration anticipated investment earnings thereon to be received by the Maturity Date applicable to the respective Series of District Notes [(as set forth in a certificate from the Municipal Advisor to the Trustee)], an amount equal to the percentages of the principal of and interest due with respect to such Series of District Notes at maturity specified in the Confirmation of Pricing applicable to such Series of District Notes. Any moneys placed in the Payment Account attributed to a Series of District Notes shall be for the benefit of the owners of the corresponding Series of Authority Notes. The moneys in the Payment Account attributed to the Series of District Notes shall be applied only for the purposes for which the Payment Account was created until the principal of such Series of District Notes and all interest thereon are paid or until provision has been made for the payment of the principal of such Series of District Notes at maturity of such Series of District Notes with interest to maturity (in accordance with the requirements for defeasance of the corresponding Series of Authority Notes, as set forth in Article XI of this Indenture). If any Participant fails to make the required deposits (or the State Controller deposits are not made on any Participant's behalf), the Trustee shall as soon as practical (but in any event within three Business Days) notify the Authority, such Participant and the applicable Credit Provider and Supplemental Credit Enhancer, as applicable, of such failure.

(f) Pursuant to its Participant Resolution, each Participant has elected to participate in the intercept by the State Controller of moneys designated for apportionment to the Participant attributable to Fiscal Year 2020-21 to pay the Participant's Series of District Notes. In accordance

with the requirements set forth in Section 17199.4 of the California Education Code and to effect the pledge contained in its Participant Resolution, each Participant has authorized and instructed the State Controller to intercept Pledged Revenues from moneys designated for apportionment to the Participant for Fiscal Year 2020-21, and to transfer such amounts to the Trustee for deposit into its Payment Account with a designation to the Trustee of the amounts to be credited for that Participant. Upon such deposit, such funds will be invested by the Trustee in such Permitted Investments as directed by the Authority and will not be available to the Participants.

(g) The Trustee shall transmit or cause to be transmitted a monthly statement on a per-Participant basis of all transactions and investments made by or through the Authority and all amounts on deposit with the Authority hereunder, including, in the event that sufficient Pledged Revenues have not been timely deposited in a Participant's Payment Account in accordance with its Participant Note Resolution, written confirmation of such event, to the Authority.

(h) All Pledged Revenues, including Debt Service Payments, with respect to each Series of District Notes 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 applicable Payment Account attributed to the corresponding Series of District Notes in the Authority Note Payment Fund (except as otherwise provided in Section 5.01(c)), which fund the Trustee hereby agrees to maintain so long as any Authority Notes are Outstanding, and all money in such account shall be held in trust by the Trustee for the benefit and security of the Owners of the related Series of Authority Notes and each related Supplemental Credit Enhancer or Credit Provider, as applicable, to the extent provided in Section 1.03 and generally herein.

(i) In the event that there have been insufficient Pledged Revenues received by or attributed to a Participant by the [tenth Business Day] prior to any Interest Payment Date (if different from the Maturity Date) and on the Maturity Date of a Series of District Notes to permit the deposit into such Participant's Payment Account of the full amount of the Pledged Revenues required to be deposited with respect to such date, the Participant has authorized the Authority, on its behalf, to direct the State Controller [or for non-State credit Participants, the County Treasurer] to collect the amount of any deficiency and deposit such amount in its Payment Account in such amount as may be directed by the Participant or the Authority on behalf of the Participant, [from any other unrestricted moneys of the Participant accruing from the fiscal year 2020-21 and lawfully available for the payment of the principal of the Series of District Notes and the interest thereon on such Interest Payment Date (if different from the Maturity Date) and on the Maturity Date of a Series of District Notes or thereafter on a daily basis, when and as such Pledged Revenues [and unrestricted moneys] are received by or on behalf of the Participant and will deposit said moneys with the Trustee for deposit directly in its Payment Account.

(j) Notwithstanding anything contained herein to the contrary, if the amount on deposit in a Participant's Payment Account attributable to a Series of its District Notes is in excess of the amounts required to pay the principal of and interest due with respect to such Participant's Series of District Notes on the Principal Payment Date applicable to such Series of District Notes, such excess amounts shall remain in such Payment Account and shall be transferred to such Participant following (i) payment of the principal of and interest on the Series of Authority Notes corresponding to such Series of District Notes, (ii) reimbursement of the corresponding Supplemental Credit Enhancer or Credit Provider as applicable, for drawings, payments or claims,

if any, pursuant to such Supplemental Credit Enhancement or Credit Instrument of any Reimbursement Obligations and Predefault Obligations corresponding to such Series of District Notes applicable to such Participant, and (iii) to the extent that such excess amounts do not constitute proceeds of such Series of District Notes, payment of any amounts due with respect to any other Series of District Notes of the Participant (including any reimbursement obligations to any corresponding Supplemental Credit Enhancer or Credit Provider, as applicable) in accordance with the priority provisions set forth in Sections 11(D), 11(G) and 20 of such Participant's Resolution, and as otherwise set forth therein.

Section 5.02. Transfer of Money from the Authority Note Payment Fund. The Trustee shall, after the Trustee has made any required apportionments required by Section 5.01(c) hereof, transfer amounts from the money contained in the applicable Payment Accounts in the Authority Note Payment Fund and attributed to all Series of District Notes assigned to the related Series of Authority Notes at the following respective times to the following respective funds and accounts in the manner hereinafter provided, and the money in each of such funds and accounts shall be disbursed only for the purposes and uses hereinafter authorized (subject to Article VI):

(a) Interest Accounts in the Pool Interest Fund Relating to Series of Authority Notes. The Trustee, on each Interest Payment Date, shall transfer from the applicable Payment Accounts to the applicable Interest Account, that amount of money representing the interest becoming due and payable on the related Series of Authority Notes on such Interest Payment Date. All money in each Interest Account shall be used and withdrawn by the Trustee solely for the purpose of paying the interest on the related Series of Authority Notes on their respective Interest Payment Dates.

(b) Pool Principal Accounts in the Pool Principal Fund Relating to Series of Authority Notes. The Trustee, on each Principal Payment Date, shall, after having made any transfers required to be made pursuant to subsection (a) above, transfer from the applicable Payment Accounts to the applicable Principal Account, that amount of money representing the principal becoming due and payable on the related Series of Authority Notes on such Principal Payment Date. All moneys in each Principal Account shall be used and withdrawn by the Trustee solely for the purpose of paying the principal of the related Series of Authority Notes on their respective Principal Payment Dates.

Section 5.03. Investments. Any money held by the Trustee in each Payment Account attributable to the Series A Authority Notes and each Proceeds Account attributable to the Series A Authority Notes shall, to the fullest extent practicable, be invested under the Series A Investment Agreement, if any, and otherwise may be invested (and, upon the Request or Requisition of any Participant, shall be invested with respect to its corresponding Payment Account or Proceeds Account, as directed by such Participant) by the Trustee in Permitted Investments which will mature on or before the dates on which such money is anticipated to be needed for disbursement hereunder. To the extent the Trustee has not received any instruction with respect to the investment of funds in a Payment Account attributable to the Series A Authority Notes or a Proceeds Account attributable to the Series A Authority Notes, such amounts shall be invested by the Trustee in a money market fund offered by the Trustee or any of its affiliates meeting the requirements set forth in clause (4) of the definition of Permitted Investments herein. The amounts held in the several Payment Accounts and Proceeds Accounts will be accounted for separately for the respective Participants. Any money held by the Trustee in the Authority Note

Payment Fund attributable to a Series of Additional Authority Notes and in Proceeds Accounts attributable to a Series of Additional Authority Notes shall be invested as directed in the Supplemental Indenture pursuant to which such Series of Additional Authority Notes is issued. The Trustee may act as principal or agent in the acquisition or disposition of any such deposit or investment and may at its sole discretion, for the purpose of any such deposit or investment, commingle any of the money held by it hereunder except with respect to the accounts in the Authority Note Payment Fund and Proceeds Fund attributable to a Series of Additional Authority Notes (which may be commingled with respect to each other, but not with respect to the accounts in such funds attributable to other Series of Authority Notes), the Credit Fund or the Rebate Fund (and any accounts therein, established pursuant to Section 7.10 hereof). The Trustee shall not be liable or responsible for any loss suffered in connection with any such deposit or investment made by it under the terms of and in accordance with this section. The Trustee may present for redemption or sell any such deposit or investment whenever it shall be necessary in order to provide money to meet any payment of the money so deposited or invested, and the Trustee shall not be liable or responsible for any losses resulting from any such deposit or investment presented for redemption or sold. Any interest or profits on such deposits and investments received by the Trustee shall be credited to the fund or account from which such investment was made.

Moneys held by the Trustee in the Costs of Issuance Fund, Pool Interest Fund and Pool Principal Fund, and in the respective accounts therein, shall be invested in Permitted Investments as directed by the Authority. The Trustee shall have no duty to determine whether any investment made hereunder is a lawful investment under the laws of the State of California.

Moneys in the Credit Fund shall be invested as specified in Section 6.01.

Moneys in the Rebate Fund shall be invested as specified in Section 7.10.

The Authority acknowledges that to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grant the Authority the right to receive brokerage confirmations of security transactions as they occur, the Authority specifically waives receipt of such confirmations to the extent permitted by law. The Trustee will furnish the Authority periodic cash transaction statements which shall include detail for all investment transactions made by the Trustee hereunder as requested by the Authority.

The Trustee or any of its affiliates may act as agent, sponsor or advisor in connection with any investment made by the Trustee hereunder.

ARTICLE VI

CREDIT INSTRUMENTS AND SUPPLEMENTAL CREDIT ENHANCEMENTS

Section 6.01. Provisions Applicable to a Letter of Credit or Policy of Insurance as Supplemental Credit Enhancement or Credit Instrument.

(a) The other provisions of this Article VI notwithstanding, the Trustee shall draw upon or request payment under each Credit Instrument and/or Supplemental Credit Enhancement by the times required therein and in any Supplemental Indenture and in accordance with the terms thereof and any Supplemental Indenture, and in sufficient amounts, to make timely payment of the

interest on and principal of the corresponding Series of Authority Notes on each Interest Payment Date and the Principal Payment Date applicable to such Series of Authority Notes. Moneys drawn under or paid pursuant to a Credit Instrument and/or Supplemental Credit Enhancement shall be deposited in the Credit Account attributable to the corresponding Series of Authority Notes in the Credit Fund.

(b) Except as otherwise explicitly provided in the corresponding Supplemental Credit Enhancement or Credit Instrument (and subject to paragraph (e) of this section), each Authority Note of the corresponding Series shall be paid (i) on any Interest Payment Date that is not the Principal Payment Date, first from all available moneys to be deposited in the related Interest Account in the Pool Interest Fund corresponding to such Series of Authority Notes and, to the extent of any deficiency therein, second, from moneys drawn under or paid pursuant to the corresponding Credit Instrument and/or Supplemental Credit Enhancement up to the respective maximum amounts thereof, and (ii) on the Principal Payment Date, first from all available moneys to be deposited in the related Interest Account in the Pool Interest Fund and the related Principal Account in the Pool Principal Fund and, to the extent of any deficiency therein, second, from moneys drawn under or paid pursuant to the applicable Credit Instrument and/or Supplemental Credit Enhancement up to the respective maximum amounts thereof.

(c) To the extent the maximum amount of the corresponding Supplemental Credit Enhancement and/or, if applicable, the corresponding Credit Instrument is insufficient therefor, moneys drawn thereunder and/or paid therefrom shall be used to pay the corresponding Series of Authority Notes pro rata, and shall be allocated to each Series of District Notes assigned to the Pool securing such Series of Authority Notes pro rata in accordance with the unpaid principal thereof and interest thereon, and shall be applied to pay, and allocated first to interest and then to principal.

(d) Pending application, moneys drawn under or paid pursuant to Supplemental Credit Enhancement and/or a Credit Instrument shall be deposited in the Credit Account for such Series of Authority Notes in a special fund designated the "Credit Fund," which shall be maintained by the Trustee and held in trust apart from all other moneys and securities held under this Indenture or otherwise, and over which the Trustee shall have the exclusive and sole right of withdrawal for the exclusive benefit of the Owners of the corresponding Series of Authority Notes. Moneys in each Credit Account of the Credit Fund shall be held in cash or invested in Permitted Investments described in clause (1) of the definition thereof in Section 1.01 hereof which mature not later than the date on which it is estimated that such moneys will be required to pay the corresponding Series of Authority Notes (but in any event maturing in not more than thirty (30) days) and shall not be applied to satisfy any costs, expenses or liabilities of the Trustee.

(e) Notwithstanding anything to the contrary contained in this section or this article, if (i) the amount available under a Supplemental Credit Enhancement or Credit Instrument is equal to 100% of the principal of and all interest on the related Series of Authority Notes, (ii) the Supplemental Credit Enhancer or Credit Provider honors a drawing or payment request made pursuant to this section on such Supplemental Credit Enhancement or Credit Instrument to pay such principal and interest on the Business Day prior to an Interest Payment Date or resulting from a deficiency in the payment of principal and/or interest on a District Note or District Notes assigned to the Pool securing the corresponding Series of Authority Notes in order to pay principal of and/or

interest due on such Series of Authority Notes on such date, and (ii) the corresponding Supplemental Credit Enhancement or Credit Instrument expressly so provides, then moneys so drawn or paid on such Supplemental Credit Enhancement or Credit Instrument shall be credited to the Credit Account for the corresponding Series of Authority Notes in the Credit Fund and applied to the payment of principal of and/or interest on such Series of Authority Notes as provided in this section, except that, moneys, if any, on deposit in the related Payment Accounts in the Authority Note Payment Fund corresponding to such Series of Authority Notes that would have been applied to pay such principal and/or interest absent this section and such drawing or payment on such Credit Instrument or Supplemental Credit Enhancement shall be applied by the Trustee to reimburse such Supplemental Credit Enhancer or Credit Provider by wire transfer as soon as possible and, in any such case, prior to 1:00 p.m., California time, on the day such drawing or payment request is honored, in the amount of such payment or disbursement by the Supplemental Credit Enhancer or Credit Provider honoring such drawing or payment request. Subject to the provisions of Section 7.10 hereof, any moneys at any time on deposit in a Participant's applicable Payment Account in the Authority Note Payment Fund in excess of the amounts required to be deposited therein on the Interest Payment Date pursuant to Section 5.02 shall be applied by the Trustee to the payment of any of such Participant's Predefault Obligations specified by such Supplemental Credit Enhancer or Credit Provider in writing to the Trustee. Any amounts on deposit in the applicable Credit Account in the Credit Fund derived from a draw under or payment pursuant to a Credit Instrument or Supplemental Credit Enhancement and remaining following the Maturity Date applicable to the related Series of District Notes shall be promptly remitted by the Trustee to the applicable Credit Provider or Supplemental Credit Enhancer, as the case may be.

(f) In the event of default by any Participant in the payment of any of the principal of and/or interest on a Series of District Notes of such Participant on any Interest Payment Date or Principal Payment Date, upon payment by the corresponding Supplemental Credit Enhancer or Credit Provider of a drawing or payment request under the corresponding Supplemental Credit Enhancement or Credit Instrument with respect to the payment of such principal and/or interest, such Supplemental Credit Enhancer or Credit Provider, as applicable, shall succeed and be subrogated to the rights of the Owners of the Series of Authority Notes (or the portions thereof) paid with the proceeds of such drawing or payment under such Supplemental Credit Enhancement or Credit Instrument. Any Series of District Notes described in the preceding sentence shall, on such Interest Payment Date or Principal Payment Date, be a Defaulted District Note and the unpaid portion thereof shall be deemed outstanding and shall not be deemed paid until the conditions for cancellation of such Series of District Notes, as set forth in Section 4.03, are satisfied.

(g) The interest on the unpaid portion of a Defaulted District Note shall be payable at the Default Rate; provided that, no interest shall accrue on a Defaulted District Note or unpaid Series of District Notes which is paid with a drawing on or payment pursuant to a Supplemental Credit Enhancement or Credit Instrument, as applicable, to the extent such Defaulted District Notes or unpaid Series of District Notes is paid (and reimbursement is made to the Supplemental Credit Enhancer or Credit Provider, as applicable, with respect to the drawing on or payment pursuant to such Supplemental Credit Enhancement or Credit Instrument, as applicable), by 1:00 p.m., California time, on the date of such draw or payment.

(h) In the event the Supplemental Credit Enhancer does not honor a draw under the corresponding Supplemental Credit Enhancement in whole or in part, the corresponding Credit

Provider shall succeed and be subrogated to the rights of such Supplemental Credit Enhancer with respect to and to the extent that the Credit Provider has made payment under the corresponding Credit Instrument due to such deficiency and all references to the Supplemental Credit Enhancer in the preceding paragraphs, and in Section 2.11, 4.03 and 5.01 shall be deemed to apply to such Credit Provider to the extent of the payment made under such Credit Instrument due to the deficiency in the payment of the draw under such Supplemental Credit Enhancement.

Section 6.02. Credit Instrument and Supplemental Credit Enhancement. The Trustee shall hold and maintain each such Credit Instrument and Supplemental Credit Enhancement, if any, for the benefit of the Owners of the respective Series of Authority Notes until each corresponding Credit Instrument and Supplemental Credit Enhancement terminates in accordance with its terms. The Trustee shall, subject to the provisions of this Indenture, diligently enforce all terms, covenants and conditions of each such Credit Instrument and corresponding Supplemental Credit Enhancement, if applicable, including payment when due of any draws on or claims under the applicable Credit Instrument and Supplemental Credit Enhancement, as applicable, and will not consent to or agree to or permit any amendments or modifications thereof which would materially adversely affect the rights or security of the Owners of the corresponding Series of Authority Notes.

In the event of a default by a Supplemental Credit Enhancer with respect to a draw or payment request under the corresponding Supplemental Credit Enhancement, the Authority's and the Trustee's rights to enforce any rights thereunder shall be assigned to the corresponding Credit Provider. If at any time during the term of any Credit Instrument or Supplemental Credit Enhancement, if applicable, a successor Trustee shall be appointed and qualified under this Indenture, the resigning or removed Trustee shall request that the applicable Credit Provider and Supplemental Credit Enhancer, if any, transfer each such applicable Credit Instrument and Supplemental Credit Enhancement, respectively, to the successor Trustee pursuant to the applicable provision set forth in the respective Credit Agreement or the respective Supplemental Credit Enhancement Agreement and Section 9.02 hereof. If the resigning or removed Trustee fails to make this request, the successor Trustee shall do so before accepting appointment.

ARTICLE VII

COVENANTS

Section 7.01. Compliance with Indenture. The Trustee will not authenticate or deliver any Authority Notes in any manner other than in accordance with the provisions hereof and, if applicable, a Supplemental Indenture; and the Authority will not suffer or permit any default to occur hereunder, but will faithfully observe and perform all the agreements, conditions, covenants and terms contained herein required to be observed and performed by it.

Section 7.02. Amendment of District Notes. The Authority and the Trustee will not amend or permit the amendment of any Series of the District Notes without the prior written consent of the corresponding Credit Provider, if any, or the corresponding Supplemental Credit Enhancer, if any, and without (a) (1) a determination that such amendment does not materially adversely affect the interest of the Owners of the corresponding Series of Authority Notes, or (2) the written consents of the Owners of a majority in aggregate principal amount of the

corresponding Series of Authority Notes then Outstanding, and (b) to the extent any Series of the District Notes will be allocated by the Authority to a Tax-Exempt Series of Authority Notes, an Opinion of Counsel to the effect that such amendment will not cause interest on the corresponding Series of Authority Notes to be includable in gross income for federal income tax purposes; provided that no such amendment shall reduce the rate of interest or amount of principal or extend the time of payment thereof with respect to any Series of District Notes.

In addition to the foregoing, (a) if such Series of District Notes is the second or subsequent Series of District Notes of a Participant and all obligations pertaining to all prior Series of District Notes have not been discharged, the Authority and the Trustee will not amend or permit the amendment of such subsequent Series of District Notes without the prior written consent of the Credit Provider(s), if any, and the Supplemental Credit Enhancer(s), if any, relating to such prior Series of District Notes, and without (i) (A) a determination that such amendment does not materially adversely affect the interest of the Authority Note Owners of the related prior Series of Authority Notes, or (B) the written consents of the Authority Note Owners of the related prior Series of Authority Notes of a majority in aggregate principal amount of each such prior Series of Authority Notes then Outstanding, and (ii) to the extent any Series of the District Notes will be allocated by the Authority to a Tax-Exempt Series of Authority Notes, an opinion of Counsel to the effect that such amendment will not cause interest on each such prior Series of Authority Notes to be includable in gross income for federal income tax purposes, and (b) if such Series of District Notes is the first Series issued by a Participant, and one or more subsequent Series of District Notes has been issued, the Authority and the Trustee will not amend or permit the amendment of the first Series of District Notes without the prior written consent of each Credit Provider (if applicable) or each Supplemental Credit Enhancer (if applicable) relating to such subsequent Series of District Notes, and without (i) (A) a determination that such amendment does not materially adversely affect the interests of the Authority Note Owners of each such subsequent Series of Authority Notes, or (B) the written consents of the Authority Note Owners of a majority in aggregate principal amount of each such related subsequent Series of Authority Notes then Outstanding, and (ii) to the extent any Series of the District Notes will be allocated by the Authority to a Tax-Exempt Series of Authority Notes, an Opinion of Counsel to the effect that such amendment will not cause interest on each such related subsequent Series of Authority Notes to be includable in gross income for federal income tax purposes.

Section 7.03. Observance of Laws and Regulations. The Authority will faithfully observe and perform all lawful and valid obligations or regulations now or hereafter imposed on it by contract, or prescribed by any, state or national law, 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 it, including its right to exist and carry on its business, to the extent that such observance or performance is material to the transactions contemplated hereby.

Section 7.04. Tax Covenants. (a) The Authority covenants that it shall not take any action, or fail to take any action, if such action or failure to take such action would adversely affect the exclusion from gross income of the interest payable on the Authority Tax-Exempt Notes for federal income tax purposes. Without limiting the generality of the foregoing, the Authority covenants that it will comply with the requirements of each Tax Certificate prepared by Note Counsel and executed by the Authority with respect to each separate “issue” of Tax-Exempt Notes

(each, a “Tax Certificate”), each of which is incorporated herein as if fully set forth herein. This covenant shall survive payment in full or defeasance of each Series of Authority Notes.

(b) In the event that at any time the Authority is of the opinion that for purposes of this Section 7.04 it is necessary or helpful to restrict or limit the yield on the investment of any moneys held by the Trustee under this Indenture, the Authority shall so instruct the Trustee under this Indenture in writing, and the Trustee shall act in accordance with such instructions. In addition, the Authority shall pay arbitrage rebate owed to the United States pursuant to Section 7.10 hereof and the applicable Tax Certificate.

(c) Notwithstanding any provisions of this section, if the Authority shall provide to the Trustee an Opinion of Counsel of recognized standing in the field of law relating to municipal bonds that any specified action required under this section is no longer required or that some further or different action is required to maintain the exclusion from federal income tax of interest on the Authority Tax-Exempt Notes or any Series of Authority Tax-Exempt Notes, the Trustee may conclusively rely on such opinion in complying with the requirements of this Section 7.04 and of the applicable Tax Certificate, and the covenants hereunder shall be deemed to be modified to that extent. The Trustee makes no covenant, representation or warranty concerning the current or future tax status of interest on the Authority Tax-Exempt Notes.

Section 7.05. Liens. So long as any Authority Notes are Outstanding, or any Pre-default Obligation or Reimbursement Obligation is outstanding, the Authority will not create or suffer to be created any pledge of or lien on the District Notes other than the pledge and lien hereof.

Section 7.06. Accounting Records and Statements. The Trustee shall keep proper books of record and account in accordance with corporate trust industry standards in which complete and correct entries shall be made of all transactions relating to the receipt, investment, disbursement, allocation and application of the District Notes repayments and the proceeds of the District Notes and the Authority Notes. Such records shall specify the account or fund to which each investment (or portion thereof) held by the Trustee is to be allocated and shall set forth, in the case of each investment: (a) its purchase price; (b) identifying information, including paramount, coupon rate, and payment dates; (c) the amount received at maturity or its sale price, as the case may be; (d) the amounts and dates of any payments made with respect thereto; and (e) such documentation as is required to be obtained as evidence to establish that all investments have been purchased in arms’ length transactions with no amounts paid to reduce the yield on the investments.

Such records shall be open to inspection by each Credit Provider, each Supplemental Credit Enhancer, the Authority and any Participant at any reasonable time during regular business hours on reasonable notice. Not later than 45 Business Days after the final Principal Payment Date, and upon retirement of all Authority Notes, the Trustee will furnish to the Participants, each Credit Provider, each Supplemental Credit Enhancer, the Authority and any Owner who may so request (at the expense of such Owner) a statement (which may be its regular account statements) covering the receipts, deposits and disbursements of the funds hereunder.

Section 7.07. Reserved.

Section 7.08. Further Assurances. Whenever and so often as requested to do so by the Trustee, any Credit Provider, any Supplemental Credit Enhancer, or any Owner, the Authority will promptly execute and deliver, or cause to be executed and delivered, all such other and further assurances, documents or instruments and promptly do or cause to be done all such other and further things as may be necessary or reasonably required in order to further and more fully vest in the Trustee, such Credit Provider, such Supplemental Credit Enhancer, and the Owners the benefit, protection and security conferred, or intended to be conferred, upon them hereby.

Section 7.09. Satisfaction of Predefault Obligations. In accordance with any applicable provisions of a Credit Agreement, and/or Supplemental Credit Enhancement Agreement, upon receipt of instructions from the Authority or any Participant, resulting from the Authority's or such Participant's receipt of notice and request for payment of Predefault Obligations from the applicable Credit Provider or Supplemental Credit Enhancer, pursuant to applicable provisions of the applicable Credit Agreement and/or Supplemental Credit Enhancement Agreement, as applicable, the Trustee shall remit to the applicable Credit Provider or Supplemental Credit Enhancer and/or Subordinate Credit Provider, moneys held by the Trustee and allocable to such liable Participant which moneys are available under this Indenture for payment of such amounts due to the applicable Credit Provider or Supplemental Credit Enhancer. However, the amount remitted from such moneys which are allocable to a specific Participant shall not exceed that Participant's allocable share of the total amount due to the applicable Credit Provider or Supplemental Credit Enhancer. If such moneys held by the Trustee are insufficient to pay the Participant's allocable share of such Predefault Obligations, the Participant shall pay the amount of the deficiency to the Trustee for remittance to the applicable Credit Provider or Supplemental Credit Enhancer. Moneys thus received by the Trustee from the Participants shall be deposited in the Authority Note Payment Fund and the applicable Payment Account attributable to the corresponding Participant and Series of Authority Notes and shall be paid to the applicable Credit Provider or Supplemental Credit Enhancer by the fifteenth (15th) day after delivery by the applicable Credit Provider or Supplemental Credit Enhancer to the Participant or Participants of notice that amounts are due to the applicable Credit Provider or Supplemental Credit Enhancer pursuant to the provisions of the applicable Credit Agreement or Supplemental Credit Enhancement Agreement.

Section 7.10. Rebate Fund. (a) The Trustee shall establish and maintain a fund separate from any other fund established and maintained hereunder designated as the Rebate Fund. The Authority shall cause to be deposited in the Rebate Fund such amounts as are required to be deposited therein pursuant to each Tax Certificate. Subject to the transfer provisions provided in paragraph (E) below, all money at any time deposited in the Rebate Fund shall be held by the Trustee in trust, to the extent required to satisfy the Rebate Amount (as defined in the applicable Tax Certificate), for payment to the federal government of the United States. The Authority, the Participants, each Credit Provider, each Supplemental Credit Enhancer, if any, the Owner of any Authority Notes shall have no rights in or claim to such money. All amounts deposited into or on deposit in the Rebate Fund shall be governed by this section and by the applicable Tax Certificate (which is incorporated herein by reference). The Trustee shall be deemed conclusively to have complied with such provisions if it follows the written directions of the Authority including supplying all necessary information in the manner provided in the applicable Tax Certificate, and

shall have no liability or responsibility to enforce compliance by the Participants or the Authority with the terms of the applicable Tax Certificate.

(b) Upon the Authority's written direction, an amount shall be deposited to the Rebate Fund and to a special account therein corresponding to the applicable Series of Authority Notes (the "Rebate Fund Subaccount") by the Trustee, if and to the extent required, so that the balance of such Rebate Fund Subaccount after such deposit shall equal the Rebate Amount for the Authority Note Year (as defined in the applicable Tax Certificate) calculated as of the most recent Calculation Date (as defined in the applicable Tax Certificate). Computations of the Rebate Amount shall be furnished by or on behalf of the Authority to the Trustee in accordance with the applicable Tax Certificate.

(c) The Trustee shall have no obligation to pay any amounts required to be paid as arbitrage rebate pursuant to this section, other than from moneys held in the funds and accounts created under this Indenture or from other moneys provided to it by the Participants or the Authority.

(d) The Trustee shall invest all amounts held in the Rebate Fund in Permitted Investments, according to written instructions of the Authority. The Trustee shall deposit all earnings (calculated by taking into account net gains or losses on sales or exchanges and taking into account amortized discount or premium as a gain or loss, respectively) on investments held in a particular Rebate Fund Subaccount into such Rebate Fund Subaccount. Money shall not be transferred from the Rebate Fund except as provided in (e) below.

(e) Upon receipt of the Authority's written directions, the Trustee shall pay the amount it is so directed to pay by the Authority to the United States. In addition, if on the first day of any Authority Note Year the amount credited to a Rebate Fund Subaccount exceeds the Rebate Requirements, if the Authority so directs, the Trustee will deposit moneys into or transfer moneys out of such Rebate Fund Subaccount to the extent of such excess from or into such accounts or funds as directed by the Authority's written directions. Any funds remaining in the Rebate Fund Subaccounts after redemption and payment of all of the Authority Notes and payment and satisfaction of all Rebate Amount, Predefault Obligations and Reimbursement Obligations pertaining to any Series of Authority Notes shall be withdrawn and remitted to the Authority [which shall, in turn, remit such amount to the Participants pro rata in accordance with the principal amount of the Participants' corresponding Series of District Notes or as otherwise instructed by Note Counsel.]

(f) Notwithstanding any other provision of this Indenture, including in particular Article XI hereof, the obligation to pay the Rebate Amounts to the United States and to comply with all other requirements of this section and the applicable Tax Certificate shall survive the defeasance or payment in full of the Authority Notes.

(g) Without limiting the generality of the foregoing, the Authority agrees that it will pay or cause to be paid from time to time all amounts required to be paid to the United States pursuant to Section 148(f) of the Code and any temporary, proposed or final Treasury Regulations as may be applicable to the Authority Notes from time to time. This covenant shall survive payment in full or defeasance of the Authority Notes. The Authority specifically covenants to pay

or cause to be paid to the United States at the times and in the amount determined above the Rebate Amounts, as described in the applicable Tax Certificate but only from amounts derived hereunder or from the Participants. The Trustee shall comply with all written instructions of the Authority given in accordance with the Authority's responsibilities under the applicable Tax Certificate. The Trustee shall have no responsibility to research, calculate, or verify any instructions received from the Authority pursuant to the applicable Tax Certificate.

(h) Notwithstanding any provision of this Section, if the Authority shall provide to the Trustee an Opinion of Counsel to the effect that any action required under this Section is no longer required, or to the effect that some further action is required, to maintain the exclusion from gross income of the interest on the Authority Notes for federal income tax purposes, the Authority and the Trustee may rely conclusively on such opinion in complying with the provisions hereof and such opinion.

ARTICLE VIII

DEFAULT AND LIMITATIONS OF LIABILITY

Section 8.01. Action on Default. If any "Event of Default" as defined in a Participant Resolution shall occur and be continuing, then such default shall constitute an "Event of Default" hereunder, and in each and every such case during the continuance of such Event of Default the Trustee or, subject to Section 8.05, the Owners of not less than a majority in aggregate principal amount of the corresponding Series of Authority Notes at the time Outstanding shall be entitled, upon notice in writing to such Participant, to exercise the remedies provided to the Owner of the Series of District Notes then in default or under the Participant Resolution pursuant to which it was issued.

Section 8.02. Other Remedies of the Trustee. The Trustee shall have the right—

(a) by mandamus or other action or proceeding or suit at law or in equity to enforce its rights against any Participant or any trustee, member, officer or employee thereof, and to compel any such Participant or any such trustee, member, officer or employee thereof to observe or perform its or his duties under applicable law and the agreements, conditions, covenants and terms contained herein, or in the applicable Series of District Notes and Participant Resolution, required to be observed or performed by it or him;

(b) by suit in equity to enjoin any acts or things which are unlawful or violate the rights of the Trustee, the Owners of the corresponding Series of Authority Notes, or the corresponding Credit Provider or Supplemental Credit Enhancer; or

(c) by suit in equity upon the happening of any default hereunder to require any Participant and any trustee, member, officer and employee thereof to account as the trustee of any express trust.

Section 8.03. Non-Waiver. A waiver by the Trustee of any default hereunder or breach of any obligation hereunder shall not affect any subsequent default hereunder or any subsequent breach of an obligation hereunder or impair any rights or remedies on any such subsequent default hereunder or on any such subsequent breach of an obligation hereunder. No

delay or omission by the Trustee to exercise any right or remedy accruing upon any default hereunder shall impair any such right or remedy or shall be construed to be a waiver of any such default hereunder or an acquiescence therein, and every right or remedy conferred upon the Trustee by applicable 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, the corresponding Credit Provider, the corresponding Supplemental Credit Enhancer, the Authority or the Participants, then such parties shall be restored to their former positions, rights and remedies as if such action, proceeding or suit had not been brought or taken.

Notwithstanding anything to the contrary, no waiver by the Trustee of any default hereunder or breach of any obligation hereunder with respect to any Participant shall be effective without the prior written consent of the corresponding Credit Provider and Supplemental Credit Enhancer, as applicable.

Section 8.04. Application of Funds. All moneys received by the Trustee pursuant to any right given or action taken under the provisions of this Article VIII shall be apportioned by the Trustee, after payment of all amounts due and payable under Section 9.03 hereof, in accordance with the priority provisions set forth in Section 8(F) of the applicable Participant's Resolution. Each such apportioned payment shall be deposited into the segregated Payment Accounts attributable to the corresponding Series of District Notes of the defaulting Participant in the Authority Note Payment Fund and shall be applied by the Trustee in the following order upon presentation of the several affected Series of Authority Notes, and the stamping thereon of the payment if only partially paid, or upon the surrender thereof if fully paid:

First, Costs and Expenses: to the payment of the costs and expenses of the Trustee and of the Owners in declaring such Event of Default, including reasonable compensation to its or their agents, attorneys and counsel;

Second, Interest: to the payment to the persons entitled thereto of all payments of interest on the applicable Series of Authority Notes then due in the order of the due date of such payments, and, if the amount available shall not be sufficient to pay in full any payment or payments coming due on the same date, then to the payment thereof ratably, according to the amounts due thereon, to the persons entitled thereto, without any discrimination or preference;

Third, Principal: to the payment to the persons entitled thereto of the unpaid principal of the applicable Series of Authority Notes which shall have become due, in the order of their due dates, with interest on the overdue principal and interest on the applicable Series of Authority Notes at a rate equal to the applicable Default Rate and, if the amount available shall not be sufficient to pay in full all the amounts due with respect to the applicable Series of Authority Notes on any date, together with such interest, then to the payment thereof ratably, according to the amounts of principal due on such date to the persons entitled thereto, without any discrimination or preference; and

Fourth, Predefault Obligations and Reimbursement Obligations: to the payment of all Predefault Obligations and Reimbursement Obligations not paid applicable to such Participant which the Credit Provider(s) and/or Supplemental Credit Enhancer(s) will apply in accordance with the corresponding Credit Agreement(s) and/or Supplemental Credit Enhancement Agreement(s);

provided, however, that all amounts in the Credit Account of the Credit Fund attributable to each such Series shall be applied (without regard to Section 9.03 hereof) solely to payment of the principal of and interest on the corresponding Series of Authority Notes; and provided, further, that the Trustee shall follow the instructions contained in an Opinion of Counsel provided by the Authority and rebate or set aside for rebate from the specified funds held hereunder any amount pursuant to such instructions required to be paid to the United States of America under the Code.

Section 8.05. Remedies Not Exclusive; Supplemental Credit Enhancer's or Credit Provider's Control of Remedies. No remedy conferred herein upon or reserved herein to the Trustee is intended to be exclusive and all remedies shall be cumulative and each remedy shall be in addition to every other remedy given hereunder or now or hereafter existing under applicable law or equity or by statute or otherwise and may be exercised without exhausting and without regard to any other remedy conferred by any other applicable law.

Notwithstanding anything to the contrary herein, each Supplemental Credit Enhancer or Credit Provider, if any, in such order, so long as it has not failed to comply with its payment obligations under the corresponding Supplemental Credit Enhancement or Credit Instrument, as applicable, shall have the right to direct the remedies upon any Event of Default hereunder relating to the corresponding Series of District Notes or Authority Notes but only so long as such action will not materially adversely affect the rights of any Owner, and such Supplemental Credit Enhancer's or Credit Provider's prior consent shall be required to any remedial action proposed to be taken by the Trustee hereunder. The Trustee shall immediately notify DTC (or any successor securities depository), the applicable Credit Provider and the Supplemental Credit Enhancer, if any, and the Authority of any Event of Default and of the curing of any Event of Default of which a responsible officer of the Trustee has actual knowledge.

Section 8.06. Exercise of Remedies. Upon the exercise by the requisite number of Owners, the Trustee, the Credit Provider or the Supplemental Credit Enhancer of its right of action to institute suit directly against a Participant to enforce payment of the corresponding Series of District Notes, any moneys recovered by such action shall be deposited with the Trustee and applied as provided in Section 8.04.

Section 8.07. Limited Liability of the Authority. Except as expressly provided herein, the Authority shall not have any obligation or liability to the Trustee, the Owners, any Credit Provider or any Supplemental Credit Enhancer with respect to the payment when due of the District Notes by the Participants, or with respect to the observance or performance by the Participants of the other agreements, conditions, covenants and terms contained in the District Notes and the Participant Resolutions (including but not limited to any rebate liability on the District Notes), or with respect to the performance by the Trustee of any obligation contained herein required to be performed by it. Notwithstanding anything to the contrary contained in the Authority Notes, this Indenture or any other document related thereto, the Authority shall not have

any liability hereunder or by reason hereof or in connection with any of the transactions contemplated hereby except to the extent payable from moneys received from or with respect to the District Notes and available thereof in accordance with this Indenture. The Authority may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or through agents or attorneys, and the Authority shall not be responsible for any willful misconduct or negligence on the part of any agent (other than an employee) or attorney appointed with due care.

The Authority may consult with counsel, and the written advice of such counsel or any opinion of counsel shall be full authorization and protection with respect to any action taken, suffered or omitted by them hereunder in good faith and reliance thereon. The Authority agrees to cause the Participants to pay the fees and expenses of such counsel in connection herewith.

The Authority shall not be charged with notice or knowledge of any default hereunder unless and until a responsible officer of the Trustee or the Authority charged with the administration of this Indenture shall have actual knowledge thereof.

Section 8.08. Limited Liability of the Participants. Except as expressly provided in the respective District Notes and Participant Resolutions, the Participants shall not have any obligation or liability to the Authority, the Trustee, the Owners, any Credit Provider or any Supplemental Credit Enhancer with respect to this Indenture or the preparation, execution, delivery, transfer, exchange or cancellation of the Authority Notes or the receipt, deposit or disbursement of the principal of and interest on the District Notes by the Trustee, or with respect to the performance by the Trustee of any obligation contained herein required to be performed by it.

Notwithstanding anything to the contrary herein or in any District Notes or document referred to herein, no Participant shall incur any obligation under Article VIII, Section 3.03(b), Section 5.01, or Section 6.01 or otherwise hereunder, except to the extent payable from unencumbered revenues attributable to its 2020-21 fiscal year, nor shall any Participant incur any obligation on account of any default, action or omission of any other Participant.

Section 8.09. Limited Liability of the Trustee. Except as expressly provided herein, the Trustee shall not have any obligation or liability to the Owners, any Credit Provider or any Supplemental Credit Enhancer with respect to the payment when due of the District Notes by the Participants, or with respect to the observance or performance by the Participants of the other agreements, conditions, covenants and terms contained in the District Notes and the Participant Resolutions.

ARTICLE IX

THE TRUSTEE

Section 9.01. Employment and Duties of the Trustee. The Authority appoints and employs the Trustee to receive deposit and disburse the proceeds of and payments on the District Notes as provided herein, to register, authenticate, deliver, transfer, exchange and cancel the Authority Notes as provided herein, to pay the interest on and principal of the Authority Notes

to the Owners thereof as provided herein and to perform the other obligations of the Trustee, and to exercise the remedies contained herein, all in the manner provided herein and subject to the conditions and terms hereof. By executing and delivering this Indenture, the Trustee undertakes to perform such obligations.

Prior to an Event of Default, and after all Events of Default have been cured, the Trustee shall only perform the duties specifically set forth in this Indenture, and no implied duties, covenants or obligations shall be read into this Indenture. During the existence of an uncured Event of Default, the Trustee shall exercise such of the rights and powers vested in it herein and use the same degree of care and skill in their exercise as a prudent person would exercise or use under the circumstances in the conduct of personal affairs; provided, however, with respect to any Event of Default caused by a Participant, the Trustee shall only exercise such rights and powers with respect to such Participant.

The Trustee shall bear no responsibility for the recitals contained in this Indenture. The Trustee makes no representation regarding the security for the Authority Notes or the tax status of the interest thereon.

Section 9.02. Removal and Resignation of the Trustee. The Authority, with the consent of the Series A Credit Provider, and the Series A Supplemental Credit Enhancer, if any, may at any time remove the Trustee by giving written notice of such removal by mail to the Trustee, all of the Participants, all Owners of Authority Notes, all Additional Supplemental Credit Enhancers and Additional Credit Providers, if any, and the Trustee may at any time resign by giving written notice by mail of resignation to all Credit Providers, the Authority, the Participants, all Supplemental Credit Enhancers and all Owners of Authority Notes. The Series A Credit Provider or the Series A Supplemental Credit Enhancer, may, at any time remove the Trustee if such Series A Credit Provider or Series A Supplemental Credit Enhancer, as applicable, is not in default on its payment obligations under the corresponding Series A Credit Instrument or Series A Supplemental Credit Enhancement, as applicable. The Series A Credit Provider or Series A Supplemental Credit Enhancer, as applicable, shall give written notice by mail of such removal to the Trustee, the Authority, all Supplemental Credit Enhancers, all of the Participants, any Additional Credit Provider, if any and as applicable, all of the Supplemental Credit Enhancers and all Owners of Authority Notes. If such removal is at the request of the Series A Credit Provider or Series A Supplemental Credit Enhancer, and the Trustee has not been removed due to its willful misconduct or negligence hereunder, such Series A Credit Provider or Series A Supplemental Credit Enhancer, shall reimburse the Authority and the Participants for any additional costs resulting from such removal. Upon giving any such notice of removal or upon receiving any such notice of removal or resignation, the Authority shall promptly appoint a successor Trustee acceptable to the Series A Credit Provider and Series A Supplemental Credit Enhancer, as applicable, by an instrument in writing; provided, that if the Authority does not appoint a successor Trustee within sixty (60) days following the giving of any such notice of removal or the receipt of any such notice of resignation, the removed or resigning Trustee may petition any appropriate court having jurisdiction to appoint a successor Trustee. Any successor Trustee shall be a commercial bank with trust powers or trust company doing business and having a principal corporate trust office either in Los Angeles or San Francisco, California, having a combined capital (exclusive of borrowed capital) and surplus of at least one hundred million dollars (\$100,000,000) and subject to supervision or examination by state or national authorities. If such bank or trust

company publishes a report of condition at least annually, pursuant to law or to the requirements of any supervising or examining authority above referred to, then for the purposes of this section the combined capital and surplus of such bank or trust company shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published.

In the event the Series A Authority Notes are paid in full and all Predefault and Reimbursement Obligations due and owing with respect to such Series A Authority Notes have been satisfied, the provisions of the preceding paragraph will apply with the phrase “applicable Additional Credit Provider” substituted for the Series A Credit Provider.

Any removal or resignation of a Trustee and appointment of a successor Trustee shall become effective only when the successor Trustee has provided written acceptance of its appointment to the Authority and each Credit Instrument, if any, and Supplemental Credit Enhancement, if any, are transferred in accordance with their respective terms.

Section 9.03. Compensation of the Trustee. The Authority, solely from amounts held in the Costs of Issuance Fund or paid by the Participants specifically for such purpose, shall from time to time, subject to any agreement then in effect with the Trustee, pay the Trustee compensation for its services (which compensation shall not be limited by any provision of law in regard to the compensation of a trustee of an express trust) and reimburse the Trustee for all its advances and expenditures hereunder, including, but not limited to, advances to and fees and expenses of accountants, agents, appraisers, consultants, counsel (including the allocated costs and disbursements of in-house counsel, to the extent such services are not redundant with those provided by outside counsel) or other experts employed by it in the observance and performance of its rights and obligations hereunder; provided, that the Trustee shall not have any lien for such compensation or reimbursement against any money held by it in any of the funds established hereunder, although the Trustee may take whatever legal actions are available to it directly against the Participants to recover such compensation or reimbursement.

Each Participant has agreed in its Participant Resolution to be liable for and pay its *pro rata* portion of the fees and expenses of the Trustee provided for in this section relating to its District Notes and the corresponding Series of Authority Notes. Each Participant has further agreed in its Participant Resolution to jointly and severally indemnify the Trustee and its officers, directors, agents and employees for losses, costs, expenses (including legal fees and expenses) suits, damages, judgments and liabilities incurred by the Trustee hereunder not resulting from Trustee’s own negligence or willful misconduct.

Section 9.04. Protection of the Trustee. The Trustee shall be protected and shall incur no liability in acting or proceeding upon any affidavit, bond, Certificate, consent, notice, Request, Requisition, resolution, statement, telegram, voucher, waiver or other paper or document which it shall believe to be genuine and to have been adopted, executed or delivered by the proper party or pursuant to any of the provisions hereof, and the Trustee shall be under no duty to make any investigation or inquiry as to any statements contained or matters referred to in any such instrument, but may accept and rely upon the same as conclusive evidence of the truth and accuracy of such statements. The Trustee may consult with counsel, who may be counsel to the Authority or the Participants, with regard to legal questions arising hereunder, and the opinion of such

counsel shall be full and complete authorization and protection in respect to any action taken or suffered by it hereunder in accordance therewith.

The Trustee shall not be responsible for the sufficiency of the payments on the District Notes, or of the assignment made to it of all rights to receive the payments on the District Notes and shall not be deemed to have knowledge of any Event of Default unless and until a responsible officer has actual knowledge thereof or has received written notice thereof at its principal corporate trust office in Los Angeles, California. The Trustee shall not be accountable for the use or application by the Participants, or any other party, of any funds which the Trustee properly releases to the Participants or which the Participants may otherwise receive from time to time. The Trustee makes no representation concerning, and has no responsibility for, the validity, genuineness, sufficiency, or performance by parties other than the Trustee of this Indenture, any Authority Note, any District Note, any Participant Resolution, any Credit Instrument, any Supplemental Credit Enhancement, any Credit Agreement, any Supplemental Credit Enhancement Agreement or of any other paper or document, or for taking any action on them (except as specifically and expressly stated for the Trustee in this Indenture).

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

The Trustee and its officers and employees may buy, sell, own, hold and deal in any of the Authority Notes and may join in any action which any Owner may be entitled to take with like effect as if it were not a party hereto. The Trustee, either as principal or agent, may also engage in or be interested in any financial or other transaction with the Participants, and may act as agent, depository or trustee for any committee or body of Owners or of owners of obligations of the Participants as freely as if it were not the Trustee hereunder.

The Trustee shall not be liable for the exercise of any of its rights hereunder or for the performance of any of its obligations hereunder or for anything whatsoever in connection with the funds established hereunder, except only for its own willful misconduct or negligence. Absent negligence or willful misconduct, the Trustee shall not be liable for an error of judgment.

No provision hereof shall require the Trustee to expend or risk its own funds or otherwise incur any financial or other liability or risk in the performance of any of its obligations hereunder, or in the exercise of any of its rights hereunder, and before taking any remedial action hereunder (other than drawing on the applicable Credit Instrument or applicable Supplemental Credit Enhancement, as the case may be) the Trustee may require that indemnity satisfactory to it be furnished for all expenses to which it may be put and to protect it, its directors, officers, employees and agents from all liability thereunder. The Trustee may execute any of its trusts or other powers or perform its duties through attorneys, agents or receivers.

The Trustee shall have no responsibility with respect to any information, statement or recital in any official statement, offering memorandum or any other disclosure material prepared or distributed with respect to any Series of the Authority Notes.

Anything in this Indenture to the contrary notwithstanding, in no event shall the Trustee be liable for special, indirect, punitive or consequential loss or damage of any kind whatsoever (including but not limited to lost profits), even if the Trustee has been advised of the likelihood of such loss or damage and regardless of the form of action. The Trustee shall not be liable to the parties hereto or deemed in breach or default hereunder if and to the extent its performance hereunder is prevented by reason of force majeure. The term “*force majeure*” means an occurrence that is beyond the control of the Trustee and could not have been avoided by exercising due care. Force majeure shall include acts of God, terrorism, war, riots, strikes, fire, floods, earthquakes, epidemics or other similar occurrences.

The Trustee shall have the right to accept and act upon instructions, including funds transfer instructions (“Instructions”) given pursuant to this 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 Authority 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 Authority, whenever a person is to be added or deleted from the listing. If the Authority 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 Authority understands and agrees 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 Authority shall be responsible for ensuring that only Authorized Officers transmit such Instructions to the Trustee and that the Authority 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 Authority. 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 such directions conflict or are inconsistent with a subsequent written instruction. The Authority agrees: (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 it is 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 Authority; (iii) that the security procedures (if any) to be followed in connection with its transmission of Instructions provide to it 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.

Section 9.05. Notices to Rating Agencies. The Trustee shall notify S&P and Moody's (or whichever one is then rating any Series of the Authority Notes), in writing, upon occurrence of any of the following events: (i) any amendment, supplement or other change to this Indenture from the form originally executed and entered into; (ii) any amendment, supplement or other change to any Credit Agreement or Supplemental Credit Enhancement Agreement from the form originally executed and entered into; (iii) any amendment, supplement or other change to any Credit Instrument or Supplemental Credit Enhancement from the form originally executed and entered into; (iv) any amendment, supplement or other change to any Participant Resolution (that the Trustee is aware of); (v) the termination of any Credit Instrument or Supplemental Credit Enhancement or any Investment Agreement; (vi) the occurrence or curing of any Event of Default; (vii) defeasance of the Authority Notes or any Series or portion thereof; and (viii) the tax-exempt status of the Authority Notes has been adversely affected, and the Trustee has received specific notice thereof from the Authority; provided, however, that the Trustee shall incur no liability for failure to so notify.

ARTICLE X

AMENDMENT OF OR SUPPLEMENT TO THE INDENTURE

Section 10.01. Amendment or Supplement of Indenture. This Indenture and the rights and obligations of the Owners and the Trustee hereunder may be amended or supplemented at any time by an amendment hereof or supplement hereto which shall become binding when the written consents of each Credit Provider, each Supplemental Credit Enhancer, and of the Owners of a majority in aggregate principal amount of the Authority Notes then Outstanding, exclusive of Authority Notes disqualified as provided in Section 10.02, are filed with the Trustee. No such amendment or supplement shall (1) reduce the rate of interest on any Authority Note or extend any Interest Payment Date applicable to any Series of Authority Notes or reduce the amount of principal of any Authority Note or extend the Principal Payment Date applicable to any Series of Authority Notes (it being understood, however, that any such extension shall have no effect on duration of the applicable Credit Instrument or the applicable Supplemental Credit Enhancement, as the case may be) or modify the payment priority for any Authority Note without the prior written consent of the Owner of the Authority Notes so affected, or (2) reduce the percentage of Owners whose consent is required by the terms of this Indenture for the execution of certain amendments hereof or supplements hereto, or (3) modify any of the rights or obligations of the Trustee without its prior written consent thereto.

This Indenture and the rights and obligations of the Owners and the Trustee hereunder may also be amended or supplemented at any time by an amendment hereof or supplement hereto which shall become binding upon execution with the prior written consent of each Credit Provider and each Supplemental Credit Enhancer, but without the written consents of any Owners, in order to make any modifications or changes to Exhibits B, C or D hereto or to make any modifications or changes necessary or appropriate in the Opinion of Counsel to preserve or protect the exclusion from gross income of interest on any or all of the Authority Notes for federal income tax purposes, or, but only to the extent that such amendment shall not materially adversely affect the interests of the Owners, for any purpose including, without limitation, one or more of the following purposes—

(a) to add to the agreements, conditions, covenants and terms contained herein required to be observed or performed by the Authority, other agreements, conditions, covenants and terms thereafter to be observed or performed by the Authority, or to surrender any right reserved herein to or conferred herein on the Authority;

(b) to make such provisions for the purpose of curing any ambiguity or of correcting, curing or supplementing any defective provision contained herein or in regard to questions arising hereunder which the Authority may deem desirable or necessary; or

(c) to modify, amend or supplement this Indenture or any supplement hereto in such manner as to permit the qualification hereof and thereof under the Trust Indenture Act of 1939 or any similar federal statute hereafter in effect or to permit the qualification of the Authority Notes for sale under the securities laws of the United States of America or of any of the states of the United States of America and, if the Authority or Note Counsel so determine, to add to this Indenture or any supplement hereto such other terms, conditions and provisions as may be permitted by said Trust Indenture Act of 1939 or similar federal statute.

This Indenture and the rights and obligations of the Owners and the Trustee hereunder may also be amended or supplemented at any time by an amendment hereof or supplement hereto which shall become binding upon execution without the prior written consent of any Credit Provider, any Series A Supplemental Credit Enhancer, or any Series A Authority Note Owners, for the purpose of issuing and securing one or more Series of Additional Authority Notes.

Section 10.02. Disqualified Authority Notes. Authority Notes held for the account of the Authority or the Participants (but excluding Authority Notes held in any pension or retirement fund of the Participants) shall not be deemed Outstanding for the purpose of any consent or other action or any calculation of Outstanding Authority Notes provided herein, and shall not be entitled to consent to or take any other action provided herein, and the Trustee may adopt appropriate regulations to require each Owner, before his consent provided for herein shall be deemed effective, to reveal if the Authority Notes as to which such consent is given are disqualified as provided in this section.

Section 10.03. Procedure for Amendment with Written Consent of the Owners Each Supplemental Credit Enhancer and/or Each Credit Provider. This Indenture may be amended by supplemental agreement as provided in this Section 10.03 in the event the consent of the Owners and each Credit Provider and each Supplemental Credit Enhancer is required pursuant to Section 10.01 hereof. A description of the proposed amendment, together with a request to the Owners for their consent thereto, shall be mailed by the Trustee to each Owner of an Outstanding Authority Note and each Credit Provider and each Supplemental Credit Enhancer at their addresses as set forth in the Registration Books maintained pursuant to Section 2.07 hereof, but failure to receive copies of such description and request so mailed shall not affect the validity of the supplemental agreement when assented to as in this section provided. Nothing herein shall be deemed to require the mailing of the supplemental agreement itself to the Owners.

Such supplemental agreement shall not become effective unless there shall be filed with the Trustee the written consent of the Owners of at least a majority in aggregate principal amount of the Authority Notes then Outstanding (exclusive of Authority Notes disqualified as provided in

Section 10.02 hereof) and each Credit Provider and each Supplemental Credit Enhancer, and notices shall have been mailed as hereinafter in this section provided. Each such consent shall be effective only if accompanied by proof of ownership of the Authority Notes for which such consent is given, which proof shall be acceptable to the Trustee. Any such consent shall be binding upon the Owner of the Authority Note giving such consent and on any subsequent Owner (whether or not such subsequent Owner has notice thereof) unless such consent is revoked in writing by the Owner giving such consent or a subsequent Owner by filing such revocation with the Trustee prior to the date when the Trustee has received the required percentage of consents of the Owners of the Authority Notes and acknowledged the same to the Participants.

After the Owners of the required percentage of Authority Notes and each Credit Provider, each Supplemental Credit Enhancer shall have filed their consents to such supplemental agreement, the Trustee shall acknowledge to the Authority, each Credit Provider and each Supplemental Credit Enhancer the effectiveness of the agreement and shall mail a notice to the Participants, each Credit Provider, each Supplemental Credit Enhancer and the Owners of the Authority Notes in the manner hereinbefore provided in this section for the mailing of such description, stating in substance that such supplemental agreement has been consented to by the Owners of the required percentage of Authority Notes and is effective as provided in this section (but failure to mail copies of said notice shall not affect the validity of such supplemental agreement or consents thereto). A record, consisting of the papers required by this section to be filed with the Trustee, shall be proof of the matters therein stated until the contrary is proved.

Section 10.04. Endorsement or Replacement of Authority Notes after Amendment or Supplement. After the effective date of any action taken as hereinabove provided, the Trustee or the Authority may determine that the Authority Notes shall bear a notation by endorsement in form approved by the Trustee as to such action, and in that case upon demand of the Owner of any Outstanding Authority Note and presentation of the Authority Note for such purpose at the office of the Trustee a suitable notation as to such action shall be made on such Authority Note. If the Trustee or the Authority shall so determine, new Authority Notes so modified as in the opinion of the Trustee shall be necessary to conform to such action shall be prepared, and in that case upon demand of the Owner of any Outstanding Authority Notes, such new Authority Notes shall be exchanged without cost to each Owner for Authority Notes then Outstanding at the office of the Trustee upon surrender of such Outstanding Authority Notes. All Authority Notes surrendered to the Trustee pursuant to the provisions of this section shall be cancelled by the Trustee and shall not be redelivered.

Section 10.05. Amendment or Supplement by Mutual Consent. The provisions of this article shall not prevent any Owner from accepting any amendment or supplement as to the particular Authority Notes owned by him; provided, that due notation thereof is made on such Authority Notes. No amendment or supplement of a Authority Note shall be made without prior compliance with the provisions of this Article X pertaining to amendment or supplement of this Indenture.

ARTICLE XI

DEFEASANCE

Section 11.01. Discharge of Authority Notes and Indenture.

(a) If the Trustee shall pay or cause to be paid or there shall otherwise be paid to the Owners of all Outstanding Authority Notes the interest and principal thereof at the times and in the manner provided herein and therein, then such Owners shall cease to be entitled to the pledge of and lien on the District Notes and District Notes payments and any interest in the funds held hereunder as provided herein, and all agreements and covenants of the Authority to such Owners hereunder shall thereupon cease, terminate and become void and shall be discharged and satisfied.

(b) Any Outstanding Series of Authority Notes shall on their applicable Principal Payment Date be deemed to have been paid within the meaning of and with the effect expressed in subsection (a) of this section if there shall be on deposit with the Trustee moneys which are sufficient to pay the interest on and principal of such Series of Authority Notes payable on and prior to their applicable Principal Payment Date.

(c) Any Outstanding Series of Authority Notes shall prior to their applicable Principal Payment Date be deemed to have been paid within the meaning of and with the effect expressed in subsection (a) of this section if there shall have been deposited with the Trustee either moneys in an amount which shall be sufficient or United States Treasury bills, notes, bonds or certificates of indebtedness, or obligations for which the full faith and credit of the United States of America are pledged for the payment of interest and principal, and which are purchased with moneys and are not subject to redemption except by the holder thereof prior to maturity (including any such securities issued or held in book-entry form on the books of the Department of the Treasury of the United States of America), the interest on and principal of which when paid will provide money which, together with the moneys, if any, deposited with the Trustee at the same time, shall be sufficient, in the opinion of an independent certified public accountant delivered to the Trustee and the corresponding Credit Provider and Supplemental Credit Enhancer, as the case may be, to pay when due the interest on such Series of Authority Notes and the principal of such Authority Notes on the applicable Principal Payment Date.

(d) After the payment of the interest on and principal of all Outstanding Authority Notes as provided in this section, at the Request of the Authority (if provided), the Trustee shall execute and deliver to the Authority and the Participants all such instruments as they may deem necessary or desirable to evidence the discharge and satisfaction of this Indenture, and the Trustee shall pay over or deliver to the Participants all money or deposits or investments held by it pursuant hereto (except for moneys held in the Rebate Fund) which are not required for the payment of the interest on and principal of such Authority Notes and the Trustee shall surrender all Credit Instruments and all Supplemental Credit Enhancements, to the applicable Credit Providers and Supplemental Credit Enhancers, respectively, for cancellation by the same.

(e) Notwithstanding anything to the contrary herein, this Indenture shall not be discharged without the prior written consent of the applicable Credit Providers and Supplemental Credit Enhancers until all Predefault Obligations and Reimbursement Obligations have been paid

or payment duly provided for by the Trustee's retention of sufficient funds to pay all Predefault Obligations and Reimbursement Obligations due or to become due as of the date of such discharge.

Section 11.02. Unclaimed Money. Anything contained herein to the contrary notwithstanding, any money held by the Trustee in trust for the payment and discharge of the interest on or principal of any Authority Notes which remains unclaimed for two (2) years after the date when the payments on such Authority Notes have become payable, if such money was held by the Trustee on such date, or for two (2) years after the date of deposit of such money if deposited with the Trustee after the date when the interest on and principal of such Authority Notes have become payable, shall be repaid by the Trustee to the Participants as their interests appear as their 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 Participants for the payment of the interest on and principal of such Authority Notes it being understood that all Credit Instruments and all Supplemental Credit Enhancements, as applicable, shall no longer be in effect at that time; provided, that before being required to make any such payment to the Participants, the Trustee shall, as a charge on such funds, give notice by mail to all Owners of Authority Notes that such money remains unclaimed and that after a date named in such notice, which date shall not be less than sixty (60) days after the date of giving such notice, the balance of such money then unclaimed will be returned to the Participants.

ARTICLE XII

MISCELLANEOUS

Section 12.01. Benefits of the Indenture Limited to Parties. Nothing contained herein, expressed or implied, is intended to give to any person other than the Participants, the Trustee, the Authority, the Owners, each Credit Provider, and each Supplemental Credit Enhancer, 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 Authority shall be for the sole and exclusive benefit of the Trustee, the Participants, each Credit Provider, each Supplemental Credit Enhancer, the Owners and their successors.

Section 12.02. Successor Deemed Included in All References to Predecessor. Whenever the Authority or 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 Authority or the Trustee or such officer, and all agreements, conditions, covenants and terms contained herein required to be observed or performed by or on behalf of the Authority or the Trustee or any officer thereof shall bind and inure to the benefit of the respective successors thereof whether so expressed or not.

Section 12.03. Execution of Documents by Owners. Any consent, declaration, 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 such Owner's attorney of any consent, declaration, request or other instrument or of any writing appointing such attorney may be proved by the certificate of any notary public or other officer authorized to take acknowledgments of deeds to be recorded in the state or territory in which he

purports to act that the person signing such declaration, request or other instrument or writing acknowledged to him the execution thereof, or by an affidavit of a witness of such execution duly sworn to before such notary public or other officer, or by such other proof as the Trustee may accept which it may deem sufficient.

Any consent, declaration, request or other instrument in writing of the Owner of any Authority Note shall bind all future Owners of such Authority Note with respect to anything done or suffered to be done by the Authority, Participants or the Trustee in accordance therewith.

Section 12.04. Waiver of Personal Liability; No Liability of Authority Members. No trustee, member, officer or employee of the Participants or the Authority shall be individually or personally liable for the payment of the interest on or principal of the Authority Notes, but nothing contained herein shall relieve any trustee, member, officer or employee of the Participants or the Authority from the performance of any official duty provided by any applicable provisions of law or by the District Notes or the Participant Resolution or this Indenture.

Notwithstanding anything to the contrary herein or in any other document, no entity that is a member of the Authority, its officers, directors, employees, and agents, shall have any liability of any kind hereunder or by reason of or in connection with any of the transactions contemplated hereby, other than in its capacity (if any) as a Participant hereunder.

Section 12.05. Content of Certificates; Post-Issuance Legal Opinions. Every certificate of the Authority or the Participants with respect to compliance with any agreement, condition, covenant or term contained herein shall include: (a) a statement that the person or persons executing such certificate have read such agreement, condition, covenant or term and the definitions herein relating thereto; (b) a brief statement as to the nature and scope of the examination or investigation upon which the statements contained in such certificate are based; (c) a statement that, in the opinion of the signers, they have made or caused to be made such examination or investigation as is necessary to enable them to express an informed opinion as to whether or not such agreement, condition, covenant or term has been complied with; and (d) 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 Authority or the Participants may be based, insofar as it relates to legal matters, upon an Opinion of Counsel unless the person or persons executing such certificate know that the Opinion of Counsel with respect to the matters upon which his or their 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 and information with respect to which is in the possession of the Participants or the Authority, upon a representation by an officer or officers of the Participants or the Authority unless the counsel executing such Opinion of Counsel knows that the representation with respect to the matters upon which his opinion may be based; as aforesaid, is erroneous, or in the exercise of reasonable care should have known that the same was erroneous.

Section 12.06. Notice by Mail. Any notice required to be given hereunder by mail to any Owners of Authority Notes shall be given by mailing a copy of such notice, first class postage prepaid, to the Owners of such Authority Notes at their addresses appearing in the books

required to be kept by the Trustee pursuant to the provisions of Section 2.07 and to all Credit Providers and all Supplemental Credit Enhancers not less than thirty (30) days nor more than sixty (60) days following the action or prior to the event concerning which notice thereof is required to be given; provided, that receipt of any such notice shall not be a condition precedent to the effectiveness 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 12.07. 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 purpose 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 industry practice and with due regard for the instructions, if any, delivered to the Trustee pursuant to Section 7.04(b) and for the protection of the security of the Authority Notes and the rights of the Owners and all Credit Providers and all Supplemental Credit Enhancers. All moneys held by the Trustee shall be held in trust, but need not be segregated from other funds unless specifically required by this Indenture.

Section 12.08. Continuing Disclosure. (a) The Authority together with the State Treasurer hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Agreement. Notwithstanding any other provision of this Indenture, failure of the Authority or the Dissemination Agent to comply with the Continuing Disclosure Agreement shall not be considered an Event of Default; however, at the written request of any Participating Underwriter (as defined in the Continuing Disclosure Agreement) or the Owner of at least 25% aggregate principal amount of Outstanding Series A Authority Notes or, if issued, the Owner of at least 25% aggregate principal amount of each Series of Outstanding Additional Authority Notes,) or any Series A Authority Note Owner, or, if Additional Authority Notes are issued, any Owner or any Beneficial Owner of an Additional Authority Note, the Trustee shall, but only to the extent indemnified to its satisfaction from any liability, cost, expense whatsoever, including, without limitation, fees and expenses of its attorneys and additional fees and expenses of the Trustee, take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Authority to comply with its obligations under this section. For purposes of this section, “Beneficial Owner” means any person which has or shares the power, directly or indirectly, to make investment decisions concerning ownership of any Series A Authority Notes or, if issued, Additional Authority Notes (including persons holding Series A Authority Notes or, if issued, Additional Authority Notes through nominees, depositories or other intermediaries).

(b) The Trustee shall notify the Authority, in writing, upon the occurrence of any of the Listed Events (as defined in the Continuing Disclosure Agreement), of which it has actual knowledge, provided, however, the Trustee shall not be liable to any party for any failure to so notify the Authority. The Trustee shall not be responsible to determine the materiality of any Listed Event. For purposes of this section, “actual knowledge” by the Trustee shall mean actual knowledge at its Principal Corporate Trust Office by the officer or officers of the Trustee for the administration of this Indenture.

Section 12.09. 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 Indenture as a whole and not to any particular article, section, subdivision or clause thereof.

Section 12.10. 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 Authority 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 Authority Notes, and the Owners and all Credit Providers and all Supplemental Credit Enhancers shall retain all the benefit, protection and security afforded to them hereunder and under all provisions of applicable law. The Authority and the Trustee hereby declare that they would have executed and entered into this Indenture and each and every other article, section, paragraph, subdivision, sentence, clause and phrase hereof and would have authorized the execution and delivery of the Authority Notes pursuant hereto irrespective of the fact that any one or more of the articles, sections, paragraphs, subdivisions, sentences, clauses or phrases hereof or the application thereof to any person or circumstance may be held to be unconstitutional, unenforceable or invalid.

Section 12.11. California Law. This Indenture and the Authority Notes shall be construed in accordance with and governed by the laws of the State of California applicable to contracts made and performed in the State of California. This Indenture shall be enforceable in the State of California, and any action arising hereunder shall (unless waived by the Authority in writing) be filed and maintained in the Superior Court of California, County of Sacramento, California.

Section 12.12. Notices. All written notices to be given hereunder shall be given by mail to the party entitled thereto at its address set forth below or in the Supplemental Indenture, or at such other address as such party may provide to the other parties in writing from time to time, namely:

If to the Trustee:	U.S. Bank National Association One California Street, Suite 1000 San Francisco, California 94111 Attention: Global Corporate Trust
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If to the Authority:	California School Finance Authority 300 S. Spring Street, Suite 8500 Los Angeles, California 90013 Attention: Katrina M. Johantgen, Executive Director
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If to the Participants: To the individual addresses as set forth in Exhibit A to the Purchase Agreement.

If to the Underwriters: RBC Capital Markets, LLC
777 South Figueroa Street, Suite 850
Los Angeles, California 90017
Attention: Managing Director

Citigroup Global Markets Inc.
300 South Grand Avenue, Suite 3110
Los Angeles, California 90071
Attention: Managing Director

If to the Rating Agencies: [Fitch Ratings Inc.]
33 Whitehall Street
New York, NY 10004
Telephone: (212) _____
Telefax: (212) _____

[Standard and Poor's Ratings Group]
Municipal Finance Department
25 Broadway, 38th Floor
New York, NY 10041
Telephone: (212) 438-7973
Telefax: (212) 438-2131

[Moody's Investors Service]
99 Church Street
New York, NY 10007
Telephone: (212) 553-3747
Telefax: (212) 964-6038

Section 12.13. Effective Date. This Indenture shall become effective upon its execution and delivery.

Section 12.14. Execution in Counterparts. The Indenture may be executed and entered into 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 Authority has caused this Indenture to be signed in its name by its Executive Director, or by such other person as has been designated by its governing board, and U.S. Bank National Association, as Trustee, to evidence its acceptance of the trust hereby created, has caused the Indenture to be signed in the name of the Trustee by an authorized officer of the Trustee, all as of the day and year first above written.

CALIFORNIA SCHOOL FINANCE
AUTHORITY

By _____
Title: [Executive Director][Deputy Treasurer for
California State Treasurer, Fiona Ma]

U.S. BANK NATIONAL ASSOCIATION, as
Trustee

By _____
Title: Authorized Officer

SCHEDULE I

PARTICIPATING DISTRICTS AND COUNTY OFFICES OF EDUCATION
SERIES A AUTHORITY NOTES

Participant	Principal Amount		

Participant	Principal Amount		

SCHEDULE II

INITIAL DEPOSITS TO PARTICIPANTS'
SERIES A DISTRICT NOTES
PROCEEDS ACCOUNTS

Participant	Series A Authority Note Proceeds Amount	Repayment Periods	Pledge Dates	Percentage

INITIAL DEPOSITS TO PARTICIPANTS'
SERIES A DISTRICT NOTES
ESCROW ACCOUNTS

Participant	Series A Escrow Amount
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EXHIBIT A

[FORM OF AUTHORITY NOTE]

**UNITED STATES OF AMERICA
STATE OF CALIFORNIA**

No. R ____ **\$** _____

**CALIFORNIA SCHOOL FINANCE AUTHORITY
STATE AID INTERCEPT NOTE
(FISCAL YEAR 2020-21 SCHOOL AND COMMUNITY COLLEGE
DISTRICT DEFERRALS) SERIES** ____

<u>Interest Rate</u>	<u>Principal Payment Date</u>	<u>Date of Initial Delivery</u>	<u>CUSIP</u>
____%	_____, 2021	_____, 2021	

REGISTERED OWNER: CEDE & CO.

PRINCIPAL SUM: _____

THE CALIFORNIA SCHOOL FINANCE AUTHORITY (the “Authority”) promises to pay the registered Owner set forth above of this California School Finance Authority State Aid Intercept Note (Fiscal Year 2020-21 School and Community College District Deferrals), Series ____ (the “Note”), on the Principal Payment Date (the “Principal Payment Date”) set forth above, upon surrender of this Note on such Principal Payment Date at the principal corporate trust office of U.S. Bank National Association, as trustee, in San Francisco, California (together with any successor thereto in accordance with the Indenture (as defined hereinafter), the “Trustee”), the principal sum set forth above, together with interest accruing from the date of initial issuance of this Note and becoming due and payable [on _____, 2021 and] on such Principal Payment Date. Such interest shall be computed on the basis of a 360-day year consisting of twelve 30-day months. All such amounts are payable in lawful money of the United States of America.

This Note is one of the duly authorized notes entitled “California School Finance Authority State Aid Intercept Notes (Fiscal Year 2020-21 School and Community College District Deferrals), Series ____” aggregating \$_____ (the “Series ____ Authority Notes”) which have been issued by the Authority under and by authority of Chapter 18 (commencing with Section 17170) of Part 10 of Division 1 of Title 1 of the Education Code of the State of California and pursuant to the terms of an Indenture, dated as of [February] 1, 2021 (together with any supplements or amendments thereto, the “Indenture”), by and between the Trustee and the Authority. Copies of the Indenture are on file at said principal corporate trust office of the Trustee, and reference is hereby made to the Indenture for a description of the agreements, conditions, covenants and terms securing the Series ____ Authority Notes, for the nature, extent and manner of enforcement of such agreements, conditions, covenants and terms, for the rights and remedies of the registered Owners of the Series ____ Authority Notes with respect thereto, for the terms under

which the Indenture can be amended, and for the other agreements, conditions, covenants and terms upon which the Series __ Authority Notes are issued thereunder, to all of which the Owner hereof assents and agrees by acceptance hereof.

The Series __ Authority Notes are authorized to be issued in the form of fully registered notes in denominations of five thousand dollars (\$5,000) or any integral multiple thereof.

This Note is transferable or exchangeable by the registered Owner hereof, in person or by his attorney duly authorized in writing, at said principal corporate trust office of the Trustee, but only in the manner, subject to the limitations and upon payment of the charges provided in the Indenture, and upon surrender of this Note for cancellation accompanied by delivery of a duly executed written instrument of transfer or exchange, a new Series __ Authority Note or Series __ Authority Notes of authorized denominations equal to the principal amount hereof will be delivered by the Trustee to the registered Owner hereof in exchange or transfer herefor.

The Trustee may treat the registered Owner hereof as the absolute owner hereof for all purposes, whether or not this Note shall be overdue, and the Trustee shall not be affected by any knowledge or notice to the contrary; and payment of the interest on and principal of this Note shall be made only to such registered Owner as above provided, which payments shall be valid and effectual to satisfy and discharge the liability evidenced and represented by this Note to the extent of the sum or sums so paid.

The Series __ Authority Notes are a special obligation of the Authority and are secured by a pledge and assignment of a pool of the Tax and Revenue Anticipation Notes, Series __ (the "Series __ District Notes") issued by certain California school districts, community college districts and county offices of education (as more particularly described in the Indenture) (the "Participants"), under and by authority of Section 53853 and of Article 7.6 (commencing with Section 53850) of Chapter 4, Part 1, Division 2, Title 5 of the Government Code of the State of California and pursuant to the terms of a resolution duly passed and adopted by the governing board of each Participant pertaining to its Series __ District Notes (collectively, the "Participant Resolutions"), and payments with respect thereto, to the extent provided in the Indenture, subject to the provisions of the Indenture permitting the disbursement thereof for or to the purposes and on the conditions and terms set forth therein.

The Series __ Authority Notes are not subject to prepayment or redemption prior to the Series __ Principal Payment Date.

Upon satisfaction of certain provisions of the Indenture, the Authority may issue one or more additional series of California School Finance Authority State Aid Intercept Aid Notes (Fiscal Year 2020-21 School and Community College District Deferrals) (together with the Series __ Authority Notes, the "Authority Notes"), payable from, and secured by a pledge and assignment of, a separate pool of tax and revenue anticipation notes issued by certain California school districts, community college districts and county offices of education (as more particularly described in the Indenture and any supplement thereto), some of which may also have issued Series __ District Notes securing the Series __ Authority Notes, which Series __ District Notes may be payable on a parity with such tax and revenue anticipation notes.

[The following language is applicable only to Additional Authority Notes: Under the Indenture, the Authority has previously issued on _____, 20____, its outstanding California School Finance Authority State Aid Intercept Notes (Fiscal Year 2020-21 School and Community College District Deferrals), Series A, aggregating \$ _____ (the “Series A Authority Notes”), which are payable from, and secured by a pledge and assignment of, a separate pool of tax and revenue anticipation notes issued by certain California school districts, community college districts and county offices of education (as more particularly described in the Indenture and any supplement thereto), some of which may also have issued District Notes securing the Authority Notes, which District Notes may be payable on a parity with or priority over such tax and revenue anticipation notes.]

Reference is hereby made to the Indenture as the same may be amended and supplemented from time to time, for a description of the rights, limitation of rights, obligations, duties and immunities of the Authority, the Trustee and the registered Owners of the Authority Notes issued thereunder, including particularly the nature and extent of the security and provisions for payment of the Authority Notes and the relative priority of a certain portion of the Authority Notes and of the District Notes. Copies of the Indenture are on file in the principal corporate trust office of the Trustee in Los Angeles, California.

[The following paragraph is applicable to credit enhanced Authority Notes only: The payment of [up to the first \$ _____ of] principal of and interest on the Authority Notes [attributable to the first \$ _____ of payment defaults by the Participants with respect to their District Notes] is also secured by a letter of credit/policy of insurance issued by _____ in the amount of \$ _____ which letter of credit/policy of insurance expires on _____, _____, 20____ unless terminated earlier in accordance with its terms.]

The rights and obligations of the Authority, the Participants and of the holders and registered Owners of the Authority Notes may be modified or amended at any time in the manner, to the extent, and upon the terms provided in the Indenture, which provide, in certain circumstances, for modifications and amendments without the consent of or notice to the registered Owners of Authority Notes.

The Authority Notes are not a lien or charge upon any funds or property of the Authority (except to the extent of the aforementioned pledge and assignment) and are payable solely from Debt Service Payments of the District Notes by the Participants and from the funds and accounts established for such purpose by the Indenture. The Authority Notes are not a debt of any Participant or any member of the Authority, and no such Participant or member is liable in any manner for the payment thereof.

Each District Note constitutes the general obligation of the Participant issuing the same and shall be payable from taxes, income, revenue, cash receipts and other moneys which are received by the respective Participant during, or are attributable to, Fiscal Year 2020-21, and which are lawfully available therefor, all as set forth in the respective Participant Resolution. As security for the District Notes, each Participant has individually pledged certain of its unrestricted revenues received in the amounts and as of the dates provided in the respective Participant Resolution, plus in the month during which the final payment of Pledged Revenues is to occur, an amount sufficient to pay interest on such District Note.

Each Participant has certified that all acts, conditions and things required by the Constitution and laws of the State of California and the provisions of its Participant Resolution to exist, to have happened and to have been performed precedent to and in the issuance of its Series ____ District Notes do exist, have happened and have been performed in due time, form and manner as required by law and that its Series ____ District Note, together with all other indebtedness and obligations of such Participant, does not exceed any limit prescribed by the Constitution or laws of the State of California.

It is hereby certified and recited that any and all acts, conditions and things required to exist, to happen and to be performed, precedent to and in the incurring of the issuing of this Note, do exist, have happened and have been performed in due time, form and manner, as required by the Constitution and statutes of the State of California, and that this Note is not in excess of the amount of Authority Notes permitted to be issued under the Indenture.

This Note shall not be entitled to any benefit under the Indenture, or become valid or obligatory for any purpose, until the certificate of authentication hereon endorsed shall have been signed by the Trustee.

Unless this Note is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to the Trustee or its agent for the registration of transfer, exchange, or payment, and any Authority Note 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 Note has been dated the date of initial delivery hereof, and has been executed by the manual or facsimile signature of the Chair of the Authority:

CALIFORNIA SCHOOL FINANCE
AUTHORITY

By _____
Chair

[FORM OF CERTIFICATE OF AUTHENTICATION AND REGISTRATION]

Authenticated by the manual signature of an authorized officer of the Trustee on the following date: _____

US. BANK NATIONAL ASSOCIATION, as
Trustee

By _____
Authorized Officer

[FORM OF ASSIGNMENT]

ASSIGNMENT

For value received, the undersigned do(es) hereby sell, assign and transfer unto _____ whose tax identification number is _____ the within Authority Note and do(es) hereby irrevocably constitute(s) and appoint(s) attorney to transfer such Authority Note on the register of the Trustee, with full power of substitution in the premises.

Dated:

SIGNATURE GUARANTEED BY:

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

EXHIBIT B

FORM OF REQUISITION FROM COSTS OF ISSUANCE FUND

U.S. Bank National Association
One California Street, Suite 1000
San Francisco, California 94111
Attn: [Mary Wong]

Re: California School Finance Authority State Aid Intercept Notes (Fiscal Year 2020-
21 School and Community College District Deferrals), Series []

Requisition No.: _____

The undersigned authorized officer of the [California School Finance Authority] / [Municipal Advisor] hereby presents this Requisition for payment of Costs of Issuance, as that term is defined that certain Indenture dated as of [March 1, 2021] (the "Indenture"), by and between U.S. Bank National Association, as Trustee, and the California School Finance Authority (the "Authority"), in connection with the captioned financing (the "Series ____ Authority Notes").

Attached as Schedule I is a list of payees from whom invoices for Costs of Issuance have been received (copies of which are attached to said Schedule I). You are hereby directed to make payment by check or wire transfer (in accordance with the request of the respective payees) to said persons in the amounts invoiced but not in excess of the amounts identified in Schedule I. None of the items listed in Schedule I have been heretofore paid and each represents a proper charge against the Series ____ Costs of Issuance Account of the Costs of Issuance Fund.

Date: _____, 2021

By: _____
Authorized Officer
[California School Finance Authority] /
[Municipal Advisor]

SCHEDULE I

PAYEES FROM SERIES ____ COSTS OF ISSUANCE ACCOUNT

The following costs are to be paid on behalf of the Authority and the Participants for the Costs of Issuance relating to the Series ____ Authority Notes and the Series ____ District Notes from amounts deposited in the Series ____ Costs of Issuance Account of the Costs of Issuance Fund for the Series ____ Authority Notes.

[See Attached]

EXHIBIT C

FORM OF REQUISITION FROM PROCEEDS ACCOUNT

To: U.S. Bank National Association, as Trustee

From: [Participant]

Re: California School Finance Authority State Aid Intercept Notes (Fiscal Year 2020-21 School and Community College District Deferrals), Series _ (the "Program")

Requisition No. ____

The undersigned, on behalf of the _____ District (the "Participant"), hereby requests payment, from the Proceeds Account of the Participant established with respect to the Participant's 2020-21 Tax and Revenue Anticipation Notes, Series [____], pursuant to the Program, the amount of \$ _____ [by wire/check (circle one)] for purposes for which the Participant is authorized to use and expend moneys loaned to it by the Authority under the CSFA Act. If the payment is by wire, please fill in the following information:

Name of Bank: _____

ABA#: _____

Account No. _____

Reference: _____

The undersigned hereby certifies as follows:

1. The amount requisitioned hereby from the Proceeds Account(s) of the Participant does not, as of the date hereof, exceed eighty-five percent (85%) of (a) the uncollected taxes, income, revenue (including, but not limited to, revenue from the state and federal governments), cash receipts, and other moneys intended as receipts for the general fund of the Participant and attributable to Fiscal Year 2020-21 and which are generally available for the payment of current expenses and other obligations of the Participant (collectively, "unrestricted revenues") less (b) projected uncollectible unrestricted revenues of the Participant attributable to such Fiscal Year.

2. The amount requisitioned hereby is for a purpose for which the Participant is authorized to use and expend funds loaned to it by the Authority under the CSFA Act.

3. The amount requisitioned hereby (if invested under the Investment Agreement) is not being requisitioned for reinvestment in other investments.

4. Other funds of the Participant are not readily available for expenditure for such purpose with respect to any operating draws.

5. The information contained herein is true and correct as of the date of this Requisition.

6. The representations of the Participant set forth in Section 15 of the Resolution of the Participant, providing for the borrowing of funds for Fiscal Year 2020-21 and the issuance and sale of one or more Series of 2020-21 Tax and Revenue Anticipation Notes therefor and authorizing participation in the Program (the "Participant Resolution") are true and correct in all material respects as though made on and as of this date except to the extent that such representations relate to an earlier date.

7. As of the date hereof, no event has occurred and is continuing which constitutes an Event of Default under the Participant Resolution or would constitute an Event of Default but for the requirement that notice be given, or time elapse, or both.

8. [As of the date hereof, the Participant has not filed with the County Superintendent of Schools, the County Board of Education or the State Superintendent of Public Instruction, and has not received from the County Superintendent of Schools or the State Superintendent of Public Instruction, (a) a negative certification applicable to Fiscal Year 2019-20 or Fiscal Year 2020-21, or (b) a certification applicable to Fiscal Year 2019-20 or Fiscal Year 2020-21 that is lower than the certification held by the Participant on the date the above-captioned Series of Authority Notes were issued, except that, if such Participant provides a certification from the County Superintendent or State Superintendent of Public Instruction, as applicable, that repayment of such Participant's Note and any Additional Notes is probable is given, moneys may be disbursed if the downgrade is to a qualified certification.]

Dated: _____, 2021.

By: _____
Authorized Officer of the District Participant