

October 17, 2025

**Agenda ID: 23821**  
**RESOLUTION T-17895**

TO: CASF Service List

This is Draft Resolution T-17895 of the Communications Division. This Draft Resolution will appear on the agenda at the next California Public Utilities Commission (Commission) meeting to be held on November 20, 2025, which is at least 30 days after the date of this letter. The Commission may vote on this Resolution at that time, or it may postpone a vote until a later meeting. To confirm when the item will be heard, please see the Business Meeting agenda, which is posted on the Commission's website 10 days before each Business Meeting. When the Commission votes on a Draft Resolution, it may adopt all or part of it as written, amend, modify, or set it aside and prepare a different Resolution. Only when the Commission acts does the Resolution become binding on the parties.

Any member of the public may serve comments on the Draft Resolution as provided in Public Utilities Code, § 311(g) and Rule 14.5 of the Commission's Rules of Practice and Procedure (Rules).

Comments along with a certificate of service (COS) shall be sent via email to: [justin.fong@cpuc.ca.gov](mailto:justin.fong@cpuc.ca.gov) and [christopher.poschl@cpuc.ca.gov](mailto:christopher.poschl@cpuc.ca.gov) by November 6, 2025, at 5:00 PM.

Those submitting comments on the Draft Resolution must serve their comments on the entire service list the Draft Resolution was served to on the same date that the comments are submitted to the Communications Division.

Comments shall focus on factual, legal, or technical errors in the proposed Draft Resolution. Comments that merely reargue positions taken in the advice letter or protests will be accorded no weight and are not to be submitted. Comments should list the recommended changes to the Draft Resolution.

Replies to comments must be submitted no later than November 11, 2025. Replies shall be submitted and served in the same manner as opening comments.

Sincerely,

/s/

Maria Ellis

Director for Broadband Initiatives

Communications Division

California Public Utilities Commission

**PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA**

**COMMUNICATIONS DIVISION**

**Agenda ID #23821  
RESOLUTION T-17895  
October 17, 2025**

**R E S O L U T I O N**

RESOLUTION T-17895: Authorizes the previously awarded \$50 million in Broadband Loan Loss Reserve Funding to Golden State Connect Authority (“GSCA”) to now issue bonds up to \$120 million for construction costs of the previously approved seven Federal Funding Account broadband network projects.

**PROPOSED OUTCOME:**

- Authorizes GSCA’s use of the credit enhancement for \$50 million from the Broadband Loan Loss Reserve Commitment for up to a \$120 million offering at a maximum rate of 7% for the Telecommunications Revenue Bonds, Series 2025.

**SAFETY CONSIDERATIONS:**

1. There are no adverse safety considerations identified by the Communications Division (“CD”). The projects which are planned to be implemented by the work products in this award have the potential to improve communications resiliency and redundancy.

**ESTIMATED COST:**

2. There are no costs associated with this Resolution beyond the utilization of the existing, awarded \$50 million in Loan Loss Reserve funds.

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**I. SUMMARY**

This Resolution authorizes the previously awarded \$50 million in Broadband Loan Loss Reserve (“BLLR”) funding to Golden State Connect Authority (“GSCA”) to now issue bonds up to \$120 million and not to exceed 7% true interest cost for construction costs

of the previously approved seven Federal Funding Account broadband network projects.

GSCA is an affiliate of the Rural County Representatives of California (“RCRC”). GSCA was created in 2021 to address the broadband connectivity needs of its member counties. It is a Joint Powers Authority established to increase access to reliable, affordable, high-speed broadband for all rural Californians. GSCA is an independent public entity and a separate legal entity from RCRC. The organization’s governing board is comprised of one elected supervisor from each of the 40 member counties.

GSCA proposes that seven previously awarded Federal Funding Account (FFA) broadband project areas be funded using up to \$120 million GSCA-issued Telecommunications Revenue Bonds, Series 2025. The FFA grants<sup>1</sup> are listed below and depicted in Table 1. GSCA has further proposed that the \$50 million Loan Loss Reserve be approved and applied as a credit enhancement to the Telecommunication Revenue Bonds, Series 2025.

1. Imperial County Broadband Network
2. Alpine County Broadband Network
3. Town of Mammoth Lakes Broadband Network
4. Mono County Broadband Network
5. Amador County Broadband Network
6. Tehama County Broadband Network
7. Glenn County Broadband Network

## **II. BACKGROUND**

In July 2021, California Governor Gavin Newsom signed Senate Bill 156 (Chapters 84 and 112, Statutes of 2021) and Assembly Bill 164 (Budget Act of 2021), which, among other things, created a BLLR Fund in the California State Treasury. This included plans for up to \$750 million dollars over multiple years to fund costs related to the financing of broadband infrastructure deployment by local government agencies, nonprofit organizations and Tribal governments.

In March 2022, the assigned Commissioner issued a second amended scoping memo inviting responses to initial questions regarding eligibility requirements, financing terms and conditions, and other considerations for the administration of the BLLR program.

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<sup>1</sup> CPUC awarded GSCA \$185,384,131 in FFA funds.

In September 2022, the assigned Commissioner issued a ruling inviting comment on a CD staff proposal for requirements and guidelines to govern staff's administration of the BLLR program.

In June 2023, the assigned Commissioner issued a ruling inviting comment on a revised staff proposal for establishment and administration of the BLLR program.

On November 2, 2023, the California Public Utilities Commission (Commission or CPUC) adopted the BLLR Program Requirements and Guidelines (the "Guidelines"). The BLLR provides a credit enhancement related to financing local broadband infrastructure development. It is intended to expand the ability of local governments, tribes, and non-profits to secure financing for building last-mile projects, with an emphasis on public broadband networks. The November Decision initially planned to release the funding over three equal four-month cycles and split each between three tracks: Equity (50%), Tribal (10%), and General Market (40%). Between March 12 and April 9, 2024, the BLLR program received thirty-seven applications from GSCA and one application from the City of Fort Bragg for \$451 million in credit enhancements.

On June 26, 2024, Senate Bill 109 (Chapter 36, Statutes of 24) revised previous appropriations, specified a \$50 million BLLR program budget, and provided that: "Awards made from the BLLR program shall be issued by December 31, 2024, irrespective of cycles and tracks."

On September 12, 2024, the Commission approved Resolution T-17841, which authorizes up to \$50 million in BLLR Funding to be awarded to BLLR applications, irrespective of cycles and tracks in the November 2023 decision.

On November 7, 2024, the Commission approved Resolution T-17858, which conditionally awarded \$50 million in BLLR Funding to GSCA, including, but not limited to, the approval of final applications, project list, bond terms and structure of the bond transaction(s).

### **III. GSCA FINALIZED PROJECT LIST AND BOND TERMS AND STRUCTURE**

The CPUC issued Resolution T-17858 on November 7, 2024, awarding \$50 million in Broadband Loan Loss Reserve Funding to GSCA, conditional upon submission and approval of a finalized project list and the terms and structure of the bond transaction(s).

GSCA provided its proposed broadband network project list, bond terms, and bond transaction structure in July 2025. The final versions of these documents are attached to this Resolution. CD staff reviewed GSCA’s materials and determined that the projects are technically and operationally viable, as described below.

### **A. Broadband Project List**

GSCA plans to utilize BLLR credit-enhanced broadband bond proceeds and FFA grants awarded to those same projects in order to finance the acquisition, construction and installation of broadband infrastructure in each of seven project areas, as shown in Table 1 below. GSCA refers to the combined seven broadband network project areas as the “broadband system”.

**Table 1:** Golden State Connect Authority Broadband Network Project List

| <b>Broadband Network Project</b> | <b>Projected Units Passed</b> | <b>FFA Grant Awards</b> | <b>Bond Proceeds</b> | <b>Project Total<sup>2</sup></b> |
|----------------------------------|-------------------------------|-------------------------|----------------------|----------------------------------|
| Imperial County                  | 2,705                         | \$13,834,949            | \$9,985,000          | \$23,819,949                     |
| Alpine County                    | 1,063                         | \$6,985,978             | \$4,085,000          | \$11,070,978                     |
| Town of Mammoth Lakes            | 12,300                        | \$4,158,014             | \$37,720,000         | \$41,878,014                     |
| Mono County                      | 1,085                         | \$6,074,134             | \$4,175,000          | \$10,249,134                     |
| Amador County                    | 2,706                         | \$57,180,300            | \$10,380,000         | \$67,560,300                     |
| Tehama County                    | 9,479                         | \$74,798,880            | \$36,370,000         | \$111,168,880                    |
| Glenn County                     | 2,089                         | \$22,351,876            | \$7,360,000          | \$29,711,876                     |
| <b>Total</b>                     | <b>31,425</b>                 | <b>\$185,384,131</b>    | <b>\$110,075,000</b> | <b>\$295,459,131</b>             |

CD staff reviewed GSCA’s seven project locations, taking into consideration factors such as competition, subscriber take rate, percentage of multiple dwellings, percentage of rentals, and other demographic information, and found that the seven broadband project locations are operationally viable<sup>3</sup>.

### **B. GSCA Financials**

GSCA provided a financial model to test multiple variables, resulting in three scenarios: Best Case, Reasonable Expectation, and Worst Case. GSCA’s financial models include

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<sup>2</sup> Project Total is based on estimated Bond Proceeds (BBB- Worst Case Model) provided by GSCA, July 11, 2025.

<sup>3</sup> Operationally viable means capable of being successfully achieved or implemented.

universal assumptions, residential and business customer assumptions, debt service schedules, revenue and cost assumptions, and operating revenue and expense, including financing costs specific to each of the seven broadband projects, to calculate consolidated cash flows, consolidated income statements, debt service coverage, and the consolidated balance sheet.

CD staff performed an analysis of GSCA's underlying assumptions across the three financial model scenarios and found that the take rate from some projects may start even lower than assumed in the worst case scenario, around 30%, and will take time to grow and level out, thus increasing the need to draw on the BLLR. Although there may be times when a draw from the BLLR is necessary, a draw can be paid back from future years' growth in revenue marked by an increase in debt service coverage. Table 2 below depicts GSCA's assumptions for a worst-case scenario where all seven broadband project areas achieve a 38% residential take rate and a business take rate of 1%, with an actual interest rate of 5.64% on a \$100 million bond. All seven combined broadband projects were able to attain debt service coverage of 1.02 by year 5 and 1.34 by year 10. GSCA expects the combined seven broadband projects to be financially viable by year 5 under the worst-case scenario.

Table 2: GSCA Financial Model Three Scenarios Example

| <b>Broadband Network Project</b>        | <b>Best Case</b> | <b>Reasonable Case</b> | <b>Worst Case</b> |
|-----------------------------------------|------------------|------------------------|-------------------|
| Take Rate (Residential)                 | 53.5%            | 48.5%                  | 38%               |
| Take Rate (Business)                    | 2.5%             | 1.5%                   | 1%                |
| True Interest Rate                      | 4.89%            | 5.14%                  | 5.64%             |
| Debt Service Coverage<br>(Years 5 & 10) | 1.55 & 1.81      | 1.3 & 1.52             | 1.02 & 1.34       |

CD staff reviewed GSCA's worst-case scenario financial model based on a take rate of 38% and the interest rate on the BLLR-backed \$110M bond of less than 6% and found that the seven broadband project locations are operationally and financially viable, provided that each of the seven projects meet the expected ramp up period to achieve the 38% take rate.

CD staff analyzed GSCA's operational and financial viability based on its ability to construct its network, gain enough subscribers to continue operating its broadband network and to pay operations and maintenance costs as well as bond debt service payments. Based on the CD staff's review of the GSCA financial model and its underlying risks and remedies, staff found that, although there is a risk of not achieving the expected take rates and a ramp-up period may be required, GSCA's bond issuance

amount, as proposed not exceed \$120 million at the interest rate not exceed 7%, for GSCA's seven broadband network projects will be operationally and financially viable.

### **C. Bond Offering Terms and Structure of the Bond Transaction(s)**

GSCA plans to issue Telecommunications Revenue Bonds, Series 2025, in an amount not to exceed \$120 million and not to exceed 7% true interest cost. The bonds are currently expected to be fixed-rate, municipal tax-exempt revenue bonds, structured with a final maturity not to exceed 40 years and an optional ten-year par call redemption. The first three years of the bonds will be paid from and secured by capitalized interest during the first, and, thereafter, the bonds will be additionally secured by net broadband network system revenues and the \$50 million BLLR credit enhancement.

The BLLR \$50 million credit enhancement will be used to replenish GSCA's Debt Service Reserve ("DSR") Fund if its net revenues from the System are insufficient to meet the required debt service payment, and, therefore, a draw will need to be made from the DSR Fund that is established at bond closing with bond proceeds. The BLLR Fund will be drawn upon to refill the DSR Fund as a result of the shortfall of net revenues of the system.<sup>4</sup>

GSCA will provide CD staff with electronic copies of the complete final transcript, upon sale and closing, for each approved BLLR Fund credit enhancement.

### **D. Fiscal Agent Information**

The Commission will use a fiscal agent to provide assurance to an eventual bond purchaser of GSCA's ability to draw from the BLLR in support of a bond. The Commission is expected to enter into a contract with Computershare Trust, National Association (the "Fiscal Agent") to assist in administering the BLLR Program. Such agreement is a Fiscal Agent Agreement (FAA), and a representative FAA is attached hereto as Appendix F.

Computershare will carry out the technical and financial tasks of managing the \$50 million credit enhancement, as well as draws and reimbursements by GSCA related to the BLLR credit enhancement.

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<sup>4</sup> For more details on the bond terms and structure, see the Bond Indenture in Appendix B and the Commitment Funding Agreement in Appendix C

## **E. Bond Transaction Documents**

The following current drafts of the bond documents and their descriptions are included in appendices A through E: summary of project bond terms sheet, bond indenture, commitment funding agreement & debt service reserve reimbursement funding commitment, CPUC disclosure statement, and the disclosure, no default and tax certificate.

### **1. Summary of Project Bond Terms Sheet<sup>5</sup>**

The Summary of Project Bond Terms Sheet provides a summary of the terms of GSCA's Telecommunication Revenue Bonds Series 2025.

### **2. Bond Indenture<sup>6</sup>**

The Bond Indenture is the formal legal agreement between GSCA and Zions Bancorporation, National Association (the "Trustee") as the bond trustee on behalf of the bondholders that sets forth the terms and conditions, and certain covenants of the Issuer, of the GSCA Telecommunications Revenue Bonds, Series 2025.

### **3. Commitment Funding Agreement & Debt Service Reserve Reimbursement Funding Commitment<sup>7</sup>**

The Commitment Funding Agreement ("CFA") is a four-party agreement among GSCA, the Commission, the Fiscal Agent, and the Trustee. The primary function of the CFA is to obligate the GSCA, or the Trustee on behalf of GSCA, to repay the Commission through the Fiscal Agent, for amounts drawn under the Debt Service Reserve Reimbursement Funding Commitment ("DSRRFC") and costs/expenses related thereto.

The DSRRFC is the documentation of the "guaranty" the Commission is providing to support the underlying bonds. The CFA provides the terms of repayment (including default interest provisions) and allows the Commission to impose an origination fee of up to a specified percentage of the underlying DSRRFC, as well as to require certain actions if repayment does not occur.

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<sup>5</sup> See Appendix A.

<sup>6</sup> See Appendix B.

<sup>7</sup> See Appendix C.

#### 4. California Public Utilities Commission Disclosure Statement<sup>8</sup>

The California Public Utilities Commission Disclosure statement (the “Disclosure”) provides information on the CPUC agency, what the BLLR Fund does, and how the Fiscal Agent arrangement works so that potential bond purchasers and other stakeholders understand the protections and limits of CPUC’s role in the financing. The Disclosure is a distinct section of part of the Preliminary Official Statement for GSCA’s bond offering that are expected to be supported by the CPUC’s BLLR Fund, and it will also be included in the final Official Statement (which sets forth the various prices and terms of the bonds after they have been sold to the underwriter) materially unchanged from the Preliminary Official Statement. The Commission or the Fiscal Agent may also need to provide ongoing information regarding the status of the amounts set forth in the BLLR Fund as a part of the Issuer’s and the Underwriters ongoing continuing disclosure undertakings as required by Securities Exchange Commission Rule 15c2-12. To date, we have not received a draft of the documentation related to continuing disclosure.

#### 5. Disclosure, No Default and Tax Certificate<sup>9</sup>

In connection with the CPUC Disclosure for inclusion in the preliminary and final official statement describing the Commission, the Broadband Loan Loss Reserve Fund, the Fiscal Agent arrangement, and the scope and limits of the Commission’s obligations as set forth in sub-section 4 above, the Commission will be expected to sign a certificate that attests to the truthfulness and accuracy of such statements in compliance with federal securities laws. The Commission will also be required to sign a certificate stating that all Commission actions necessary to authorize, execute, and perform the Commitment Funding Agreement, the Debt Service Reserve Reimbursement Funding Commitment, the Fiscal Agent Agreement, and this Resolution have been duly taken and that no default by the Commission exists under those documents as of the closing date of the bonds. The Commission will also be required to sign a tax certificate stating, among other things, that amounts held in any applicable Eligible Debt Account will be invested, consistent with the CFA, in a manner that will not adversely affect the tax-exempt status of the bonds.

#### **F. Supplemental Indentures**

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<sup>8</sup> See Appendix D.

<sup>9</sup> See Appendix E.

All supplemental indentures shall be made in accordance with the Bond Indenture, including supplemental indentures for additional bonds. Such supplemental indentures will require prior Commission approval and consent.

#### **G. Post-Award Reporting Requirements**

GSCA is required to comply with all post-award reporting requirements of the BLLR Program as specified in D.23-11-045, Resolution T-17858, and this Resolution's Bi-Annual Progress Reporting, Completion Reporting, and Incident Reporting as specified in Exhibit C of the CFA.

Information on this post-award reporting requirements is included in Exhibit C of the CFA which is appendix C of this Resolution.

#### **H. Activities Assigned to Staff**

The Commission assigns the Communications Division Director or their designee to implement and confirm bond implementation and documents consistent with this Resolution in order for GSCA to perfect a bond supported by the BLLR. This includes authority to approve any non-material change to the Bond Indenture and any other related documents.

Any future material changes, including but not limited to any change affecting security, flow of funds, maturity or interest rate cap, issuance of additional bonds, or any material revision to the Indenture and the other related documents cannot be delegated to staff and must be approved by vote of the Commission. Staff may approve nonmaterial changes to such documents and may execute ministerial actions expressly contemplated by the CFA and the Fiscal Agent Agreement. Consistent with the CFA and the Guidelines, staff shall apply the Guidelines first, then the CFA.

In addition, the Commission delegates to staff the authority to consent to proposed uses of Surplus Funds, as defined in the CFA, if (A) there has been no unpaid draw under the DSR Commitment and all Commitment Costs owing to the Commission or the Fiscal Agent have been paid, (B) no default has occurred and is continuing under the Indenture or this Agreement, and (C) (I) the proposed use of Surplus Fund moneys is for an expansion of the Broadband System adjacent to the Broadband Project Area, the revenues from such expansion will be deposited in the Revenue Fund and treated as Gross System Revenues under the Indenture, and the Commission has not approved or denied the request for consent within sixty (60) days after the request, and any supporting documentation requested by the Commission, is received.

## RECOMMENDATION

CD staff evaluated GSCA's proposed seven broadband network projects for financial risk and confirmed viability based on GSCA's bond issuance amount not to exceed \$120 million and the associated interest rate not to exceed 7% to be operationally and financially viable.

## COMMENTS

In compliance with Public Utilities Code section 311, subdivision (g)(1) a Notice of Availability was e-mailed on October 17, 2025, informing all parties on the CASF Distribution List of the availability of the draft of this Resolution for public comments at the Commission's website at <http://www.cpuc.ca.gov/>. This e-mail also served to inform parties that the final conformed Resolution the Commission adopts will be posted and available on this same website.

## FINDINGS

1. The Commission adopted Resolution T-17858 on November 7, 2024, which conditionally awarded GSCA the BLLR Fund contingent upon final review and approval of its project list and bond details.
2. On March 31, 2025, GSCA provided the Commission with its revised final list of seven projects to be supported by the \$50 million BLLR Fund: Imperial County Broadband Network, Alpine County Broadband Network, Town of Mammoth Lakes Broadband Network, Mono County Broadband Network, Amador County Broadband Network, Tehama County Broadband Network, and Glenn County Broadband Network.
3. GSCA plans to utilize BLLR credit-enhanced broadband bond proceeds and FFA grants awarded to those same projects in order to construct a broadband network in each of the seven project areas.
4. CD staff and its consultants reviewed the GSCA Telecommunications Revenue Bonds, Series 2025 in order to ensure all applicable rules by the Securities and Exchange Commission SEC and Municipal Securities Rulemaking Board (MSRB) are met.
5. CD staff reviewed GSCA's worst-case scenario financial model based on a take rate of 38% and the interest rate on the BLLR-backed \$110M bond of less than 6% and found that the seven broadband project locations are operationally and

financially viable, provided that each of the seven projects meet the expected ramp up period to achieve the 38% take rate.

6. The BLLR \$50 million credit enhancement will be used to replenish GSCA's DSR Fund if its net revenues from the System are insufficient to meet the required debt service payment, and, therefore, a draw will need to be made from the DSR Fund that is established at bond closing with bond proceeds. The BLLR Fund will be drawn upon to refill the DSR Fund as a result of the shortfall of net revenues of the system.
7. The Commission will use a fiscal agent to provide assurance to an eventual bond purchaser of GSCA's ability to draw from the BLLR in support of a bond. The Commission will be entering into a contract with Computershare Trust, N.A., to serve as its fiscal agent to assist in administering the BLLR Program.
8. The following current drafts of the bond documents and their descriptions are included in appendices A through E: summary of project bond terms sheet, bond indenture, commitment funding agreement & debt service reserve reimbursement funding commitment, CPUC disclosure statement, and the disclosure, no default and tax certificate.
9. Resolution for public comments at the Commissions website found here at [www.cpuc.ca.gov](http://www.cpuc.ca.gov).

**THEREFORE IT IS ORDERED THAT:**

1. This Resolution authorizes the previously awarded \$50 million in Broadband Loan Loss Reserve ("BLLR") funding to Golden State Connect Authority ("GSCA") to now issue bonds up to \$120 million and not to exceed 7% true interest cost for construction costs of the previously approved seven Federal Funding Account broadband network projects.
2. GSCA must submit a written acceptance within 30 days of the effective date of this resolution.
3. Failure of the applicant to comply with this Order or the agreements may result in cancellation of the BLLR credit enhancement. Prior to issuance of bonds, the Commission or the Recipient may terminate a BLLR credit enhancement, at any time at its sole discretion by delivering ten (10) days written notice. In the event that the applicant terminates the BLLR credit enhancement, for any reason whatsoever prior to the bond issuance, it will refund all funds to the Commission within 30 days of said termination. Such termination will require written notice to that effect that is delivered by the applicant to the Commission, or from Commission Staff to the applicant, not less than ten (10) days prior to said termination.

4. The Commission shall transfer \$50 million to the fiscal agent Computershare Trust Company, National Association, to fund the Debt Service Reserve (DSR) Fund to enhance GSCA's eligible debt offering or any future applicants to the Loan Loss Reserve Program.
5. The Commission shall make available a \$50 million credit enhancement, via Computershare Trust Company, National Association, to GSCA and its applicable trustee. The DSR Fund shall be available to GSCA to draw upon to replenish the DSR Account if GSCA or its trustee is unable to pay its debt service.
6. GSCA will provide CD staff with electronic copies of the complete final transcript, upon sale and closing, for each approved BLLR Fund credit enhancement.
7. The Commission assigns the Communications Division Director or their designee to implement and confirm bond documents consistent with this Resolution in order for GSCA to issue a bond supported by the BLLR Fund. This includes authority to approve any non-material change to the bond indenture and the related documents.
8. Any future material changes that affect the security of the BLLR Fund cannot be delegated to the Communications Division Director and must be voted and approved by the Commission.
9. Communications Division staff is delegated authority to consent or deny a request for the proposed use of Surplus Funds for the expansion of the Broadband System adjacent to the Broadband Project Area, provided such expansion will not affect the Security of the BLLR Fund.
10. GSCA is required to comply with all post-award reporting requirements of the BLLR Program as specified in D.23-11-045, Resolution T-17858, and this Resolution's Bi-Annual Progress Reporting, Completion Reporting, and Incident Reporting.
11. GSCA shall implement and comply with this Resolution and the associated Appendices.

This Resolution is effective today.

Commissioner Signature blocks to be added  
upon adoption of the resolution

The foregoing resolution was duly introduced, passed and adopted at a conference of the Public Utilities Commission of the State of California held on November 20, 2025, the following Commissioners voting favorably thereon:

Dated \_\_\_\_\_, at <Voting meeting location>, California

# **APPENDIX A**

## **Summary of Project Bond Terms Sheet**

# Golden State Connect Authority

## Telecommunications Revenue Bonds, Series 2025

### Summary of Project Bond Terms

June 2025

*(Items are subject to adjustment within the ranges provided until the bonds are priced.)*

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|------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|--------------|-----------------------|------------|---------------|-----------|-------------------|------------------|------------------|---------------|
| <b>Issuer:</b>                                 | Golden State Connect Authority                                                                                                                                                                                                                                                                                     |                            |              |                       |            |               |           |                   |                  |                  |               |
| <b>Project:</b>                                | Development and deployment of open-access high-speed broadband fiber infrastructure within certain areas of Alpine, Amador, Glenn, Imperial, Mono, and Tehama Counties and the Town of Mammoth Lakes, California, aimed at improving digital access and economic development in underserved and rural communities. |                            |              |                       |            |               |           |                   |                  |                  |               |
| <b>Bond Type:</b>                              | Fixed Rate Tax-Exempt Revenue Bonds<br>(Not General Obligations of the Issuer)                                                                                                                                                                                                                                     |                            |              |                       |            |               |           |                   |                  |                  |               |
| <b>Original Principal Amount of the Bonds:</b> | Not to exceed \$120,000,000                                                                                                                                                                                                                                                                                        |                            |              |                       |            |               |           |                   |                  |                  |               |
| <b>Type of Offering:</b>                       | Telecommunications Revenue Bonds<br>Publicly offered through negotiated sale.                                                                                                                                                                                                                                      |                            |              |                       |            |               |           |                   |                  |                  |               |
| <b>True Interest Cost:</b>                     | Not to exceed 7.0%                                                                                                                                                                                                                                                                                                 |                            |              |                       |            |               |           |                   |                  |                  |               |
| <b>Final Maturity of the Bonds:</b>            | Structured with a 35-year final maturity in 2060                                                                                                                                                                                                                                                                   |                            |              |                       |            |               |           |                   |                  |                  |               |
| <b>Projected Use of Proceeds:<sup>10</sup></b> | <table><tr><td>Project Construction Fund:</td><td>\$78,000,000</td></tr><tr><td>Capitalized Interest:</td><td>14,500,000</td></tr><tr><td>Reserve Fund:</td><td>6,800,000</td></tr><tr><td>Costs of Issuance</td><td><u>2,000,000</u></td></tr><tr><td>Estimated Total:</td><td>\$101,300,000</td></tr></table>    | Project Construction Fund: | \$78,000,000 | Capitalized Interest: | 14,500,000 | Reserve Fund: | 6,800,000 | Costs of Issuance | <u>2,000,000</u> | Estimated Total: | \$101,300,000 |
| Project Construction Fund:                     | \$78,000,000                                                                                                                                                                                                                                                                                                       |                            |              |                       |            |               |           |                   |                  |                  |               |
| Capitalized Interest:                          | 14,500,000                                                                                                                                                                                                                                                                                                         |                            |              |                       |            |               |           |                   |                  |                  |               |
| Reserve Fund:                                  | 6,800,000                                                                                                                                                                                                                                                                                                          |                            |              |                       |            |               |           |                   |                  |                  |               |
| Costs of Issuance                              | <u>2,000,000</u>                                                                                                                                                                                                                                                                                                   |                            |              |                       |            |               |           |                   |                  |                  |               |
| Estimated Total:                               | \$101,300,000                                                                                                                                                                                                                                                                                                      |                            |              |                       |            |               |           |                   |                  |                  |               |
| <b>Security/Source of Repayment:</b>           |                                                                                                                                                                                                                                                                                                                    |                            |              |                       |            |               |           |                   |                  |                  |               |

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<sup>10</sup> These estimates are subject to adjustment until the bonds are priced, provided that the total principal amount of the bonds will not exceed \$120,000,000. Projected Use of Proceeds amounts correspond to GSCA 10-Year – 7 Approved Projects – A- Rated 06.16.25v3 Financial Model.

Bonds are secured by Gross System Revenues:  
Includes all residential and business end user fees as well as a portion of the Internet Service Provider (ISP) Fees after payment of Operating Expenses.

Additional security is provided by (i) funds in the capitalized interest account which provides funding to make the first three years payments on the bonds while the system is being constructed and customers are being connected, and (ii) funds in the debt service reserve fund.

**Credit Enhancement:**

If Gross System Revenues are insufficient to meet the required debt service payment coming due, then the Trustee will draw on the Debt Service Reserve Fund (DSRF) to make the bond payments. The Loan Loss Reserve Fund will then be drawn upon to replenish the shortfall in the DSRF.

**Tax Status:**

Tax Exempt  
Opinion to be provided by Kutak Rock, LLP

**Estimated Closing Date:**

November 5, 2025

**Optional Redemption:**

Ten Year Par Call – 2035 @ 100%

**Rating:**

Anticipating range between BBB- and A-.  
Both S&P and Fitch will be approached for preliminary credit assessments.

**Professionals Providing Service to GSCA  
With this Transaction:**

|                             |                          |
|-----------------------------|--------------------------|
| Bond Counsel / Tax Counsel: | Kutak Rock, LLP          |
| Underwriter's Counsel:      | Chapman & Cutler, LLP    |
| Underwriter:                | Key Banc Capital Markets |
| Municipal Advisor:          | LRB Public Finance       |
| Trustee:                    | Zions Corporate Trust*   |
| Operations:                 | UTOPIA Fiber             |

\*Or other nationally recognized firm.

# **APPENDIX B**

## **Bond Indenture**

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**TRUST INDENTURE**

**By and Between**

**GOLDEN STATE CONNECT AUTHORITY**

**and**

**ZIONS BANCORPORATION, NATIONAL ASSOCIATION,  
as Trustee**

**Dated as of [December 1, 2025]**

**[\$[PRINAMT]  
Telecommunications Revenue Bonds  
(Broadband Project)  
Series [2025]  
of Golden State Connect Authority**

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## TRUST INDENTURE

**THIS TRUST INDENTURE**, dated as of [December 1, 2025] (as amended and supplemented from time to time, this “**Indenture**”), is between **GOLDEN STATE CONNECT AUTHORITY**, a duly constituted joint exercise of powers agency, organized and existing under and by virtue of the laws of the State of California (the “**State**”) (the “**Issuer**” or the “**Authority**”), and **ZIONS BANCORPORATION, NATIONAL ASSOCIATION**, a national banking association organized and existing under the laws of the United States of America, as trustee (the “**Trustee**”).

### RECITALS

WHEREAS, the Issuer is a joint powers authority organized and existing under Chapter 5 (commencing with Section 6500) of Division 7 of Title 1 of the California Government Code; and

WHEREAS, the Issuer was created by that certain *Golden State Connect Authority Joint Exercise of Powers Agreement* (“**GSCA JPA**”); and

WHEREAS, under Government Code sections 6502 and 26231 and the GSCA JPA, the Issuer is authorized to establish and operate programs and projects to facilitate provision and expansion of broadband internet access service in rural communities, and to acquire, construct, improve, and maintain broadband infrastructure and operate broadband internet access service; and

WHEREAS, Article 4 (commencing with Section 6584) of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California, the “Marks-Roos Local Bond Pooling Act of 1985” (the “**Act**”) authorizes local agencies, including the Issuer, to issue revenue bonds for the purposes set forth therein, which includes the financing of public capital improvements as defined in Section 6546 of the Government Code of the State of California, which includes telecommunication systems or service, including, but not limited to, the installation, provision, or maintenance of that system or service; and

WHEREAS, under Sections 6.c and 6.d of the GSCA JPA, the Issuer is authorized to finance the construction, acquisition, improvement, preservation, and rehabilitation of real property and infrastructure, and to issue or cause to be issued bonds or other indebtedness, and pledge any of its property or revenues as security to the extent permitted under any applicable provisions of law; and

WHEREAS, the State of California (the “**State**”) created a Loan Loss Reserve Program (the “**Loan Loss Program**” or “**LLP**”) to assist in the funding of costs related to financing broadband infrastructure deployment by a local government agency, Tribal government agency, or a nonprofit organization, including, but not limited to, payment of costs of debt issuance, obtaining credit enhancement, and establishment and funding of reserves for the payment of principal and interest on the debt; the Loan Loss Program was created by Statutes 2021, Chapter 112 (“**Senate Bill 156**”), Section 8, which added Public Utilities Code section 281.2; and was funded through Statutes 2021, Chapter 84 (“Assembly Bill 164”), Section 34 and Statutes 2024, Chapter 36 (“Senate Bill 109”), Section 29, Item 8660-062-0001, subject in all respects to any revisions, amendments or supplements that may hereafter be provided; and

WHEREAS, the California Public Utilities Commission (the “**Commission**” or the “**CPUC**”) has issued its “Decision 23-11-045 Addressing Staff Proposal On Establishment of a Broadband Loan Loss Reserve Fund,” set forth in Rulemaking 20-08-2021, on November 2, 2023 providing requirements and guidelines (the “**Guidelines**”) relating to the Loan Loss Program; pursuant to such Guidelines, the Commission may provide an LLP credit enhancement for eligible debt as described in the Guidelines issued to finance broadband infrastructure; and

WHEREAS, pursuant to the Senate Bill 156, the State also established a program to finance broadband infrastructure for middle-mile and last-mile projects, which includes a Federal Funding Account (FFA) administered by the Commission, a grant program for last-mile infrastructure projects to connect unserved Californians in accordance with Senate Bill 156; and

WHEREAS, the Commission has awarded the Issuer \$\_\_\_\_\_ in FFA last-mile funding for the broadband infrastructure projects in those certain areas within certain counties as identified on **Exhibit B** attached hereto, and as **Exhibit B** may hereafter be modified, including by a Supplemental Indenture as defined herein (collectively, the “**Broadband Project Area**”); and

WHEREAS, the Issuer wishes to acquire, construct, install, own, operate and maintain broadband infrastructure within the Broadband Project Area (the “**Broadband Project**”) as more fully described on **Exhibit B** attached hereto; and

WHEREAS, an additional source of moneys to finance such broadband infrastructure will be revenues from the Broadband Project when operational, which will be used among other purposes to repay revenue bonds issued by the Issuer; and

WHEREAS, the Issuer is issuing its \$[PRINAMT] Telecommunications Revenue Bonds (Broadband Project) Series [2025] (the “**Series [2025] Bonds**”), pursuant to this Indenture, the proceeds of which will be used to provide funds (a) to finance a portion of the cost of the Broadband Project, (b) to fund capitalized interest on the Series [2025] Bonds, (c) fund a deposit to the Debt Service Reserve Fund defined and described herein and (d) to pay costs of issuance of the Series [2025] Bonds; and

WHEREAS, the Commission has awarded the Issuer \$[50,000,000] in Loan Loss Program credit enhancement support and executed and delivered that certain Debt Service Reserve Reimbursement Funding Commitment (and as the same may be supplemented, amended, modified or restated from time to time, the “**Commitment**”); and

WHEREAS, under the Commitment, the Commission unconditionally and irrevocably agrees to replenish the Debt Service Reserve Fund in the event of draw(s) thereon, from the Commitment as more fully provided therein, herein and in the Commitment Funding Agreement dated as of \_\_\_, [2025] (and as the same may be supplemented, amended, modified or restated from time to time, the “**Commitment Funding Agreement**”) among the Issuer, the Commission, Computershare, N.A. as the Commission’s Fiscal Agent (the “**Fiscal Agent**”) and the Trustee; and

WHEREAS, the governing body of the Issuer passed and approved a Resolution on \_\_\_, 2025 (and as the same may be supplemented and amended from time to time, the “**Bond Resolution**”), pursuant to which the Issuer is authorized, among other things, to issue the Series [2025] Bonds and to execute and deliver this Indenture; and

WHEREAS, this Indenture provides for the issuance of additional parity bonds from time to time on the terms and conditions provided for herein, and the Series [2025] Bonds and any Additional Bonds (as defined herein) that may be issued pursuant to this Indenture, as supplemented by a Supplemental Indenture, are referred to as the “**Bonds**”; and

WHEREAS, the Issuer intends to enter into agreements with internet service providers pursuant to which such internet service providers will provide internet service to end users within the Broadband Project Area or any portion thereof, and to enter into equipment lease agreements with end users, under which the Issuer will receive certain revenues and payments; and

WHEREAS, all things necessary to make the Bonds, when authenticated by the Trustee and issued as provided in this Indenture, the valid, legal and binding obligations of the Issuer, and to constitute this Indenture a valid, legal and binding pledge and assignment of the property, rights, interests and revenues made herein for the security of the payment of the Bonds, have been done and performed, and the execution and delivery of this Indenture and the execution and issuance of the Bonds, subject to the terms of this Indenture, have in all respects been duly authorized.

## GRANTING CLAUSES

To declare the terms and conditions upon which the Bonds are to be authenticated, issued and delivered, to secure the payment of all of the Bonds issued and Outstanding under this Indenture, and to secure the performance and observance by the Issuer of all the covenants, agreements and conditions contained in this Indenture, and in consideration of the premises, the acceptance by the Trustee of the trusts created by this Indenture, the purchase and acceptance of the Bonds by the owners thereof, the Issuer transfers in trust, pledges and assigns to the Trustee and grants a lien on and security interest to the Trustee in, the following described property (such property referred to herein as the “**Trust Estate**”):

- (a) The proceeds of sale of the Bonds;
- (b) The Net System Revenues;
- (c) All other moneys and securities from time to time held by the Trustee under the terms of this Indenture (excluding amounts held in the Rebate Fund), and all Funds and Accounts established and maintained pursuant to the terms of this Indenture and any Supplemental Indenture (excluding the Rebate Fund), except as otherwise set forth herein and/or in a Supplemental Indenture; and
- (d) Any and all other property (real, personal or mixed) of every kind and nature from time to time hereafter, by delivery or by writing of any kind, pledged, assigned or transferred as and for additional security hereunder by the Issuer, or by anyone in its behalf or with its written consent, to the Trustee, which is hereby authorized to receive any and all such property at any and all times and to hold and apply the same subject to the terms hereof.

The Trustee shall hold in trust and administer the Trust Estate upon the terms and conditions set forth in this Indenture for the equal and pro rata benefit and security of each and every owner of Bonds, without preference, priority or distinction as to participation in the lien, benefit and protection of this Indenture of one Bond over or from the others, except as otherwise expressly provided herein.

The Trust Estate pledged to Trustee for the benefit of the Bondowners shall immediately be subject to the pledge, and the pledge shall constitute a lien and security interest which shall attach immediately to the Trust Estate and be effective, binding, and enforceable against the Issuer, its successors, purchasers of the Trust Estate, creditors, and all others, to the extent set forth, and in accordance with this Indenture irrespective of whether such parties have notice of the pledge and without the need for any physical delivery, recordation, filing, or further act.

This Indenture also provides for the use of Net System Revenues to the repayment of the Commission of any sums due and owing to the Commission, and that upon the occurrence and continuation of certain events of default, the Trustee will apply the funds in the Trust Estate to the repayment of the Commission on a subordinate basis to the payment of the Bondholders.

NOW, THEREFORE, to declare the terms and conditions upon which the Bonds are to be authenticated, issued and delivered and to secure the payment of all of the Bonds issued and Outstanding under this Indenture from time to time according to their tenor and effect, and in consideration of the premises, the purchase and acceptance of the Bonds by the owners thereof, the Issuer covenants and agrees with the Trustee for the equal and proportionate benefit of the respective owners of the Bonds, that the Bonds are to be issued, authenticated and delivered and the Trust Estate is to be held and applied by the Trustee as provided in this Trust Indenture, as from time to time amended by Supplemental Indentures, as follows:

## DEFINITIONS; INTERPRETATION

**Definitions.** The capitalized terms used in this Indenture and in any Supplemental Indenture shall, for all purposes of this Indenture, have the meanings specified in this **Article I**, unless a different definition is given such term in said Supplemental Indenture or unless the context clearly requires otherwise.

**“Account”** shall mean any account established pursuant to this Indenture.

**“Accreted Value”** shall mean with respect to any Capital Appreciation Bonds, as of any date of calculation, the sum of the amount set forth in a Supplemental Indenture as the amount representing the initial principal amount of such Capital Appreciation Bond plus the interest accumulated, compounded and unpaid thereon as of the most recent compounding date. The Accreted Value shall be determined in accordance with the provisions of the Supplemental Indenture authorizing the issuance of such Capital Appreciation Bonds. All references herein to “principal” shall include Accreted Value, as applicable.

**“Act”** shall mean Article 4 (commencing with Section 6584) of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California (the “Marks-Roos Local Bond Pooling Act of 1985”).

**“Additional Bonds”** shall mean any additional bonds issued by the Issuer pursuant to **Section 2.03** hereof that stand on a parity and equality with respect to the pledge of and lien on the Trust Estate under this Indenture with the Series [2025] Bonds and any other Additional Bonds then Outstanding.

**“Aggregate Annual Debt Service”** shall mean for any Fiscal Year the aggregate amount of Annual Debt Service on any Outstanding Bonds. For purposes of calculating Aggregate Annual Debt Service, the following components of debt service shall be computed as follows:

(a) in determining the amount of principal due in each Fiscal Year, payment shall (unless a different paragraph of this definition applies for purposes of determining principal maturities or amortization) be assumed to be made on Outstanding Bonds in accordance with any amortization schedule established by the governing documents setting forth the terms of such Bonds, including, as a principal payment, the Accreted Value of any Capital Appreciation Bonds maturing or scheduled for redemption in such Fiscal Year; in determining the amount of interest due in each Fiscal Year, interest payable at a fixed rate shall (except to the extent paragraphs (b), (c) or (d) of this definition applies) be assumed to be made at such fixed rate and on the required funding dates; provided, however, that interest payable on the Bonds shall be excluded to the extent such payments are to be paid from Capitalized Interest for such Fiscal Year;

(b) if all or any portion or portions of an Outstanding Series of Bonds constitute Balloon Indebtedness, then, for purposes of determining Aggregate Annual Debt Service, each maturity which constitutes Balloon Indebtedness shall, unless otherwise provided in the

Supplemental Indenture pursuant to which such Balloon Indebtedness is issued or unless paragraph (c) of this definition then applies to such maturity, be treated as if it were to be amortized over a term of not more than thirty (30) years and with substantially level annual debt service funding payments commencing not later than the Fiscal Year following the Fiscal Year in which such Balloon Indebtedness was issued, and extending not later than thirty (30) years from the date such Balloon Indebtedness was originally issued; the interest rate used for such computation for fixed rate Bonds shall be the applicable fixed rates and for variable rate Bonds it shall be that rate quoted in The Bond Buyer 25 Revenue Bond Index, or such successor or replacement index, for the last week of the month preceding the date of calculation as published by *The Bond Buyer*, or if that index is no longer published, another similar index selected by the Issuer, or if the Issuer fails to select a replacement index, that rate determined by a Consultant to be a reasonable market rate for fixed-rate Bonds of a corresponding term issued under this Indenture on the date of such calculation, with no credit enhancement and taking into consideration whether such Bonds bear interest which is or is not excluded from gross income for federal income tax purposes and which is or is not subject to any alternative minimum tax; with respect to any Series of Bonds only a portion of which constitutes Balloon Indebtedness, the remaining portion shall be treated as described in paragraph (a) of this definition or such other provision of this definition as shall be applicable and, with respect to any Series of Bonds or that portion of a Series thereof which constitutes Balloon Indebtedness, all payments of principal and interest becoming due prior to the Fiscal Year of the stated maturity of the Balloon Indebtedness shall be treated as described in paragraph (a) of this definition or such other provision of this definition as shall be applicable;

(c) any maturity of Bonds which constitutes Balloon Indebtedness as described in paragraph (b) of this definition and for which the stated maturity date occurs within twelve (12) months from the date such calculation of Aggregate Annual Debt Service is made, shall be assumed to become due and payable on the stated maturity date and paragraph (b) of this definition shall not apply thereto unless there is delivered to the entity making the calculation of Aggregate Annual Debt Service a certificate of an Authorized Signatory stating that the Issuer intends to refinance such maturity and stating the probable terms of such refinancing and that the debt capacity of the Issuer is sufficient to successfully complete such refinancing; upon the receipt of such certificate, such Balloon Indebtedness shall be assumed to be refinanced in accordance with the probable terms set out in such certificate and such terms shall be used for purposes of calculating Aggregate Annual Debt Service, provided that such assumption shall not result in an interest rate lower than that which would be assumed under paragraph (b) of this definition and shall be amortized over a term of not more than thirty (30) years from the date of refinancing;

(d) if any Outstanding Bonds constitute Variable Rate Indebtedness (except to the extent paragraph (b) or (c) of this definition relating to Balloon Indebtedness applies), the interest rate used for such computation shall be the highest of (i) the actual rate on the date of calculation, or, if such Bonds constituting Variable Rate Indebtedness are not yet Outstanding, the initial rate, if established and binding, (ii) if the Bonds constituting Variable Rate Indebtedness have been Outstanding for at least twelve months, the average rate over the twelve months immediately preceding the date of calculation, or (iii) (A) if the interest on the Bonds constituting Variable Rate Indebtedness is excluded from the gross income of the holder thereof for federal income tax purposes, the most recently published "The Bond Buyer 25 Revenue Bond Index," published by *The Bond Buyer* (or comparable index if no longer published) plus fifty (50) basis points, or (B) if the interest on the Bonds constituting Variable Rate Indebtedness is includable in the gross income of the holder thereof for federal income tax purposes, the interest rate on direct obligations of the United States with comparable maturities, plus fifty (50) basis points;

(e) with respect to any Interim Indebtedness, it shall be assumed that the principal amount of the Interim Indebtedness will be continuously refinanced and will remain Outstanding until the first Fiscal Year for which interest on the Interim Indebtedness has not been capitalized or otherwise funded or provided for, at which time (which shall not be beyond the maturity date of the Interim Indebtedness) it shall be assumed (A) that the Outstanding principal amount of the Interim Indebtedness will be refinanced with a Series of Additional Bonds that will be amortized over a period not to exceed thirty (30) years in such manner as will cause the maximum Annual Debt Service applicable to such Series in any twelve (12) month period not to exceed 110% of the minimum Annual Debt Service applicable to such Series for any other twelve (12) month period, and (B) that the Series of Additional Bonds will bear interest at a fixed interest rate estimated by the Issuer's financial or municipal advisor to be the interest rate such Series of Additional Bonds would bear if issued on such terms on the date of such estimate;

(f) if moneys, Permitted Investments or any other amounts not included in Revenues have been used to pay, or Defeasance Obligations have been irrevocably deposited with and are held by the Trustee, Paying Agent or an escrow agent to pay, or Capitalized Interest has been set aside exclusively to be used to pay principal and/or interest on specified Bonds, then the principal and/or interest paid or to be paid from such moneys, Permitted Investments, Defeasance Obligations, other amounts not included in Revenues or Capitalized Interest or from the earnings thereon shall be disregarded and not included in calculating Aggregate Annual Debt Service and/or Annual Debt Service; and

(g) if state and/or federal grants (including through a Letter of Intent) or other moneys not included in Revenues have been used to pay, or have been irrevocably committed or are held by the Issuer and are to be set aside exclusively to be used to pay, principal of and/or interest on specified Bonds, then the principal and/or interest paid or to be paid from such state and/or federal grants or other moneys not included in Revenues or from earnings thereon shall be disregarded (unless such state and/or federal grants or other moneys are included in the definition of Revenues) and not included in calculating Aggregate Annual Debt Service and/or Annual Debt Service.

**"Annual Debt Service"** shall mean, with respect to any Bond, the aggregate amount of principal, interest and such other amounts becoming due and payable during a Fiscal Year.

**"Authorized Signatory"** shall mean the Executive Director, Deputy Executive Director, and Chief Financial Officer of the Issuer or any other person as may be designated and authorized to sign for the Issuer pursuant to a resolution adopted thereby or other authorization of the Issuer (including, without limitation, the administrative delegees duly authorized pursuant to the GSCA JPA), or such other person at the time designated to act on behalf of the Issuer as evidenced by a written certificate furnished to the Trustee containing the specimen signature of such person and signed on behalf of the Issuer by an Authorized Signatory. Such certificate may designate an alternate or alternates, each of whom shall be entitled to perform all duties of the Authorized Signatory.

**"Balloon Indebtedness"** shall mean, with respect to any Series of Bonds 25% or more of the initial principal of which matures on the same date or within a Fiscal Year, that portion of such Series which matures on such date or within such Fiscal Year. For purposes of this definition, the principal amount maturing on any date shall be reduced by the amount of such Bonds scheduled to be amortized by prepayment or redemption prior to their stated maturity date.

**"Bond Counsel"** shall mean Kutak Rock LLP, or any other attorney at law or firm of attorneys selected by the Issuer and reasonably acceptable to the Trustee of nationally recognized standing in matters pertaining to the validity of and the tax-exempt nature of interest on bonds issued by states and their political

subdivisions, duly admitted to the practice of law before the highest court of any state of the United States of America.

**“Bond Resolution”** shall mean the Resolution of the Issuer adopted on \_\_\_\_\_, [2025], authorizing, among other things, the issuance of the Series [2025] Bonds and the execution and delivery of this Indenture.

**“Bondowner,” “bondowner,” “owner,” “Bondholder” or “holder”** shall mean, as of any time, the registered owner of any Bond as shown in the register kept by the Trustee as bond registrar.

**“Bonds”** shall mean, collectively, the Series [2025] Bonds and any Additional Bonds issued, authenticated and delivered under and pursuant to this Indenture.

**“Book-Entry System”** shall mean the book-entry system maintained by the Securities Depository described in **Section 2.11** hereof.

**“Broadband Project”** shall have the meaning set forth in the recitals hereof.

**“Broadband Project Area”** means the area described in **Exhibit B** attached hereto, as set forth in the recitals hereto, and as the same may be modified hereafter with the consent of the Commission, including but not limited to by a Supplemental Indenture.

**“Broadband System”** shall mean the broadband infrastructure system owned and operated by the Issuer within the Broadband Project Area, including all appurtenances and facilities connected therewith or relating thereto, together with all extensions, improvements, additions and enlargements thereto hereafter made or acquired by the Issuer.

**“Business Day”** shall mean a day other than (a) a Saturday, Sunday or legal holiday or (b) a day on which banks located in any city in which the principal corporate trust office of the Trustee or any Paying Agent is located are required or authorized by law to remain closed.

**“Capital Appreciation Bonds”** shall mean Bonds all or a portion of the interest on which is compounded and accumulated at the rates and on the dates set forth in a Supplemental Indenture and is payable only upon redemption or on the maturity date of such Bonds. Bonds which are issued as Capital Appreciation Bonds, but later convert to Bonds on which interest is paid periodically shall be Capital Appreciation Bonds until the conversion date and from and after such conversion date shall no longer be Capital Appreciation Bonds, but shall be treated as having a principal amount equal to their Accreted Value on the conversion date.

**“Capitalized Interest”** shall mean proceeds of Bonds or other monies not included in Net System Revenues that are deposited with the Issuer or other entity in a Debt Service Fund as shall be described in a Supplemental Indenture or an Issuing Instrument upon issuance of Bonds that are to be used to pay interest on Bonds.

**“Capitalized Interest Fund”** shall mean the Fund by that name created by **Section 4.01** hereof, with a Series [2025] Capitalized Interest Account therein.

**“Cede & Co.”** shall mean Cede & Co., the nominee of the Securities Depository, and any successor nominee of the Securities Depository with respect to the Bonds.

“**Code**” shall mean the Internal Revenue Code of 1986, as amended, and the United States Treasury Regulations applicable with respect thereto.

“**Commission**” or “**CPUC**” shall mean the California Public Utilities Commission, or any successor thereto.

“**Commitment**” or “**DSR Commitment**” shall mean that certain Debt Service Reserve Reimbursement Funding Commitment dated [DATE] of the Commission providing for the replenishment of the Debt Service Reserve Fund to the extent and under the circumstances provided therein and in the Commitment Funding Agreement, as supplemented, amended, modified or restated from time to time in accordance with the provisions thereof.

“**Commitment Costs**” shall mean repayment of draws on the Commitment and payment of expenses and the interest accrued thereon at the Late Payment Rate as defined in the Commitment Funding Agreement and described in **Section 11.02** hereof,

“**Commitment Funding Agreement**” shall mean that certain Commitment Funding Agreement for Loan Loss Reserve Program dated [DATE] by and among the Commission, the Fiscal Agent, the Issuer and the Trustee, as supplemented, amended, modified or restated from time to time in accordance with the provisions thereof.

“**Completion Certificate**” shall mean the completion certificate required under **Section 4.04(e)** hereof to be executed by an Authorized Signatory with respect to the completion of the Broadband Project.

“**Consultant**” shall mean any Independent consultant, consulting firm, engineer, architect, engineering firm, architectural firm, accountant or accounting firm, financial or municipal advisory or investment banking firm, or other expert recognized to be well-qualified for work of the character required and retained by the Issuer to perform acts and carry out the duties provided for such consultant in this Indenture.

“**Continuing Disclosure Undertaking**” shall mean the Issuer’s Continuing Disclosure Undertaking relating to the Series [2025] Bonds.

“**Costs**” or “**Costs of the Project**” shall mean all costs of planning, developing, financing, constructing, installing, equipping, furnishing, improving, acquiring, enlarging and/or renovating the Broadband Project and placing the same in service and shall include, but not be limited to the following: (a) costs of real or personal property, rights, franchises, easements and other interests in property, real or personal, and the cost of demolishing or removing structures and site preparation, infrastructure development, and landscaping and acquisition of land to which structures may be removed; (b) the costs of materials and supplies, machinery, equipment, vehicles, rolling stock, furnishings, improvements and enhancements; (c) labor and related costs and the costs of services provided, including costs of consultants, advisors, architects, engineers, accountants, planners, attorneys, financial and feasibility consultants, in each case, whether an employee of the Issuer, a Consultant or another Person; (d) capitalized interest; (e) costs of the Issuer properly allocated to the Broadband Project and with respect to costs of its employees or other labor costs, including the cost of medical, pension, retirement and other benefits as well as salary and wages and the allocable costs of administrative, supervisory and managerial personnel and the properly allocable cost of benefits provided for such personnel; (f) Costs of Issuance and other financing expenses, including costs related to issuance of and securing of Bonds; and (g) such other costs and expenses that can be capitalized under generally accepted accounting principles in effect at the time the cost is incurred by the Issuer.

**“Costs of Issuance”** shall mean issuance costs with respect to the Bonds, including but not limited to the following: underwriters spread, discount or fees; counsel fees (including Bond Counsel, underwriters counsel, disclosure counsel, Issuer’s counsel, as well as any other specialized counsel fees incurred in connection with the financing); financial or municipal advisor fees of any financial or municipal advisor to the Issuer incurred in connection with the issuance of the Bonds; Consultant fees; rating agency fees; Trustee, Fiscal Agent, escrow agent, verification agent and paying agent fees; accountant fees and other expenses related to issuance of the Bonds; printing costs (for the Bonds and of the preliminary and final official statement relating to the Bonds); and fees and expenses of the Issuer incurred in connection with the issuance of the Bonds.

**“Costs of Issuance Fund”** shall mean the Fund by that name created by **Section 4.01** hereof, with a Series [2025] Costs of Issuance Account therein.

**“Debt Service Fund”** shall mean the Fund by that name created by **Section 4.01** hereof, with a Series [2025] Debt Service Account therein.

**“Debt Service Reserve Fund”** shall mean the Fund by that name created by **Section 4.01** hereof and that is required to be funded for the purpose of providing additional security for the Debt Service Reserve Fund Participating Bonds.

**“Debt Service Reserve Fund Participating Bonds”** shall mean the Series [2025] Bonds and any Additional Bonds.

**“Debt Service Reserve Requirement”** for the Debt Service Reserve Participating Bonds shall mean the lesser of (i) maximum annual debt service on the Debt Service Reserve Fund Participating Bonds, (ii) 125% of average annual debt service on the Debt Service Reserve Fund Participating Bonds, and (iii) 10% of the stated principal amount of the Debt Service Reserve Fund Participating Bonds. At the time of issuance of the Series [2025] Bonds, the Debt Service Reserve Requirement shall be equal to \$[\_\_\_\_\_].

**“Defeasance Obligations”** shall mean:

- (a) Government Obligations which are not subject to redemption prior to maturity; or
- (b) obligations of any state or political subdivision of any state, which obligations have been advance refunded, the interest on which is excluded from gross income for federal income tax purposes, and which meet the following conditions:
  - (i) the obligations (A) are not subject to redemption prior to maturity or (B) the trustee for such obligations has been given irrevocable instructions concerning their calling and redemption and the issuer of such obligations has covenanted not to redeem such obligations other than as set forth in such instructions;
  - (ii) the obligations are secured by cash or noncallable Government Obligations that may be applied only to payment of principal of, premium, if any, and interest payments on such obligations;
  - (iii) the sufficiency of such cash and noncallable Government Obligations to pay in full all principal of, interest, and premium, if any, on such obligations has been verified by the report of an independent certified public accountant (a “Verification”) and

no substitution of Government Obligations shall be permitted except with cash or other Government Obligations and upon delivery of a new Verification;

(iv) such cash and Government Obligations serving as security for the obligations are held in an irrevocable escrow by an escrow agent or a trustee in trust for the owners of such obligations;

(v) the Trustee has received an Opinion of Counsel that such cash and Government Obligations are not available to satisfy any other claims other than the payment of such obligations, including those against the trustee or escrow agent; and

(vi) the obligations are rated in the highest rating category by a nationally recognized securities rating service.

**“DTC”** shall mean The Depository Trust Company or the successor to its powers and authority.

**“Electronic Means”** shall mean the following communication 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 under this Indenture.

**“Event of Default”** or **“event of default”** shall mean any occurrence or event specified in **Section 7.01** hereof.

**“Financial Consultant”** shall mean a Person acceptable to the Commission having the experience and qualifications necessary to review and make recommendations regarding the operation, management, marketing, improvement, condition or use of the Broadband System.

**“Fiscal Agent”** shall mean Computershare, N.A., a national banking association, and its successors and assigns, as Fiscal Agent for the Commission.

**“Fiscal Year”** shall mean the 12-month period used by the Issuer for its general accounting purposes, as it may be changed from time to time. The Fiscal Year at the time this Indenture was entered is the calendar year ending December 31.

**“Fitch”** shall mean Fitch, Inc. and its successors and its assigns, and, if Fitch shall for any reason no longer perform the functions of a Nationally Recognized Rating Agency, “Fitch” shall be deemed to refer to any Nationally Recognized Rating Agency designated by the Issuer.

**“Fund”** shall mean any fund established pursuant to this Indenture.

**“Government Obligations”** shall mean the following:

(a) bonds, notes, certificates of indebtedness, treasury bills or other securities constituting direct obligations of, or obligations the principal of and interest on which are fully and unconditionally guaranteed by, the United States of America; and

(b) evidences of direct ownership of a proportionate or individual interest in future interest or principal payments on specified direct obligations of, or obligations the payment of the principal of and interest on which are unconditionally guaranteed by, the United States of America, which obligations are held by a bank or trust company organized and existing under the laws of the

United States of America or any state thereof in the capacity of custodian in form and substance satisfactory to the Trustee.

**“Gross System Revenues”** shall mean all revenues, fees, income, rents, receipts, unrestricted investment income, sale proceeds, and receipts received or earned by the Issuer, from or attributable to the ownership or operation of the Broadband System or any part thereof, whether resulting from extensions, enlargements, repairs or betterments to the Broadband System, including moneys received from the imposition of rates, fees and charges to internet service providers and end users, moneys from the sale and use of services and products of the Broadband System, moneys provided by California local governmental entities that are identified by any such applicable entity as being provided as system revenues in support of the Broadband System and the payment of debt service on the Bonds, and all interest earned and other investment income received on any moneys or securities held pursuant to this Indenture, together with any moneys derived from additions and expansions to the Broadband System that the Issuer through a supplemental indenture or otherwise includes as Gross System Revenues. Gross System Revenues do not include gifts, grants and other income (including any investment earnings thereon) which are restricted by their terms to purposes inconsistent with the payment of debt service on the Bonds.

**“Guidelines”** shall have the meaning set forth set forth in the recitals hereof.

**“Indenture”** shall mean this Trust Indenture, dated as of [December 1, 2025], between the Issuer and the Trustee, together with all Supplemental Indentures.

**“Independent”** shall mean, when used with respect to any specified firm or individual, such a firm or individual who (i) does not have any direct financial interest or any material indirect financial interest in the operations of the Issuer, other than the payment to be received under a contract for services to be performed, and (ii) is not connected with the Issuer as an official, officer or employee.

**“Interest Payment Date”** shall mean, with respect to the Series [2025] Bonds, each [\_\_\_\_\_] 1] and [\_\_\_\_\_] 1], beginning on [\_\_\_\_\_] 1], [2026], and with respect to any Additional Bonds, each [\_\_\_\_\_] 1] and [\_\_\_\_\_] 1], beginning on the date set forth in a Supplemental Indenture.

**“Interim Indebtedness”** shall mean any Bond or Bonds (a) for or with respect to which no principal payments are required to be made other than on the maturity date thereof, which date shall be no later than five (5) years from the date of their delivery to their initial purchasers, and (b) which are authorized by a Supplemental Indenture which declares the Issuer’s intent, at the time of issuance, to refund or refinance all or a part of the same prior to or on such maturity date, including commercial paper, notes, and similar obligations.

**“Issuer”** shall mean Golden State Connect Authority, a duly constituted joint exercise of powers agency, organized and existing under and by virtue of the laws of the State of California, and its successors and assigns.

**“Kroll”** shall mean Kroll Bond Rating Agency, Inc., and its successors and assigns, and, if Kroll shall for any reason no longer perform the functions of a Nationally Recognized Rating Agency, “Kroll” shall be deemed to refer to any other Nationally Recognized Rating Agency designated by the Issuer..

**“Letter of Intent”** shall mean a written commitment to make grant payments to the Issuer (which commitment may be subject to appropriations) from the United States of America or any department or agency thereof, or from the State or any department or agency of the State.

**“Mail”** shall mean by first-class United States mail, postage prepaid.

**“Management Agreement”** shall mean the \_\_\_\_\_ Agreement with UTOPIA for the operation and management of the Broadband System, as supplemented, amended, modified or restated from time to time in accordance with the provisions thereof, and any other agreement with a Manager for the operation and management of the Broadband System.

**“Manager”** shall mean UTOPIA while UTOPIA is engaged by the Issuer with respect to the Broadband Project or the Broadband System and any successor or replacement thereof having the experience and qualifications to operate and manage a broadband system of the size and character of the Broadband System or such other entity that is then performing the functions of operating and managing the Broadband System.

**“Moody’s”** shall mean Moody’s Investors Service, Inc. and its successors and its assigns, and, if Moody’s shall for any reason no longer perform the functions of a Nationally Recognized Rating Agency, “Moody’s” shall be deemed to refer to any other Nationally Recognized Rating Agency designated by the Issuer.

**“Nationally Recognized Rating Agency”** shall mean a nationally recognized statistical rating organization designated as such by the United States Securities and Exchange Commission.

**“Net System Revenues”** shall mean, for any period of calculation, the Gross System Revenues during such period less the Operation and Maintenance Expenses during such period.

**“Operation and Maintenance Expenses”** shall mean fees and expenses of the Issuer for owning, maintaining and operating the Broadband System, including all expenses of management, operation, maintenance and repair, whether incurred by the Issuer or paid to any other entity, including UTOPIA, utility expenses, administrative and legal expenses, miscellaneous operating expenses and all other expenses necessary to maintain and preserve the Broadband System in good repair and working order, and including all administrative costs of the Issuer that are charged directly or apportioned to the operation of the Broadband Project, advertising costs, payroll expenses (including taxes), overhead, the cost of material and supplies used for current operations of the Issuer, the cost of vehicles, equipment leases and service contracts, taxes (if any) and insurance premiums, assessments for public improvements and including all other reasonable and necessary costs of the Issuer or charges required to be paid by the Issuer in order to comply with the terms hereof, charges for the accumulation of appropriate reserves for current expenses not annually recurrent, but which are such as may reasonably be expected to be incurred, all in such amounts as reasonably determined by the Issuer; provided however, “Operating Expenses” shall not include (i) depreciation and amortization expenses; and (ii) expenditures for capitalized assets.

**“Opinion of Bond Counsel”** shall mean, with respect to any action relating to the Bonds, the occurrence of which requires such an opinion, a written legal opinion of Bond Counsel addressed to the Trustee, the Commission and the Issuer to the effect that such action is permitted under this Indenture and will not impair the exclusion of interest on any tax-exempt Bonds from gross income for purposes of federal income taxation or the exemption of interest on any tax-exempt Bonds from personal income taxation under the laws of the State (subject to customary exceptions).

**“Opinion of Counsel”** shall mean a written opinion of any legal counsel acceptable to the Issuer, the Trustee and the Commission and, to the extent the Issuer is asked to take action in reliance thereon, the Issuer, who may be an employee of or counsel to the Issuer, the Trustee or the Commission.

**“Outstanding”** when used with respect to Bonds shall mean all Bonds which have been authenticated and delivered under this Indenture, except:

(a) Bonds cancelled or purchased by the Trustee for cancellation or delivered to or acquired by the Trustee for cancellation and, in all cases, with the intent to extinguish the debt represented thereby;

(b) Bonds deemed to be paid in accordance with **Article X** hereof;

(c) Bonds in lieu of which other Bonds have been authenticated under this Indenture;

(d) Bonds that have become due (at maturity or on redemption, acceleration or otherwise) and for the payment of which sufficient moneys, including interest accrued to the due date, are held by the Trustee or a Paying Agent; and

(e) Bonds which, under the terms of the Supplemental Indenture pursuant to which they were issued, are deemed to be no longer Outstanding;

**“Participant”** shall mean, with respect to DTC or another Securities Depository, a member of or participant in DTC or such other Securities Depository, respectively.

**“Paying Agent” or “Paying Agents”** shall mean the Trustee and any other commercial bank or trust institution organized under the laws of any state of the United States of America or any national banking association designated pursuant to this Indenture or any Supplemental Indenture as paying agent for the Bonds at which the principal of, redemption premium, if any, and interest on such Bonds shall be payable.

**“Payment Date”** shall mean, with respect to any Bonds, each date on which interest is due and payable thereon and each date on which principal is due and payable thereon whether by maturity or redemption thereof.

**“Permitted Investments”** shall mean any of the following securities, if and to the extent the same are at the time legal for investment of the Issuer’s moneys held in the funds and accounts referred to in **Article IV**:

(a) Government Obligations;

(b) treasury notes or bonds of any state of the United States of America, or bonds, notes, warrants or other evidences of indebtedness of any political subdivision of the State of California (such obligations of which are rated in the highest long term rating category by a Rating Agency if rated by a Rating Agency);

(c) bonds, debentures or other obligations issued by the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Federal Farm Credit Bank, any Federal Home Loan Bank, the Resolution Funding Corporation, the Tennessee Valley Authority, any Federal Loan Bank or the Government National Mortgage Association and any other obligations of any agency controlled or supervised by and acting as an instrumentality of the United States Government pursuant to authority granted by the Congress of the United States;

(d) repurchase agreements collateralized by securities described in (a), (b) or (c) above with any institution that will not adversely affect the rating of the Bonds at the time of purchase;

(e) investment agreements secured or unsecured as required by the Issuer with any institution that will not adversely affect the rating of the Bonds at the time of execution;

(f) any of the following obligations that would not adversely affect the rating of the Bonds at the time of purchase: (i) time deposits, certificates of deposit or any other deposit with federally or state chartered banks (including the Trustee and its affiliates), the deposits of which are fully insured by the Federal Deposit Insurance Corporation or collateralized by securities described in (a), (b) or (c) above, (ii) commercial paper constituting medium term corporate notes, (iii) shares of a money market mutual fund or other collective investment fund registered under the Investment Company Act of 1940, as amended, whose shares are registered under the Securities Act of 1933, as amended, having assets of at least \$100 million (including those for which the Trustee or any affiliate performs services for a fee, whether as a custodian, transfer agent, investment advisor or otherwise) and whose portfolios consist only of dollar-denominated securities, and (iv) any other investment with a financial institution authorized pursuant to the Issuer's then-current investment policy; and

(g) any other investment authorized pursuant to California Government Code sections 53600 et seq.

References to particular ratings and rating agency categories in this definition are applicable only at the time of purchase of the Permitted Investment.

**"Person"** shall mean any natural person, firm, association, corporation, partnership, joint stock company, a joint venture, trust, unincorporated organization or firm, or a government or any agency or political subdivision thereof or other public body.

**"Principal Amount"** or **"principal amount"** shall mean, as of any date of calculation, (a) with respect to any Capital Appreciation Bond, the Accreted Value thereof (the difference between the stated amount to be paid at maturity and the Accreted Value being deemed unearned interest), and (b) with respect to any other Bonds, the principal amount of such Bond payable at maturity or redemption thereof.

**"Project Fund"** shall mean the Fund by that name created by **Section 4.01** hereof, with a Series [2025] Project Account therein.

**"Rating Agency"** and **"Rating Agencies"** shall mean Fitch, Moody's, S&P or Kroll, or any other Nationally Recognized Rating Agency.

**"Rating Category"** and **"Rating Categories"** shall mean (i) with respect to any long-term rating category, all ratings designated by a particular letter or combination of letters, without regard to any numerical modifier, plus or minus sign or other modifier, and (ii) with respect to any short-term or commercial paper rating category, all ratings designated by a particular letter or combination of letters and taking into account any numerical modifier, but not any plus or minus sign or other modifier.

**"Rebate Fund"** shall mean the Fund by that name created by **Section 4.01** hereof.

**"Record Date"** shall mean the 15<sup>th</sup> day (whether or not a Business Day) of the calendar month next preceding the month in which an interest payment on any Bond is to be made.

**"Revenue Fund"** shall mean the Fund by that name created by **Section 4.01** hereof.

**"Securities Depository"** shall mean, initially, DTC, and its successors and assigns.

**"Serial Bonds"** shall mean Bonds for which no sinking installment payments are provided.

“**Series**” shall mean any series of Bonds issued and secured under this Indenture.

“**Series [2025] Bond Issuance Date**” shall mean, as to the Series [2025] Bonds, \_\_\_\_\_, [2025].

“**Series [2025] Bonds**” shall mean the Issuer’s Telecommunications Revenue Bonds (Broadband Project), Series [2025] issued hereunder in the original aggregate principal amount of \$[PRINAMT].

“**Series [2025] Capitalized Interest Account**” shall mean the Account by that name created within the Capitalized Interest Fund pursuant to **Section 4.01** hereof.

“**Series [2025] Costs of Issuance Account**” shall mean the Account by that name created within the Costs of Issuance Fund pursuant to **Section 4.01** hereof.

“**Series [2025] Debt Service Account**” shall mean the Account by that name created within the Debt Service Fund pursuant to **Section 4.01** hereof.

“**Series [2025] Project Account**” shall mean the Account by that name created within the Project Fund pursuant to **Section 4.01** hereof.

“**Series [2025] Purchase Contract**” shall mean the Bond Purchase Agreement entered into by and between the Issuer and the Underwriter with respect to the Series [2025] Bonds.

“**Series [2025] Tax Compliance Agreement**” shall mean the Tax Compliance Agreement with respect to the Series [2025] Bonds, between the Issuer and the Trustee, as from time to time amended in accordance with the provisions thereof.

“**S&P**” shall mean S&P Global Ratings, its successors and assigns, and, if S&P shall for any reason no longer perform the functions of a Nationally Recognized Rating Agency, “S&P” shall be deemed to refer to any other Nationally Recognized Rating Agency designated by the Issuer.

“**Subordinate Obligations**” shall mean Subordinate Obligations issued or incurred in accordance with the provisions of **Section 6.16** of this Indenture.

“**Supplemental Indenture**” shall mean any indenture supplemental or amendatory to this Indenture entered into by the Issuer and the Trustee pursuant to **Article IX** hereof.

“**Surplus Fund**” means the Fund by that name created pursuant to **Section 4.01** hereof.

“**Tax Compliance Agreement**” shall mean each of the Series [2025] Tax Compliance Agreement and such other tax compliance agreement(s) entered into with respect to Additional Bonds, between the Issuer and the Trustee, as from time to time amended in accordance with the provisions thereof.

“**Term Bonds**” shall mean Bonds of a Series which are payable on or before their specified maturity dates from sinking installment payments for such Series and calculated to retire such Bonds on or before their specified maturity dates.

“**Transaction Documents**” shall mean this Indenture, the Series [2025] Bonds, the Series [2025] Purchase Contract, the Series [2025] Tax Compliance Agreement, the Commitment, the Commitment Funding Agreement and any other agreement relating to with respect to any Bonds, and any and all future renewals and extensions or restatements of, or amendments or supplements to, any of the foregoing; provided, however, that when the words “Transaction Documents” are used in the context of the

authorization, execution, delivery, approval or performance of Transaction Documents by a particular party, the same shall mean only those Transaction Documents that provide for or contemplate authorization, execution, delivery, approval or performance by such party.

“**Trust Estate**” shall mean the Trust Estate described in the Granting Clauses of this Indenture.

“**Trustee**” shall mean Zions Bancorporation, National Association, a national banking association, and its successors and assigns.

“**Underwriter**” shall mean, with respect to the Series [2025] Bonds, KeyBanc Capital Markets Inc., as purchaser of the Series [2025] Bonds under the Series [2025] Purchase Contract, and for any Additional Bonds, the purchaser named in the Supplemental Indenture which authorizes the issuance of such Additional Bonds.

“**United States Bankruptcy Code**” shall mean Title 11 U.S.C., Section 101 et seq., as amended or supplemented from time to time, or any successor federal act.

“**UTOPIA**” means the Utah Telecommunication Open Infrastructure Agency, a political subdivision of the State of Utah, its successors and assigns.

“**Variable Rate Indebtedness**” shall mean any Bond or Bonds the interest rate on which is not, at the time in question, fixed to maturity.

Except as otherwise indicated, references to Articles and Sections are to the Articles and Sections of this Indenture.

**Certain References.** Any reference in this Indenture to the Issuer or the Trustee shall include those Persons which succeed to their functions, duties or responsibilities pursuant to or by operation of law or who are lawfully performing their functions. Any reference in this Indenture to any statute or law or chapter or section thereof shall include all amendments, supplements or successor provisions thereto.

**Rules of Construction.** For all purposes of this Indenture, except as otherwise expressly provided or unless the context otherwise requires, the following rules of construction apply in construing the provisions of this Indenture:

Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders.

Words importing the singular number shall include the plural and vice versa and words importing person shall include firms, associations and corporations, including public bodies, as well as natural persons.

The table of contents hereto and the headings and captions herein are for convenience only and in no way define, limit or describe the scope or intent of any provisions or sections of this Indenture.

All accounting terms not otherwise defined herein shall have the meanings assigned to them, and all computations herein provided for shall be made, in accordance with generally accepted accounting principles.

All references herein to “generally accepted accounting principles” refer to such principles in effect on the date of the determination, certification, computation or other action to be taken hereunder using or involving such terms.

All references in this instrument to designated “Articles,” “Sections” and other subdivisions are to be the designated Articles, Sections and other subdivisions of this instrument as originally executed.

The words “herein,” “hereof” and “hereunder” and other words of similar import refer to this Indenture as a whole and not to any particular Article, Section or other subdivision.

Whenever an item or items are listed after the word “including,” such listing is not intended to be a listing that excludes items not listed.

## **FORM, EXECUTION, DELIVERY AND REGISTRATION OF BONDS**

**Authorization, Amount and Title of Bonds.** The Issuer may issue Bonds in Series from time to time under this Indenture, but subject to the provisions of this Indenture and any Supplemental Indenture authorizing a Series of Bonds. No Bonds may be issued under this Indenture except in accordance with the provisions of this Article. The total principal amount of Bonds, the number of Bonds and Series of Bonds that may be issued under this Indenture is not limited, except with respect to the Series [2025] Bonds as provided in **Section 2.02** hereof, and with respect to Additional Bonds as provided in **Section 2.03** hereof and in the Supplemental Indenture providing for the issuance thereof, and except as may be limited by law. The several Series of Bonds may differ as between Series in any respect not in conflict with the provisions of this Indenture and as may be prescribed in the Supplemental Indenture authorizing such Series. The general title of all Series of Bonds authorized to be issued under this Indenture shall be “Telecommunications Revenue Bonds (Broadband Project),” with such further appropriate particular designation added to or incorporated in such title for the Bonds of any particular Series as the Issuer may determine.

**Authorization of Series [2025] Bonds.** There shall be issued under and secured by this Indenture a Series of Bonds in the aggregate principal amount of \$[PRINAMT] for the purpose of providing funds to finance a portion of the Costs of the Project, (b) fund capitalized interest on the Series [2025] Bonds, (c) deposit moneys into the Debt Service Reserve Fund to fund the Debt Service Reserve Requirement, and (d) pay certain Costs of Issuance, which Series of Bonds shall be designated “Telecommunications Revenue Bonds (Broadband Project), Series [2025]” (the “**Series [2025] Bonds**”). The Issuer is also authorized to issue Additional Bonds as provided in **Section 2.03** hereof.

The Series [2025] Bonds shall be dated the Series [2025] Bond Issuance Date, shall mature on [\_\_\_\_] 1] in the years and in the respective principal amounts (subject to prior redemption as provided in **Article III** hereof), and shall bear interest at the respective rates per annum, as follows:

**SERIES [2025] SERIAL BONDS**

| <b>Maturity<br/>[____ 1]</b> | <b>Principal<br/>Amount</b> | <b>Interest<br/>Rate</b> | <b>Maturity<br/>[____ 1]</b> | <b>Principal<br/>Amount</b> | <b>Interest<br/>Rate</b> |
|------------------------------|-----------------------------|--------------------------|------------------------------|-----------------------------|--------------------------|
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**SERIES [2025] TERM BONDS**

| <b><u>Maturity<br/>Date</u></b> | <b><u>Principal<br/>Amount</u></b> | <b><u>Interest<br/>Rate</u></b> |
|---------------------------------|------------------------------------|---------------------------------|
|---------------------------------|------------------------------------|---------------------------------|

The Series [2025] Bonds shall bear interest (computed on the basis of a 360-day year of twelve 30-day months) from their dated date or from the most recent Interest Payment Date to which interest has been paid or duly provided for, payable on each Interest Payment Date, beginning on [\_\_\_\_ 1], [2026].

The Series [2025] Bonds shall be executed in the manner set forth herein and delivered to the Trustee for authentication, but prior to or simultaneously with the authentication and delivery of the Series [2025] Bonds by the Trustee, the following documents shall be filed with the Trustee:

- (a) A copy, certified by an Authorized Signatory of the Issuer, of the Bond Resolution adopted by the Issuer authorizing the issuance of the Series [2025] Bonds and the execution of this Indenture and any other Transaction Documents to which it is a party.
- (b) An original executed counterpart of this Indenture.
- (c) A request and authorization to the Trustee on behalf of the Issuer, executed by an Issuer Representative, to authenticate the Series [2025] Bonds and deliver said Bonds to the purchasers therein identified upon payment to the Trustee, for the account of the Issuer, of the purchase price thereof. The Trustee shall be entitled to rely conclusively upon such request and authorization as to the names of the purchasers and the amounts of such purchase price.
- (d) The Commitment and an original executed counterpart of the Commitment Funding Agreement.
- (e) An original executed counterpart of the Tax Compliance Agreement.
- (f) An Opinion of Bond Counsel, dated the date of original issuance of the Series [2025] Bonds.

(g) Such other certificates, statements, opinions, receipts and documents required by any of the Transaction Documents or as Bond Counsel, the Issuer or the Trustee shall reasonably require for the delivery of the Series [2025] Bonds.

When the documents specified above have been filed with the Trustee, and when the Series [2025] Bonds shall have been executed and authenticated as required by this Indenture, the Trustee shall deliver the Series [2025] Bonds to or upon the order of the Underwriter, but only upon payment to the Trustee of the purchase price of the Series [2025] Bonds. The proceeds of the sale of the Series [2025] Bonds, including accrued interest and premium thereon, if any, shall be immediately paid over to the Trustee, and the Trustee shall deposit and apply such proceeds as provided in **Article IV** hereof.

**Authorization of Additional Bonds.** The Issuer hereby covenants and agrees that so long as any Bonds are Outstanding under this Indenture, it will not issue any additional bonds or other obligations with a lien on or security interest granted in Net System Revenues which is senior to the Bonds.

Additional Bonds may be issued under and equally and ratably secured by this Indenture on a parity with the Series [2025] Bonds and any other Additional Bonds at any time and from time to time, upon compliance with the conditions set forth in this Section, for any purpose authorized under the Act.

It shall be a condition of the issuance of Additional Bonds that the Issuer is not in default in the payment of principal or interest on the Bonds or in making any deposit into the funds and accounts under this Indenture (unless such Additional Bonds are being issued to provide funds to cure such default); provided that the Issuer is not in default in making a deposit into the funds and accounts under the Indenture if there has been a draw upon the Debt Service Reserve Fund that has been replenished with Commission moneys pursuant to the Commitment and the Commitment Funding Agreement as provided herein.

Before any Additional Bonds are issued under the provisions of this Section, the Issuer shall adopt a resolution (a) authorizing the issuance of such Additional Bonds, fixing the principal amount thereof and describing the purpose or purposes for which such Additional Bonds are being issued, (b) authorizing the Issuer to enter into a Supplemental Indenture for the purpose of issuing such Additional Bonds and establishing the terms and provisions of such Series of Bonds and the form of the Bonds of such Series, and (c) providing for such other matters as are appropriate because of the issuance of the Additional Bonds, which matters, in the judgment of the Issuer, are not prejudicial to the Issuer or the owners of the Bonds previously issued.

Such Additional Bonds shall have the same general title as the Series [2025] Bonds, except for an identifying Series letter or date, and shall be dated, shall mature on such dates (which shall be Interest Payment Dates), shall be numbered, shall bear interest at such rates not exceeding the maximum rate then permitted by law payable at such times, and shall be redeemable at such times and prices (subject to the provisions of **Article III** hereof), all as provided by the Supplemental Indenture authorizing the issuance of such Additional Bonds. Except as to any difference in the date, the maturities, the rates of interest or the provisions for redemption, such Additional Bonds shall be on a parity with and shall be entitled to the same benefit and security of this Indenture as the Series [2025] Bonds and any other Additional Bonds. The Debt Service Reserve Fund shall be fully funded to the Debt Service Reserve Requirement at the time of issuance of such Additional Bonds from the proceeds of the sale of such Additional Bonds or other available moneys.

Such Additional Bonds shall be executed in the manner set forth in **Section 2.06** hereof and shall be deposited with the Trustee for authentication, but prior to or simultaneously with the authentication and delivery of such Additional Bonds by the Trustee, and as a condition precedent thereto, there shall be filed with the Trustee, with copies provided to the Commission, the following:

(a) A copy, certified by an Authorized Signatory of the Issuer, of the resolution adopted by the Issuer authorizing the issuance of such Additional Bonds and the execution of the Supplemental Indenture and supplements to any other Transaction Documents as may be necessary.

(b) There shall first be delivered to the Trustee either:

A certificate of the Issuer to the effect that the Net System Revenues for the most recent Fiscal Year or for any twelve (12) consecutive months out of the most recent eighteen (18) consecutive months immediately preceding the date of issuance of the proposed Series of Additional Bonds, were at least equal to [125]% of Aggregate Annual Debt Service with respect to all the Outstanding Bonds and the proposed Series of Additional Bonds, calculated as if the proposed Series of Additional Bonds was then Outstanding; or

Both of the following certificates:

a certificate prepared by either an Authorized Signatory or a Consultant acceptable to the Commission showing that the Net System Revenues for the most recent Fiscal Year or for any twelve (12) consecutive months out of the most recent eighteen (18) consecutive months immediately preceding the date of issuance of the proposed Series of Additional Bonds were at least equal to [125]% of the Aggregate Annual Debt Service due and payable with respect to all the Outstanding Bonds (not including the proposed Series of Additional Bonds) for such Fiscal Year or other applicable period; and

a certificate prepared by a Consultant acceptable to the Commission showing that the estimated Net System Revenues for each of two (2) consecutive Fiscal Years beginning with the first Fiscal Year in which Annual Debt Service is due on or with respect to the Series of Additional Bonds proposed to be issued, and for the payment of all of which provision has not been made from the proceeds of such Series of Additional Bonds, including for capitalized interest, and/or from interest that has been capitalized from the proceeds of previously issued Bonds, will be at least equal to [125]% of Aggregate Annual Debt Service for each such Fiscal Year with respect to all the Outstanding Bonds and the proposed Series of Additional Bonds (calculated as if the proposed Series of Additional Bonds was then Outstanding).

For purposes of paragraph (b)(ii)(B) above, in estimating Net System Revenues, the Consultant may take into account (1) Gross System Revenues from improvements to and extensions of the Broadband Project reasonably expected to become available during the period for which the estimates are provided, (2) any increase in fees, rates, charges, rentals or other sources of Gross System Revenues which have been approved by the Issuer and will be in effect during the period for which the estimates are provided, (3) any other increases in Gross System Revenues which the Consultant believes to be a reasonable assumption for such period. With respect to Operation and Maintenance Expenses, the Consultant shall use such assumptions as the Consultant believes to be reasonable, taking into account: (i) historical Operation and Maintenance Expenses, (ii) Operation and Maintenance Expenses associated with the Broadband Project and any improvements to and extensions of the Broadband Project, and (iii) such other factors, including inflation and changing operations or policies of the Issuer, as the

Consultant believes to be appropriate. The Consultant shall include in the certificate or in a separate accompanying report a description of the assumptions used and the calculations made in determining the estimated Net System Revenues and shall also set forth the calculations of Aggregate Annual Debt Service, which calculations may be based upon information provided by another Consultant.

In the event that any costs, fees or other amounts are then due and owing to the Commission at the time of proposed issuance of such Additional Bonds, such costs, fees or other amounts owed to the Commission shall be taken into account for purposes of the calculations required for the delivery of the certificates described under paragraphs (b)(i) and (ii) above.

Neither of the certificates described under paragraph (b)(i) or (ii) above shall be required if written approval has been procured from the owners of not less than a majority in aggregate principal amount of the Bonds then Outstanding (and from the Commission as provided in paragraph (f) below) for the issuance of such Additional Bonds.

Neither of the certificates described under paragraph (b)(i) or (ii) above shall be required if the Additional Bonds being issued are for the purpose of refunding then Outstanding Bonds and (A) an Authorized Signatory executes a certificate showing that Aggregate Annual Debt Service for each Fiscal Year after the issuance of such refunding Additional Bonds will not exceed the Aggregate Annual Debt Service for such Fiscal Year prior to the issuance of such refunding Additional Bonds, or (B) the Issuer obtains a report from a Consultant demonstrating that the refunding will reduce the total debt service payments on all Outstanding Bonds on a cash flow basis, provided that the Commission has approved the issuance of such Additional Bonds as provided in paragraph (f) below;

(c) An original executed counterpart of the Supplemental Indenture, executed by the Issuer and the Trustee, authorizing the issuance of the Additional Bonds being issued, specifying, among other things, the terms thereof, and providing for the disposition of the proceeds of such Additional Bonds.

(d) A request and authorization to the Trustee, on behalf of the Issuer, executed by an Issuer Representative, to authenticate the Additional Bonds and deliver said Additional Bonds to the purchasers therein identified upon payment to the Trustee, for the account of the Issuer, of the purchase price thereof. The Trustee shall be entitled to rely conclusively upon such request and authorization as to the names of the purchasers and the amounts of such purchase price.

(e) Deposit of an amount to the Debt Service Reserve Fund sufficient such that the Debt Service Reserve Fund Requirement will be fully funded upon the issuance of such Additional Bonds.

(f) The consent of the Commission to the issuance of the Additional Bonds, and original executed counterparts of the applicable documentation extending the Commitment to such Additional Bonds.

(g) An Opinion of Bond Counsel to the effect that all requirements for the issuance of such Additional Bonds have been met and the issuance of such Additional Bonds will not result in the interest on any tax-exempt Bonds then Outstanding becoming subject to federal income taxes then in effect.

(h) Such other certificates, statements, receipts and documents required by any of the Transaction Documents or as Bond Counsel, the Issuer or the Trustee shall reasonably require for the delivery of the Additional Bonds.

When the documents specified above have been filed with the Trustee and provided to the Commission, and when such Additional Bonds have been executed and authenticated as required by this Indenture, the Trustee shall deliver such Additional Bonds to or upon the order of the purchasers thereof, but only upon payment to the Trustee of the purchase price of such Additional Bonds. The proceeds of the sale of such Additional Bonds, including accrued interest and premium thereon, if any, shall be immediately paid over to the Trustee and shall be deposited and applied by the Trustee as provided in **Article IV** hereof and in the Supplemental Indenture authorizing the issuance of such Additional Bonds.

Except as provided in this Section, the Issuer will not otherwise issue any obligations on a parity with the Bonds, but the Issuer may issue other obligations specifically subordinate and junior to the Bonds as provided in **Section 6.16** hereof provided that no Event of Default then exists and is continuing, without compliance with the requirements of this **Section 2.03**. For the avoidance of confusion, the payment of any such junior and subordinate obligations is subordinate in all respects to the payment of amounts due and owing the Commission, as provided in this Indenture.

To finance specific equipment, the Issuer may also issue or incur equipment leases or other financings secured by such specific equipment as the collateral for such lease or other financing in an aggregate principal amount not to exceed \$5,000,000 outstanding or committed at any time, provided that no Event of Default then exists and is continuing, without compliance with the requirements of this **Section 2.03**.

**Method and Place of Payment.** The principal of, redemption premium, if any, and interest on the Bonds shall be payable in any coin or currency of the United States of America which on the respective dates of payment thereof is legal tender for the payment of public and private debts.

The principal of and the redemption premium, if any, on all Bonds shall be payable by check or draft at maturity or upon earlier redemption to the Persons in whose names such Bonds are registered on the bond register maintained by the Trustee at the maturity or redemption date thereof, upon the presentation and surrender of such Bonds at the principal corporate trust office of the Trustee or of any Paying Agent named in the Bonds.

The interest payable on each Bond on any Interest Payment Date shall be paid by the Trustee to the registered owner of such Bond as shown on the bond register at the close of business on the Record Date for such interest, (a) by check or draft mailed to such registered owner at such owner's address as it appears on the bond register or at such other address as is furnished to the Trustee in writing by such owner, or (b) at the written request addressed to the Trustee by any owner of Bonds in the aggregate principal amount of at least \$1,000,000, by electronic transfer to such owner upon written notice to the Trustee from such owner containing the electronic transfer instructions (which shall be in the continental United States) to which such owner wishes to have such transfer directed and such written notice is given by such owner to the Trustee not less than 15 days prior to the Record Date. Any such written notice for electronic transfer shall be signed by such owner and shall include the name of the bank, its address, its ABA routing number and the name, number and contact name related to such owner's account at such bank to which the payment is to be credited.

Subject to the foregoing provisions of this Section, each Bond delivered under this Indenture upon transfer of or in exchange for or in lieu of any other Bond shall carry all the rights to interest accrued and

unpaid, and to accrue, which were carried by such other Bond and each such Bond shall bear interest from such date, that neither gain nor loss in interest shall result from such transfer, exchange or substitution.

**Form, Denomination, Numbering and Dating.** The Bonds of each Series issued under this Indenture shall be issuable as fully registered bonds without coupons in substantially the form set forth in **Exhibit A** attached to this Indenture and the Supplemental Indenture under which any Additional Bonds are issued, in each case with such necessary or appropriate variations, omissions and insertions as are permitted or required by this Indenture or any Supplemental Indenture. The Bonds may have endorsed thereon such legends or text as may be necessary or appropriate to conform to any applicable rules and regulations of any governmental authority or any custom, usage or requirement of law with respect thereto.

The Series [2025] Bonds shall be issuable in the denomination of \$5,000 or any integral multiple thereof. The Bonds of each Series of Additional Bonds shall be issuable in such denominations as provided in the Supplemental Indenture authorizing such Series. In the absence of any such provision with respect to the Bonds of any particular Series, the Bonds of such Series shall be of the denominations of \$5,000 and any integral multiple thereof.

The Series [2025] Bonds shall be numbered from R-1 consecutively upward in order of issuance or in such other manner as the Trustee shall designate. The Bonds of each Series of Additional Bonds shall be numbered as provided in the Supplemental Indenture authorizing such Series. In the absence of any such provision with respect to the Bonds of any particular Series, the Bonds of such Series shall be numbered R-1 and upward or in such other manner as the Trustee shall designate.

The Series [2025] Bonds shall be dated as provided in **Section 2.02** hereof. The Bonds of each Series of Additional Bonds shall be dated as provided in the Supplemental Indenture authorizing such Series of Bonds. In the absence of any such provision with respect to the Bonds of any particular Series, the Bonds of such Series shall be dated the date of their original authentication and delivery.

**Execution and Authentication.** The Bonds shall be executed on behalf of the Issuer by the manual or facsimile signature of the Chair of the Issuer or any Authorized Signatory, and attested by the manual or facsimile signature of the Secretary of the Issuer or any Authorized Signatory. If any officer whose manual or facsimile signature appears on any Bonds shall cease to hold such office before the authentication and delivery of such Bonds, such signature shall nevertheless be valid and sufficient for all purposes, the same as if such person had remained in office until delivery. Any Bond may be signed by such persons as at the actual time of the execution of such Bond shall be the proper officers to sign such Bond although at the date of such Bond such persons may not have been such officers.

No Bond shall be secured by, or be entitled to any lien, right or benefit under, this Indenture or be valid or obligatory for any purpose, unless there appears on such Bond a certificate of authentication substantially in the form provided for in **Exhibit A** hereto, executed by the Trustee by manual signature of an authorized officer or signatory of the Trustee, and such certificate upon any Bond shall be conclusive evidence, and the only evidence, that such Bond has been duly authenticated and delivered hereunder. At any time and from time to time after the execution and delivery of this Indenture, the Issuer may deliver Bonds executed by the Issuer to the Trustee for authentication and the Trustee shall authenticate and deliver such Bonds as in this Indenture provided and not otherwise.

**Registration, Transfer and Exchange.** The Trustee shall cause to be kept at its principal corporate trust office a register (referred to herein as the “bond register”) in which, subject to such reasonable regulations as it may prescribe, the Trustee shall provide for the registration, transfer and exchange of Bonds as herein provided. The Trustee is hereby appointed “bond registrar” for the purpose of registering Bonds and transfers of Bonds as herein provided.

Bonds may be transferred or exchanged only upon the bond register maintained by the Trustee as provided in this Section. Upon surrender for transfer or exchange of any Bond at the principal corporate trust office of the Trustee, the Issuer shall execute, and the Trustee shall authenticate and deliver, in the name of the designated transferee or transferees, one or more new Bonds of the same maturity, of any authorized denominations and of a like aggregate principal amount.

Every Bond presented or surrendered for transfer or exchange shall (if so required by the Issuer or the Trustee, as bond registrar) be duly endorsed, or be accompanied by a written instrument of transfer in form satisfactory to the Issuer and the Trustee, as bond registrar, duly executed by the owner thereof or such owner's attorney or legal representative duly authorized in writing.

All Bonds surrendered upon any exchange or transfer provided for in this Indenture shall be promptly cancelled by the Trustee and thereafter disposed of as required by applicable law.

All Bonds issued upon any transfer or exchange of Bonds shall be the valid obligations of the Issuer, evidencing the same debt, and entitled to the same security and benefits under this Indenture, as the Bonds surrendered upon such transfer or exchange.

No service charge shall be made for any registration, transfer or exchange of Bonds, but the Trustee or Securities Depository may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any transfer or exchange of Bonds, and such charge shall be paid before any such new Bond shall be delivered. The fees and charges of the Trustee for making any transfer or exchange and the expense of any bond printing necessary to effect any such transfer or exchange shall be paid by the Issuer. In the event any registered owner fails to provide a correct taxpayer identification number to the Trustee, the Trustee may impose a charge against such registered owner sufficient to pay any governmental charge required to be paid as a result of such failure. In compliance with Section 3406 of the Internal Revenue Code, such amount may be deducted by the Trustee from amounts otherwise payable to such registered owner hereunder or under the Bonds.

The Trustee shall not be required (a) to transfer or exchange any Bond during a period beginning at the opening of business 15 days before the day of the first publication or the mailing (if there is no publication) of a notice of redemption of such Bond and ending at the close of business on the day of such publication or mailing, or (b) to transfer or exchange any Bond so selected for redemption in whole or in part, during a period beginning at the opening of business on any Record Date for such Series of Bonds and ending at the close of business on the relevant Interest Payment Date therefor.

The Person in whose name any Bond shall be registered on the bond register shall be deemed and regarded as the absolute owner thereof for all purposes, except as otherwise provided in this Indenture, and payment of or on account of the principal of and premium, if any, and interest on any such Bond shall be made only to or upon the order of the registered owner thereof or such owner's legal representative, but such registration may be changed as herein provided. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

The Trustee will keep on file at its principal corporate trust office a list of the names and addresses of the last known owners of all Bonds and the serial numbers of such Bonds held by each of such owners. At reasonable times and under reasonable regulations established by the Trustee, the list may be inspected and copied by the Issuer or the owners of 10% or more in principal amount of Bonds Outstanding or the authorized representative thereof, provided that the ownership of such owner and the authority of any such designated representative shall be evidenced to the satisfaction of the Trustee.

**Temporary Bonds.** Pending the preparation of definitive Bonds, the Issuer may execute, and upon request of the Issuer the Trustee shall authenticate and deliver, temporary Bonds which are printed, lithographed, typewritten, or otherwise produced, in any denomination, substantially of the tenor of the definitive Bonds in lieu of which they are issued, with such appropriate insertions, omissions, substitutions and other variations as the officers executing such Bonds may determine, as evidenced by their execution of such Bonds. If temporary Bonds are issued, the Issuer will cause definitive Bonds to be prepared without unreasonable delay. After the preparation of definitive Bonds, the temporary Bonds shall be exchangeable for definitive Bonds upon surrender of the temporary Bonds at the principal corporate trust office of the Trustee, without charge to the owner. Upon surrender for cancellation of any one or more temporary Bonds, the Issuer shall execute and the Trustee shall authenticate and deliver in exchange therefor a like principal amount of definitive Bonds of authorized denominations. Until so exchanged, temporary Outstanding Bonds shall in all respects be entitled to the security and benefits of this Indenture.

**Mutilated, Destroyed, Lost and Stolen Bonds.** If (a) any mutilated Bond is surrendered to the Trustee, or the Trustee receives evidence to its satisfaction of the destruction, loss or theft of any Bond, and (b) there is delivered to the Issuer and the Trustee such security or indemnity as may be required by the Trustee to save the Trustee and the Issuer harmless, then, in the absence of notice to the Trustee that such Bond has been acquired by a bona fide purchaser, the Issuer shall execute and upon its request the Trustee shall authenticate and deliver, in exchange for or in lieu of any such mutilated, destroyed, lost or stolen Bond, a new Bond of the same maturity and of like tenor and principal amount, bearing a number not contemporaneously outstanding.

In case any such mutilated, destroyed, lost or stolen Bond has become or is about to become due and payable, the Issuer in its discretion may, instead of issuing a new Bond, pay such Bond.

Upon the issuance of any new Bond under this Section, the Issuer and the Trustee may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses connected therewith.

Every new Bond issued pursuant to this Section in lieu of any destroyed, lost or stolen Bond, shall constitute an original additional contractual obligation of the Issuer, whether or not the destroyed, lost or stolen Bond shall be at any time enforceable by anyone, and shall be entitled to all the security and benefits of this Indenture equally and ratably with all other Outstanding Bonds.

The provisions of this Section are exclusive and shall preclude (to the extent lawful) all other rights and remedies with respect to the replacement or payment of mutilated, destroyed, lost or stolen Bonds.

**Cancellation of Bonds.** All Bonds surrendered for payment, redemption, transfer, exchange or replacement, if surrendered to the Trustee, shall be promptly cancelled by the Trustee, and, if surrendered to any Paying Agent other than the Trustee, shall be delivered to the Trustee and, if not already cancelled, shall be promptly cancelled by the Trustee. The Issuer may at any time deliver to the Trustee for cancellation any Bonds previously authenticated and delivered hereunder, which the Issuer may have acquired in any manner whatsoever, and all Bonds so delivered shall be promptly cancelled by the Trustee. No Bond shall be authenticated in lieu of or in exchange for any Bond cancelled as provided in this Section, except as expressly provided by this Indenture. All cancelled Bonds held by the Trustee shall be disposed of in accordance with applicable law.

#### **Book-Entry Bonds; Securities Depository.**

Each Series of Bonds shall be initially issued as one single authenticated fully-registered bond for each maturity. Upon initial issuance, the ownership of such Bonds shall be registered in

the register of the Issuer kept by the Trustee in the name of Cede & Co., as nominee of the Securities Depository. The Trustee and the Issuer may treat the Securities Depository (or its nominee) as the sole and exclusive Owner of the Bonds registered in its name for the purposes of payment of the principal of or interest on the Bonds, giving any notice permitted or required to be given to Registered Owners of Bonds under this Indenture, registering the transfer of Bonds, and for all other purposes whatsoever; and neither the Trustee nor the Issuer shall be affected by any notice to the contrary. Neither the Trustee nor the Issuer shall have any responsibility or obligation to any Participant, any Person claiming a beneficial ownership interest in the Bonds under or through the Securities Depository or any Participant, or any other Person that is not shown on the Register kept by the Trustee as being an Owner of any Bonds, with respect to the accuracy of any records maintained by the Securities Depository or any Participant, with respect to the payment by the Securities Depository or any Participant of any amount with respect to the principal of or interest on the Bonds, with respect to any notice which is permitted or required to be given to Owners of Bonds under this Indenture or with respect to any consent given or other action taken by the Securities Depository as Owner of the Bonds. The Trustee shall pay all principal of and interest on the Bonds only to Cede & Co. or any successor nominee of the Securities Depository in accordance with the Representation Letter, and all such payments shall be valid and effective to fully satisfy and discharge the Issuer's obligations with respect to the principal of and interest on the Bonds to the extent of the sum or sums so paid. No Person other than the Securities Depository, or the Trustee as agent of the Securities Depository, shall receive an authenticated Bond evidencing the obligation of the Issuer to make payments of principal and interest while Bonds are in book-entry form. Upon delivery by the Securities Depository to the Trustee of written notice to the effect that the Securities Depository has determined to substitute a new nominee in place of Cede & Co., the Bonds will be transferable to such new nominee in accordance with paragraph (d) hereof.

If the Participants holding a majority interest in the Bonds, determine that it is in the best interest of the beneficial owners that they be able to obtain Bond certificates, such Participants may notify the Securities Depository and the Trustee, whereupon the Securities Depository shall notify all Participants of the availability through the Securities Depository of Bond certificates. In such event, the Bonds will be transferable in accordance with paragraph (d) hereof. The Securities Depository may determine to discontinue providing its services with respect to the Bonds at any time by giving notice to the Issuer and the Trustee and discharging its responsibilities with respect thereto under applicable law. In such event the Bonds will be transferable in accordance with paragraph (d) hereof. The Trustee may rely on information from the Securities Depository or any Participant as to the principal amount held by and the names and addresses of the beneficial owners of the Bonds.

Notwithstanding any other provision of this Indenture to the contrary, so long as any Bond is registered in the name of Cede & Co., as nominee of the Securities Depository, all payments with respect to the principal of and interest on such Bond and all notices with respect to such Bond shall be made and given, respectively, to the Securities Depository as provided in the Representation Letter.

In the event that any transfer or exchange of Bonds is permitted under paragraph (a) or (b) hereof, such transfer or exchange shall be accomplished upon receipt by the Trustee from the Owners thereof of the Bonds to be transferred or exchanged and appropriate instruments of transfer to the permitted transferee in accordance with the provisions of this Indenture. In the event Bonds are issued to holders other than Cede & Co., its successor as nominee for the Securities Depository as holder of all the Bonds, or other securities depository as holder of all the Bonds, the provisions

of this Indenture shall also apply to all matters relating thereto, including, without limitation, the printing of such Bonds and the method of payment of principal of and interest on such Bonds.

If the Issuer determines (a)(i) that the Securities Depository is unable to properly discharge its responsibilities, or (ii) that the Securities Depository is no longer qualified to act as a securities depository and registered clearing agency under the Securities and Exchange Act of 1934, as amended, or (iii) that the continuation of a book-entry system to the exclusion of any Bonds being issued to any bondowner other than the Securities Depository is no longer in the best interests of the beneficial owners of the Bonds, or (b) if the Trustee receives written notice from Participants having interests in not less than 50% of the Bonds Outstanding, as shown on the records of the Securities Depository (and certified to such effect by the Securities Depository), that the continuation of a book-entry system to the exclusion of any Bonds being issued to any bondowner other than the Securities Depository is no longer in the best interests of the beneficial owners of the Bonds, then the Trustee shall notify the bondowners of such determination or such notice and of the availability of certificates to owners requesting the same, and the Trustee shall register in the name of and authenticate and deliver Replacement Bonds to the beneficial owners or their nominees in principal amounts representing the interest of each, making such adjustments as it may find necessary or appropriate as to accrued interest and previous calls for redemption; provided, that in the case of a determination under (a)(i) or (a)(ii) of this paragraph, the Issuer, with the consent of the Trustee, may select a successor securities depository in accordance with the following paragraph to effect book-entry transfers. In such event, all references to the Securities Depository herein shall relate to the period of time when the Securities Depository has possession of at least one Bond. Upon the issuance of Replacement Bonds, all references herein to obligations imposed upon or to be performed by the Securities Depository shall be deemed to be imposed upon and performed by the Trustee, to the extent applicable with respect to such Replacement Bonds. If the Securities Depository resigns and the Issuer, the Trustee or bondowners are unable to locate a qualified successor of the Securities Depository in accordance with the following paragraph, then the Trustee shall authenticate and cause delivery of Replacement Bonds to bondowners, as provided herein. The Trustee may rely on information from the Securities Depository and its Participants as to the names, addresses and principal amounts held of the beneficial owners of the Bonds. The cost of printing, registration, authentication, payment, transfer and delivery of Replacement Bonds shall be paid for by the Issuer.

In the event the Securities Depository resigns, is unable to properly discharge its responsibilities, or is no longer qualified to act as a securities depository and registered clearing agency under the Securities and Exchange Act of 1934, as amended, the Issuer may appoint a successor Securities Depository provided the Trustee receives written evidence satisfactory to the Trustee with respect to the ability of the successor Securities Depository to discharge its responsibilities. Any such successor Securities Depository shall be a securities depository which is a registered clearing agency under the Securities and Exchange Act of 1934, as amended, or other applicable statute or regulation that operates a securities depository upon reasonable and customary terms. The Trustee upon its receipt of a Bond or Bonds for cancellation shall cause the delivery of Bonds to the successor Securities Depository in appropriate denominations and form as provided herein.

## **REDEMPTION OF BONDS**

**Redemption of Bonds Generally.** The Bonds are subject to redemption prior to maturity in accordance with their terms and the terms and provisions set forth in this Article. Additional Bonds shall be subject to redemption prior to maturity in accordance with the applicable terms and provisions contained in this Article and as may be specified in such Bonds and the Supplemental Indenture authorizing such Bonds.

**Redemption of Series [2025] Bonds.** The Series [2025] Bonds are subject to optional and mandatory redemption as follows:

***Optional Redemption.*** The Series [2025] Bonds maturing on [\_\_\_\_ 1], \_\_\_\_ and thereafter are subject to redemption and payment prior to maturity, at the option of the Issuer, on and after [\_\_\_\_ 1], \_\_\_\_, in whole or in part at any time, at par, plus accrued interest to the redemption date.

***Mandatory Sinking Fund Redemption.***

The Series [2025] Bonds maturing on [\_\_\_\_ 1], \_\_\_\_\_ are subject to mandatory sinking fund redemption and payment prior to their stated maturity date on [\_\_\_\_ 1] in each year set forth below, at 100% of the principal amount thereof, plus accrued interest to the redemption date, without premium, in accordance with the mandatory sinking fund schedule determined as set forth below:

| <u>Term Bond</u>    |                         |
|---------------------|-------------------------|
| <u>Payment Date</u> | <u>Principal Amount</u> |
| <u>([____ 1])</u>   |                         |

\*

\*Final Maturity

The Trustee shall make timely selection of such Bonds or portions thereof to be so redeemed pursuant to this **Section 3.02(b)** in Authorized Denominations of principal amount in such equitable manner as the Trustee may determine and shall give notice thereof without further instructions from the Issuer; provided, however, in the event of any redemption of Bonds pursuant to **Sections 3.02(a)** that results in a redemption of the Series [2025] Bonds subject to mandatory sinking fund redemption pursuant to this **Section 3.02(b)**, the Trustee shall redeem such Bonds pro rata, without preference or priority of any kind. At the option of the Issuer, to be exercised on or before the 45<sup>th</sup> day next preceding each mandatory redemption date, the Issuer may: (1) deliver Bonds to the Trustee for cancellation in the aggregate principal amount desired; or (2) furnish to the Trustee moneys, together with appropriate instructions, for the purpose of purchasing any Bonds from any Owner thereof in the open market at a price not in excess of 100% of the principal amount thereof, whereupon the Trustee shall use its best efforts to expend such funds for such purposes; or (3) elect to receive a credit in respect to the mandatory redemption obligation under this subsection for any Bonds which prior to such date have been redeemed (other than through the operation of the requirements of this subsection) and cancelled by the Trustee and not theretofore applied as a credit against any redemption obligation under this subsection. Each Bond so delivered or previously purchased or redeemed shall be credited at 100% of the principal amount thereof on the obligation to redeem Bonds on the next mandatory redemption date applicable to the Bonds that is at least 45 days after receipt by the Trustee of such instructions from the Issuer, and any excess of such amount shall be credited on future mandatory redemption obligations for the Bonds in chronological order or such other order as the Issuer

may designate, and the principal amount of such Bonds to be redeemed on such future mandatory redemption dates by operation of the requirements of this subsection shall be reduced accordingly. If the Issuer intends to exercise any option granted by the provisions of clauses (1) or (2) of this subsection, the Issuer will, on or before the 45<sup>th</sup> day next preceding the applicable mandatory redemption date, furnish the Trustee a certificate indicating to what extent the provisions of said clauses (1) or (2) are to be complied with in respect to such mandatory redemption payment.

**Election to Redeem; Notice to Trustee.** In case of any redemption at the election of the Issuer, the Issuer shall, at least 45 days prior to the redemption date fixed by the Issuer (unless a shorter notice shall be satisfactory to the Trustee) give written notice to the Trustee directing the Trustee to call Bonds for redemption and give notice of redemption and specifying the redemption date, the principal amount and maturities of Bonds to be called for redemption, the applicable redemption price or prices and the provision or provisions of this Indenture pursuant to which such Bonds are to be called for redemption.

The foregoing provisions of this Section shall not apply in the case of any mandatory redemption of Bonds under this Indenture, and the Trustee shall call Bonds for redemption and shall give notice of redemption pursuant to such mandatory redemption requirements without the necessity of any action by the Issuer and whether or not the Trustee shall hold in the Debt Service Fund moneys available and sufficient to effect the required redemption.

**Selection by Trustee of Bonds To Be Redeemed.** Bonds may be redeemed only in the principal amount of \$5,000 (or other authorized denomination of the Bonds of any Series specified in the Supplemental Indenture authorizing such Series of Bonds) or any integral multiple thereof.

If less than all Bonds of any maturity are to be redeemed, the particular Bonds to be redeemed shall be selected by the Trustee from the Bonds of such maturity which have not previously been called for redemption, by such method as the Trustee shall deem fair and appropriate and which may provide for the selection for redemption of portions equal to \$5,000 (or other minimum authorized denomination of the Bonds of such Series) of the principal of Bonds of a denomination larger than \$5,000 (or such other minimum authorized denomination).

The Trustee shall promptly notify the Issuer in writing of the Bonds selected for redemption and, in the case of any Bond selected for partial redemption, the principal amount thereof to be redeemed.

**Notice of Redemption.** Unless waived by any owner of Bonds to be redeemed, official notice of any such redemption shall be given by the Trustee on behalf of the Issuer by mailing a copy of an official redemption notice by first class mail, at least 30 days and not more than 60 days prior to the redemption date to each registered owner of the Bonds to be redeemed at the address shown on the bond register.

All official notices of redemption shall be dated and shall state:

- (a) the redemption date;
- (b) the redemption price;
- (c) the principal amount of Bonds of the Series to be redeemed and, if less than all Bonds of a maturity of a Series are to be redeemed, the identification (and, in the case of partial redemption, the respective principal amounts, numbers and maturity dates) of the Bonds to be redeemed;

(d) that on the redemption date the redemption price will become due and payable upon each such Bond or portion thereof called for redemption, and that interest thereon shall cease to accrue from and after said date; and

(e) the place where the Bonds to be redeemed are to be surrendered for payment of the redemption price, which place of payment shall be the principal corporate trust office of the Trustee or other Paying Agent.

Any notice of optional redemption of any Bonds may specify that the redemption is contingent upon the deposit of moneys with the Trustee in an amount sufficient to pay the redemption price (which price shall include the redemption premium, if any) of all the Bonds or portions of Bonds which are to be redeemed on that date.

The failure of any owner of Bonds to receive notice given as provided in this Section, or any defect therein, shall not affect the validity of any proceedings for the redemption of any Bonds. Any notice mailed as provided in this Section shall be conclusively presumed to have been duly given and shall become effective upon mailing, whether or not any owner receives such notice.

In addition to the foregoing notice, further notice shall be given by the Trustee on behalf of the Issuer, by first-class, registered or certified mail or overnight delivery service or electronic means to the Municipal Securities Rulemaking Board, through the Electronic Municipal Market Access system for municipal securities disclosures or any successor system, or as may otherwise be provided in a Supplemental Indenture. Each further notice of redemption given shall contain the information required above for an official notice of redemption plus (a) the CUSIP numbers of all Bonds being redeemed; (b) the date of issue of the Bonds as originally issued; (c) the rate of interest borne by each Bond being redeemed; (d) the maturity date of each Bond being redeemed; and (e) any other descriptive information needed to identify accurately the Bonds being redeemed. No defect in said further notice nor any failure to give all or any portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if notice thereof is given as above prescribed.

For so long as the Securities Depository is effecting book-entry transfers of the Bonds, the Trustee shall provide the notices specified in this Section to the Securities Depository, and such notices may be by electronic means or overnight delivery service. It is expected that the Securities Depository shall, in turn, notify its Participants and that the Participants, in turn, will notify or cause to be notified the beneficial owners. Any failure on the part of the Securities Depository or a Participant, or failure on the part of a nominee of a beneficial owner of a Bond (having been mailed notice from the Trustee, the Securities Depository, a Participant or otherwise) to notify the beneficial owner of the Bond so affected, shall not affect the validity of the redemption of such Bond.

Notice of any such redemption shall also be given to the Commission.

Any defect in any notice of redemption shall not affect the validity of proceedings for redemption of the Bonds.

**Deposit of Redemption Price.** On or before any redemption date, the Issuer shall deposit with the Trustee or with a Paying Agent an amount of money sufficient to pay the redemption price of all the Bonds which are to be redeemed on that date. Such money shall be held in trust for the benefit of the Persons entitled to such redemption price and shall not be deemed to be part of the Trust Estate.

**Bonds Payable on Redemption Date.** Notice of redemption having been given as aforesaid, the Bonds so to be redeemed shall, on the redemption date, become due and payable at the redemption price

therein specified and from and after such date (unless the Issuer shall default in the payment of the redemption price) such Bonds shall cease to bear interest. Upon surrender of any such Bond for redemption in accordance with said notice, such Bond shall be paid by the Issuer at the redemption price. Installments of interest with a due date on or prior to the redemption date shall be payable to the owners of the Bonds registered as such on the relevant Record Dates according to the terms of such Bonds and the provisions of **Section 2.02**.

Upon the payment of the redemption price of Bonds being redeemed, each check or other transfer of funds issued for such purpose shall bear or have enclosed the CUSIP number identifying, by issue and maturity, the Bonds being redeemed with the proceeds of such check or other transfer.

If any Bond called for redemption shall not be so paid upon surrender thereof for redemption, or as otherwise provided under **Section 3.08** in lieu of surrender, the principal (and premium, if any) shall, until paid, bear interest from the redemption date at the rate prescribed therefor in the Bond.

**Bonds Redeemed in Part.** Any Bond which is to be redeemed only in part shall be surrendered at the place of payment therefor, and the Issuer shall execute and the Trustee shall authenticate and deliver to the owner of such Bond, without service charge, a new Bond or Bonds of the same Series and maturity of any authorized denomination or denominations as requested by such owner in aggregate principal amount equal to and in exchange for the unredeemed portion of the principal of the Bond so surrendered. If the owner of any such Bond shall fail to present such Bond to the Trustee for payment and exchange as aforesaid, said Bond shall, nevertheless, become due and payable on the redemption date to the extent of the \$5,000 (or other denomination) unit or units of principal amount called for redemption (and to that extent only).

Subject to the approval of the Trustee, in lieu of surrender under the preceding paragraph, payment of the redemption price of a portion of any Bond may be made directly to the registered owner thereof without surrender thereof, if there shall have been filed with the Trustee a written agreement of such owner and, if such owner is a nominee, the Person for whom such owner is a nominee, that payment shall be so made and that such owner will not sell, transfer or otherwise dispose of such Bond unless prior to delivery thereof such owner shall present such Bond to the Trustee for notation thereon of the portion of the principal thereof redeemed or shall surrender such Bond in exchange for a new Bond or Bonds for the unredeemed balance of the principal of the surrendered Bond.

## **FUNDS AND ACCOUNTS AND APPLICATION OF BOND PROCEEDS AND OTHER MONEYS**

### **Creation of Funds and Accounts.**

The following Funds and Accounts are hereby established, each of which shall be held by the Trustee or the Issuer as specified:

Project Fund held by the Trustee, with a Series [2025] Project Account therein.

Costs of Issuance Fund held by the Trustee, with a Series [2025] Costs of Issuance Account therein.

Debt Service Fund held by the Trustee, with a Series [2025] Debt Service Account therein.

Capitalized Interest Fund held by the Trustee, with a Series [2025] Capitalized Interest Account therein.

Debt Service Reserve Fund held by the Trustee.

Rebate Fund held by the Trustee.

Revenue Fund held by the Issuer.

Surplus Fund held by the Issuer.

The Trustee is authorized to establish separate Accounts within any such Funds held by the Trustee or otherwise segregate moneys within such Funds, on a book-entry basis or in such other manner as the Trustee may deem necessary or convenient, or as the Trustee shall be instructed by the Issuer.

Each Fund held by the Trustee, including all Accounts and subaccounts therein, shall be maintained by the Trustee as a separate and distinct trust fund and the moneys therein shall be held, managed, invested, disbursed and administered as provided in this Indenture. All moneys deposited in the Accounts and subaccounts in each of the Funds hereunder shall be used solely for the purposes set forth in this Indenture. The Trustee shall keep and maintain adequate records pertaining to each Fund, including all Accounts and subaccounts, and all disbursements therefrom.

In addition, the Issuer may, by Supplemental Indenture, create additional Funds and Accounts for such purposes as the Issuer deems appropriate, including separate Funds available only for specified Bonds or Series of Bonds.

#### **Deposit of Bond Proceeds.**

The net proceeds from the sale of the Series [2025] Bonds (\$\_\_\_\_\_, representing \$\_\_\_\_\_.00 principal amount, [plus net original issue premium of \$\_\_\_\_\_,] less Underwriter's discount of \$\_\_\_\_\_, shall be deposited or applied simultaneously with the delivery of the Series [2025] Bonds, as follows:

\$\_\_\_\_\_ shall be deposited in the Series [2025] Capitalized Interest Account of the Capitalized Interest Fund;

\$\_\_\_\_\_ shall be deposited in the Series [2025] Costs of Issuance Account of the Costs of Issuance Fund;

\$\_\_\_\_\_ shall be deposited in the Series [2025] Project Account of the Project Fund; and

\$\_\_\_\_\_ shall be deposited in the Debt Service Reserve Fund.

**Costs of Issuance Fund.** The moneys on deposit in the Series [2025] Costs of Issuance Account shall be disbursed by the Trustee from time to time, upon receipt of written disbursement requests in substantially the form of **Exhibit C** hereto and signed by the Authorized Signatory, in amounts equal to the amount of Costs of Issuance certified in such written requests. At such time as the Trustee is furnished with a certificate signed by an Authorized Signatory stating that all Costs of Issuance have been paid, and in any case not later than six months from the date of original issuance of the Series [2025] Bonds, unless

waived by the Issuer, the Trustee shall transfer any moneys remaining in the applicable Costs of Issuance Account to the corresponding Account of the Project Fund, or, if directed by the Issuer, to the corresponding Account of the Debt Service Fund in such amount as directed by the Issuer. The execution of any disbursement request by an Authorized Signatory shall constitute, unto the Trustee, an irrevocable determination that all conditions precedent to the payments requested have been completed.

### **Project Fund.**

The Trustee shall disburse moneys on deposit in the applicable Project Account of the Project Fund from time to time, in accordance with the provisions of this Indenture, to pay or as reimbursement for payment made for the Costs of the Project, in each case within one (1) Business Day after receipt by the Trustee of written disbursement requests of the Issuer, complete in all respects and in substantially the form of **Exhibit D** hereto, signed by an Issuer Representative.

In making payments and disbursements pursuant to this Section, the Trustee may rely upon the written requests and accompanying certificates and statements. The Trustee is not required to make any independent investigation in connection with the matters set forth in the written requests. The approval of each disbursement request by an Authorized Signatory shall constitute unto the Trustee an irrevocable determination that all conditions precedent to the payment of the specified amounts from the applicable account of the Project Account have been completed.

(1) Any moneys remaining in the Series [2025] Project Account of the Project Fund when that portion of the Broadband Project to be financed with proceeds of the Series [2025] Bonds is completed as evidenced by the Issuer's approval of a Completion Certificate substantially in the form of **Exhibit E** hereto, shall immediately be transferred by the Trustee to the Series [2025] Debt Service Account of the Debt Service Fund, or with the approval of the Commission be used for such other purpose as indicated in the Completion Certificate, subject to the provisions of subsection (ii) below.

As an alternative to transfer of moneys remaining in a Project Account to the applicable Debt Service Account upon delivery of a Completion Certificate, such moneys may be used for any other lawful purpose benefitting the Broadband System and authorized by the Act, California Government Code Section 26231 and this Indenture as designated in such Completion Certificate with the approval of the Commission, provided that there shall be delivered to the Trustee with the disbursement request (with a copy to the Commission) an Opinion of Bond Counsel that the purpose for which such funds are to be used is a lawful purpose for which such proceeds may be used under the Act and this Indenture and that such use shall not result in the inclusion of interest on any Bonds in gross income of the recipient thereof for federal income tax purposes (subject to the inclusion of any exception contained in the opinion delivered at the time of the original issuance of such Bonds).

Reference is made to the Commitment Funding Agreement, as to certain Project progress and completion reporting requirements of the Issuer in accordance with the Guidelines.

**Deposit of Gross System Revenues.** All Gross System Revenues received by the Issuer, whether directly or upon transfer by the Manager, shall be promptly deposited by the Issuer upon receipt thereof to the credit of the Revenue Fund and will be segregated and kept separate and apart from the other revenues and funds of the Issuer. It is expected that pursuant to the Management Agreement, the Manager will pay certain Operation and Maintenance Expenses from Gross System Revenues received by the Manager before

promptly transferring the applicable remaining amount of Gross System Revenues to the Issuer in accordance with the Management Agreement.

**Revenue Fund.** So long as the Bonds remain Outstanding and unpaid, or this Indenture has not otherwise been discharged as provided in **Article X** hereof, Gross System Revenues received by the Issuer shall be deposited into the Revenue Fund as provided in **Section 4.05**, Gross System Revenues retained by the Manager for payment of certain Operation and Maintenance Expenses shall be so applied as provided in **Section 4.05** and the Management Agreement, and Gross System Revenues shall be set aside for the payment of the following amounts or deposited or transferred to the following funds and accounts in the order listed:

*Operation and Maintenance Expenses.* The Issuer shall cause to be paid from time to time as the Issuer shall determine, from Gross System Revenues on deposit in the Revenue Fund or retained by the Manager for such purpose, all Operation and Maintenance Expenses of the Issuer as the same become due and payable, and thereupon such expenses shall be promptly paid.

*Debt Service Fund.* The Issuer shall next, on or before the first Business Day of each month, transfer to the Trustee for deposit, on a parity basis, into the Series [2025] Debt Service Account of the Debt Service Fund, and any other Debt Service Account therein established for any Additional Bonds pursuant to a Supplemental Indenture, an amount equal to:

one sixth (1/6) of the interest due on the Bonds on the next succeeding Interest Payment Date established for such Bonds, plus an amount equal to any unfunded or delinquent interest due on the Bonds from any prior month; provided that so long as there are moneys in the applicable Capitalized Interest Account of the Capitalized Interest Fund on deposit with the Trustee to pay interest on the Bonds next coming due, the Issuer need not allocate to the Revenue Fund to pay interest on the Bonds; and provided further that for any measurement period for a Series of Bonds which is less than six months, the Issuer shall deposit sums in equal fractional parts of the amount of interest due on the Bonds on the next Payment Date; plus

one twelfth (1/12) of the principal and premium, if any, falling due on the next succeeding principal payment date established for the Bonds, whether at maturity or upon mandatory sinking fund redemption, commencing twelve months prior to the first principal payment date established for the Bonds, plus an amount equal to any unfunded or delinquent interest due on the Bonds from any prior month; provided that for any measurement period for a Series of Bonds which is less than twelve months, the Issuer shall deposit sums in equal fractional parts of the amount of principal due on the Bonds on the next principal payment date;

the sum of which (i) and (ii) shall be sufficient, when added to the existing balance in the Debt Service Fund, to pay the principal of, premium, if any, and interest on the Bonds promptly on each such Interest Payment Date as the same become due and payable. The foregoing provisions may be revised by a Supplemental Indenture for any Series of Bonds having other than semiannual Interest Payment Dates.

If the amount in the Revenue Fund is not sufficient for the Issuer to make the transfer to the Trustee for deposit in the Debt Service Fund at the time required to be made as described in this **Section 4.06(b)**, the Issuer will apply moneys in the Surplus Fund, if any, to make up the deficiency as provided in **Section 4.06(h)(iii)**.

Repayment of the Commission. The Issuer shall next repay any Commitment Costs then due and owing in accordance with the terms of the Commitment Funding Agreement, on a monthly basis as provided therein. As provided therein, such payments shall commence no later than on the first day following the three month period following each draw on the Commitment, and each such monthly payment thereafter shall be in an amount at least equal to one twelfth (1/12) of the aggregate of Commitment Costs related to such draw, plus any unfunded Commitment Costs due from any prior month as provided in the Commitment Funding Agreement.

Rebate Fund. The Issuer shall next transfer to the Trustee for deposit to the Rebate Fund, the amount to be paid therein pursuant to the Tax Agreement;

Debt Service Reserve Fund. The Issuer shall next transfer to the Trustee for deposit to the Debt Service Reserve Fund, the amount necessary to replenish the Debt Service Reserve Fund to the extent that funds provided pursuant to the Commitment for such replenishment have been insufficient for such purpose.

Subordinate Obligations. The Issuer shall next pay and credit to the debt service fund for any Subordinate Obligations of the Issuer the applicable monthly fractional amount to pay the principal of and interest on such Subordinate Obligations on the next payment date therefor.

Subordinate Obligations Debt Service Reserve Fund. The Issuer shall next transfer to the Trustee for deposit to any debt service reserve fund established for any Subordinate Obligations, without priority and on an equal basis, the amount necessary to replenish such Subordinate Obligations debt service reserve fund to such amount as set forth in the Supplemental Indenture relating thereto.

Surplus Fund. When the Issuer has made all payments and credits from the Revenue Fund required to be made under the provisions of this Section, and any required deposits to the Rebate Fund, all remaining monies in the Revenue Fund shall be paid and credited monthly to the Surplus Fund.

Except as hereinafter provided, monies in the Surplus Fund shall be used for any lawful purpose of the Broadband System, including but not limited to the following purposes or any of them (the listing of the following purposes is not intended to establish a priority of one listed purpose over another, nor to establish a priority of a listed purpose over a purpose which is not listed below, except as provided in (i) below):

Paying any Commitment Costs due and owing to the Commission, prior to any other use of the monies in the Surplus Fund.

Paying the Operation and Maintenance Expenses of, and the cost of repairs to, the Broadband System to the extent that such payments shall be necessary after the application of moneys held in the Revenue Fund and available for said purposes under the provisions of paragraph (a) of this Section.

Preventing deficiencies in amounts on deposit in the Debt Service Fund, anticipating payments into or increasing the amounts in the Debt Service Fund, the Debt Service Reserve Fund, or either of them, or establishing or increasing the amount of any principal and interest account or bond reserve account created or established by the Issuer for the payment of the Bonds or other indebtedness of the Issuer relating to the Broadband System in conformity with the provisions thereof.

Paying the cost of enlarging, extending or improving the general facilities of the Broadband System, including the acquisition, construction, installation, improvement, and maintenance of additional broadband infrastructure, acquisition of additional land, buildings, equipment and facilities, whether by construction, purchase or otherwise, including acquisition by operation of law from other governmental agencies and the assumption of the obligations thereof and other improvements to the Broadband System.

Calling for redemption and payment or purchasing prior to maturity the Bonds or other indebtedness of the Issuer relating to the Broadband System, and paying costs incident to such purchase or redemption, in conformity with the provisions thereof.

Anticipating payments into or establishing or increasing the amount of any principal and interest account, or any Subordinate Obligations debt service reserve fund or other debt service reserve fund created or established by the Issuer for the payment of any Subordinate Obligations, or calling for redemption and payment or purchasing prior to maturity any such obligations, and paying costs incident to such purchase or redemption, in conformity with the provisions thereof.

Anything in this Indenture to the contrary notwithstanding, in the event that the Net System Revenues for the two most recent Fiscal Years were at least equal to [125]% of the Aggregate Annual Debt Service for each such Fiscal Year with respect to all the Outstanding Bonds, the Issuer may apply moneys in the Surplus Fund to the costs of the acquisition, construction, installation, operation and maintenance of broadband infrastructure projects within any of its member counties outside the then-current boundaries of the Broadband Project Area, including but not limited to any revenue bonds or other obligations issued or incurred by the Issuer to finance such costs.

**Debt Service Fund.** The Trustee shall deposit and credit to the applicable Accounts of the Debt Service Fund, as and when received, as follows:

All amounts transferred thereto from the Revenue Fund pursuant to **Section 4.06** hereof.

The amount required to be transferred thereto from the Capitalized Interest Fund pursuant to **Section 4.09** hereof;

Any amount required to be transferred from the Debt Service Reserve Fund pursuant to **Section 4.08** hereof.

Any amount required to be transferred from the Project Fund pursuant to **Section 4.04** hereof.

Interest earnings and other income on Permitted Investments required to be deposited in the Debt Service Fund pursuant to **Section 5.02** hereof.

Any amounts required by a Supplemental Indenture authorizing the issuance of Additional Bonds to be deposited in the Debt Service Fund, as specified in such Supplemental Indenture.

All other moneys received by the Trustee under and pursuant to any of the provisions of this Indenture or any other Transaction Document, when accompanied by directions from the person depositing such moneys that such moneys are to be paid into the Debt Service Fund.

The moneys in the Debt Service Fund shall be held in trust and shall be applied solely in accordance with the provisions of this Indenture to pay the principal of and redemption premium, if any, and interest on the Bonds as the same become due and payable. Except as otherwise provided herein, moneys in the Debt Service Fund shall be expended solely as follows: (i) to pay interest on the Bonds as the same becomes due; (ii) to pay principal of the Bonds as the same mature or become due and upon mandatory sinking fund redemption thereof; and (iii) to pay principal of and redemption premium, if any, on the Bonds as the same become due upon redemption (other than mandatory sinking fund redemption) prior to maturity.

The Trustee is authorized and directed to withdraw sufficient funds from each applicable Account of the Debt Service Fund to pay principal of, redemption premium, if any, and interest on the Bonds as the same become due and payable at maturity or upon redemption and to make such funds so withdrawn available to the Trustee and any Paying Agent for the purpose of paying such principal, redemption premium, if any, and interest.

The Trustee, upon the written instructions from the Issuer, shall use excess moneys in the Debt Service Fund to redeem all or part of the Bonds Outstanding and to pay interest to accrue thereon prior to such redemption and redemption premium, if any, on the next succeeding redemption date for which the required redemption notice may be given or on such later redemption date as may be specified by the Issuer, in accordance with the provisions of **Article III** hereof, to the extent said moneys are in excess of the amount required for payment of Bonds theretofore matured or called for redemption. The Issuer may cause such excess money in the Debt Service Fund or such part thereof or other moneys of the Issuer, as the Issuer may direct, to be applied by the Trustee on a best efforts basis to the extent practical for the purchase of Bonds in the open market for the purpose of cancellation at prices not exceeding the principal amount thereof plus accrued interest thereon to the date of such purchase.

If the moneys in the Debt Service Fund are insufficient to pay all accrued interest on the Bonds on any Payment Date, then such moneys shall be applied ratably, according to the amounts due on such installment, to the Persons entitled thereto without any discrimination or privilege, and any unpaid portion shall accrue to the next Payment Date, with interest thereon at the rate or rates specified in the Bonds to the extent permitted by law. If the moneys in any of the Accounts or subaccounts of the Debt Service Fund are insufficient to pay the principal of the Bonds on the maturity date thereof, then such moneys shall be applied ratably, according to the amounts of principal due on such date, to the Persons entitled thereto without any discrimination or privilege.

After payment in full of the principal of, redemption premium, if any, and interest on the Bonds (or after provision has been made for the payment thereof as provided in **Section 10.01** hereof), and the fees, charges and expenses of the Trustee, any Paying Agents, the Fiscal Agent and the Issuer, and any other amounts required to be paid under this Indenture, all amounts remaining in the Debt Service Fund shall be paid to the Issuer.

**Debt Service Reserve Fund.** The Trustee shall deposit and credit to the Debt Service Reserve Fund, as and when received, as follows:

The amounts required to be deposited therein pursuant to **Section 4.02** and **Section 4.06** hereof;

Any payments required to be made by the Commission or the Fiscal Agent on behalf of the Commission pursuant to the Commitment and the Commitment Funding Agreement, and any other financing agreement or other agreement relating to Debt Service Reserve Fund Participating Bonds to make up a deficiency in the Debt Service Reserve Fund.

Interest earnings and other income on Permitted Investments required to be deposited in the Debt Service Reserve Fund pursuant to **Section 5.02** hereof.

Any amounts required by a Supplemental Indenture authorizing the issuance of Additional Bonds to be deposited in the Debt Service Reserve Fund, as specified in such Supplemental Indenture.

All other moneys received by the Trustee under and pursuant to any of the provisions of the Commitment Funding Agreement or any other Transaction Document, when accompanied by written directions from the person depositing such moneys that such moneys are to be paid into the Debt Service Reserve Fund.

Moneys in the Debt Service Reserve Fund shall be disbursed and expended by the Trustee solely for the payment of the principal of and interest on the Debt Service Reserve Fund Participating Bonds if sufficient moneys therefor are not available in the Debt Service Fund and the Capitalized Interest Fund, as applicable. The Trustee shall transfer moneys from the Debt Service Reserve Fund to the Debt Service Fund, in the event the balance of moneys in the Debt Service Fund and the Capitalized Interest Fund (with respect to interest only) is insufficient to pay principal of or interest on the Bonds designated as Debt Service Reserve Fund Participating Bonds when due and payable, in an amount sufficient to make up such deficiency. The Trustee may use moneys in the Debt Service Reserve Fund for such purposes whether or not the amount in the Debt Service Reserve Fund at that time equals the Debt Service Reserve Requirement. Such moneys shall be used first to make up any deficiency in the payment of interest and then principal. If the amount available in the Debt Service Reserve Fund shall not be sufficient to pay in full all deficient interest on the Debt Service Reserve Fund Participating Bonds then due, amounts in the Debt Service Reserve Fund shall be used to pay interest pro rata among the Series of Debt Service Reserve Fund Participating Bonds according to the amount of interest then due; and if the amount available in the Debt Service Reserve Fund shall not be sufficient to pay in full all deficient principal of the Debt Service Reserve Fund Participating Bonds then due, amounts in the Debt Service Reserve Fund shall be used to pay principal pro rata among the Series of Debt Service Reserve Fund Participating Bonds according to the amount of principal then due.

Moneys in the Debt Service Reserve Fund shall also be used to pay the last Debt Service Reserve Fund Participating Bonds becoming due unless such Debt Service Reserve Fund Participating Bonds and all interest thereon be otherwise paid, then used to pay any Commitment Costs due and owing to the Commission, and thereafter any remaining balance in the Debt Service Reserve Fund, if any, shall be paid to the Issuer.

Moneys in the Debt Service Reserve Fund may also be used to pay the last of a Series of Debt Service Reserve Fund Participating Bonds becoming due or to pay a Series of Debt Service Reserve Fund Participating Bonds being called for redemption and payment prior to the maturity thereof; provided that after such transfer of moneys for payment of such Series of Debt Service Reserve Fund Participating Bonds, the value of cash and Permitted Investments on deposit in the Debt Service Reserve Fund equals or exceeds the Debt Service Reserve Requirement for all remaining Debt Service Reserve Fund Participating Bonds.

The Trustee shall determine the value of cash and Permitted Investments in the Debt Service Reserve Fund each [\_\_\_\_\_] 15], and at the time of any withdrawal from the Debt Service Reserve Fund and at such other times as the Trustee deems appropriate. If at any time of valuation, the value of cash and Permitted Investments on deposit in the Debt Service Reserve Fund is in excess of the Debt Service Reserve Requirement the amount of such excess shall first be used to pay any Commitment Costs then due and owing, if any, and then shall be transferred to the Debt Service Fund.

If at any time any amount is withdrawn from the Debt Service Reserve Fund for the purposes described above which causes the value of the Debt Service Reserve Fund to be less than the Debt Service Reserve Requirement, the Trustee shall make a claim to the Fiscal Agent for replenishment of the moneys in the Debt Service Reserve Fund as provided in the Commitment Funding Agreement, pursuant to the procedures set forth in **Section 11.02** of this Indenture, including in particular **Section 11.02(c)** hereof. Notwithstanding any other provision of this Indenture, the making of a claim for the replenishment of moneys in the Debt Service Fund as provided in the Commitment Funding Agreement and this Indenture shall not be considered an event of default under this Indenture.

**Capitalized Interest Fund.** Moneys in the applicable account of the Capitalized Interest Fund shall be transferred automatically to the applicable Account of the Debt Service Fund to pay interest on the Series [2025] Bonds and any Additional Bonds during the period of construction of the Broadband Project. Any moneys remaining on deposit in an Account of the Capitalized Interest Fund after the completion of construction of the applicable portion of the Broadband Project and receipt by the Trustee of the applicable Completion Certificate described in **Section 4.04** hereof shall be transferred to the applicable Account of the Debt Service Fund. The amounts to be applied to the payment of interest on the Series [2025] Bonds from moneys in the Capitalized Interest Fund are set forth in **Exhibit F** hereto.

**Rebate Fund.** There shall be deposited in the Rebate Fund such amounts as are required to be deposited therein pursuant to the Tax Compliance Agreement. All amounts on deposit at any time in the Rebate Fund shall be held by the Trustee in trust to the extent required to pay rebatable arbitrage to the United States of America or any expenses incurred in connection with the calculation of rebate, and neither the Issuer nor the owner of any Bonds shall have any rights in or claim to such money. All amounts held in the Rebate Fund shall be governed by this Section and by the Tax Compliance Agreement (which is incorporated herein by reference).

Pursuant to the Tax Compliance Agreement, the Trustee shall remit all required rebate installments and a final rebate payment to the United States. The Trustee shall have no obligation to pay any amounts required to be rebated pursuant to this Section and the Tax Compliance Agreement, other than from moneys held in the Rebate Fund created under this Indenture as provided in this Indenture or from other moneys provided to it by the Issuer. Any moneys remaining in the Rebate Fund after redemption and payment of all of the Bonds and payment and satisfaction of any rebatable arbitrage shall be withdrawn and paid first to the Commission for the payment of any Commitment Costs then due and owing, if any, and then to the Issuer.

The obligation to pay arbitrage rebate to the United States and to comply with all other requirements of this Section and the Tax Compliance Agreement shall survive the defeasance or payment in full of the Bonds until all rebatable arbitrage shall have been paid.

**Payments Due on Saturdays, Sundays and Holidays.** In any case where the date of maturity of principal of, redemption premium, if any, or interest on the Bonds or the date fixed for redemption of any Bonds shall be a day other than a Business Day, then payment of principal, redemption premium, if any, or interest need not be made on such date but may be made on the next succeeding Business Day with the same force and effect as if made on the date of maturity or the date fixed for redemption, and no interest shall accrue for the period after such date.

**Nonpresentment of Bonds.** In the event any Bond shall not be presented for payment when the principal thereof becomes due, either at maturity or otherwise, or at the date fixed for redemption thereof, if funds sufficient to pay such Bond shall have been made available to the Trustee, all liability of the Issuer to the owner thereof for the payment of such Bond, shall forthwith cease, terminate and be completely discharged, and thereupon it shall be the duty of the Trustee to hold such funds in trust in a separate trust

account, without liability for interest thereon, for the benefit of the owner of such Bond, who shall thereafter be restricted exclusively to such funds for any claim of whatever nature on such person's part under this Indenture or on or with respect to said Bond. If any Bond shall not be presented for payment within four years following the date when such Bond becomes due, whether by maturity or otherwise, the Trustee shall repay to the Issuer the funds theretofore held by it for payment of such Bond without liability for interest thereon, and such Bond shall, subject to the defense of any applicable statute of limitation, thereafter be an unsecured obligation of the Issuer, and the owner thereof shall be entitled to look only to the Issuer for payment, and then only to the extent of the amount so repaid, and the Issuer shall not be liable for any interest thereon and shall not be regarded as a trustee of such money.

**Records and Reports of Trustee.** The Trustee agrees to maintain such records with respect to any and all moneys or investments held by the Trustee pursuant to the provisions of this Indenture as are requested by the Issuer. Until such time as a Completion Certificate has been delivered to the Trustee for each Series of Bonds, the Trustee shall furnish to the Issuer, monthly on the tenth Business Day after the end of each calendar month, a report on the status of each of the Funds and Accounts established under this Article which are held by the Trustee, showing the balance in each such Fund or Account as of the first day of the preceding month, the total of deposits to and the total of disbursements from each such Fund or Account, the dates of such deposits and disbursements, and the balance in each such Fund or Account on the last day of the preceding month; thereafter, the Trustee shall furnish such reports on a semi-annual basis on the tenth Business Day after the end of each semi-annual period ending \_\_\_\_ and \_\_\_\_\_. The Trustee shall render an annual accounting for each twelve month period ending \_\_\_\_\_ to the Issuer and any bondowner at the expense of such bondowner requesting the same, showing in reasonable detail all financial transactions relating to the Trust Estate during the accounting period, including investment earnings and the balance in any Funds or Accounts created by this Indenture as of the beginning and close of such accounting period. The Trustee shall also assist the Issuer in furnishing to the Commission such reports as are required by this Indenture or the Commitment Funding Agreement to be furnished to the Commission by the Issuer to the extent of information set forth in records maintained by the Trustee.

## INVESTMENTS

**Moneys to be Held in Trust.** All moneys deposited with or paid to the Trustee for the funds and accounts held under this Indenture, and all moneys deposited with or paid to any Paying Agent under any provision of this Indenture shall be held by the Trustee or Paying Agent in trust and shall be applied only in accordance with the provisions of this Indenture, and, until used or applied as herein provided, shall (except for moneys in the Rebate Fund) constitute part of the Trust Estate, and be subject to the lien, terms and provisions hereof and shall not be commingled with any other funds of the Issuer except as provided under **Section 5.02** hereof for investment purposes. Neither the Trustee nor any Paying Agent shall be under any liability for interest on any moneys received hereunder except to the extent such moneys are invested in Permitted Investments.

**Investment of Moneys.** Moneys held in each of the Funds and Accounts under this Indenture shall, pursuant to written directions of an Authorized Signatory, be invested and reinvested by the Trustee in accordance with the provisions of this Indenture and the Tax Compliance Agreement in Permitted Investments which mature or are subject to redemption by the owner thereof prior to the date such funds are expected to be needed. Investment of moneys in the Debt Service Reserve Fund shall be restricted to Permitted Investments described in paragraphs (a), (b), (f)(iii), and to Permitted Investments described in paragraph (d) provided such Permitted Investments are collateralized by Government Obligations and the Trustee holds the collateral, with final maturities not exceeding the final maturity allowable by state law for such investments, currently five (5) years or less. If the Issuer fails to provide written directions

concerning investment of moneys held in any Funds and Accounts, the Trustee may invest in such Permitted Investments specified in paragraph (f)(iii) of the definition of Permitted Investments, provided they mature or are subject to redemption prior to the date such funds will be needed. The Trustee is specifically authorized to implement its automated cash investment system to invest cash and to charge its normal cash management fees, which may be deducted from earned income on investments. The Trustee may make any investments permitted by the provisions of this Section through its own bond department or short-term investment department or that of any affiliate of the Trustee and may pool moneys for investment purposes, except moneys held in any Fund or Account that are required to be yield restricted in accordance with the Tax Compliance Agreement, which shall be invested separately. Any such Permitted Investments shall be held by or under the control of the Trustee and shall be deemed at all times a part of the Fund or Account in which such moneys are originally held. The interest accruing on each Fund or Account and any profit realized from such Permitted Investments (other than any amounts required to be deposited in the Rebate Fund pursuant to **Section 4.10** hereof) shall be credited to such Fund or Account, and any loss resulting from such Permitted Investments shall be charged to such Fund or Account. The Trustee shall sell or present for redemption and reduce to cash a sufficient amount of such Permitted Investments whenever it shall be necessary to provide moneys in any Fund or Account for the purposes of such Fund or Account and the Trustee shall not be liable for any loss resulting from such investments.

## **GENERAL COVENANTS AND PROVISIONS**

**Power to Issue Bonds and Execute Indenture.** The Issuer is duly authorized pursuant to the Constitution and laws of the State to issue the Bonds and to enter into this Indenture and to pledge and assign the Net System Revenues and other assets pledged and assigned as part of the Trust Estate under this Indenture in the manner and to the extent provided in this Indenture. The Bonds and the provisions of this Indenture are and will be legal, valid and binding limited obligations of the Issuer in accordance with their terms, and the Issuer and the Trustee shall at all times, to the extent permitted by law, defend, preserve and protect said pledge and assignment of the Net System Revenues and other assets and all the rights of the Owners under this Indenture against all claims and demands of all Persons whatsoever.

**Limited Obligations.** The Bonds shall not be general obligations of the Issuer but limited obligations payable solely from the Net System Revenues pledged hereunder and amounts, moneys and securities held from time to time by the Trustee hereunder as part of the Trust Estate and shall be a valid claim of the Owner thereof only against such Trust Estate and the payments and other amounts due hereunder, the Issuer's right in which Net System Revenues and Trust Estate is hereby pledged, assigned, and otherwise secured for the equal and ratable payment of the Bonds and shall be used for no other purpose than to pay the principal, premium, if any, and interest on the Bonds, except as may be otherwise expressly authorized in this Indenture. Nothing contained herein shall be construed as obligating the Issuer (except as a limited obligation as specified above) or as incurring a charge against the general credit of the Issuer.

THE BONDS ARE LIMITED OBLIGATIONS OF THE ISSUER PAYABLE SOLELY FROM NET SYSTEM REVENUES AND ANY OTHER ASSETS PLEDGED UNDER THE INDENTURE AS PART OF THE TRUST ESTATE. THE ISSUER IS NOT OBLIGATED TO MAKE PAYMENT ON THE BONDS FROM ANY OF ITS ASSETS OTHER THAN THE NET SYSTEM REVENUES AND OTHER MONEYS HELD BY THE TRUSTEE PURSUANT TO THE INDENTURE AND SPECIFICALLY PLEDGED FOR SUCH PURPOSE UNDER THE TERMS OF THE INDENTURE AS PART OF THE TRUST ESTATE. THE BONDS DO NOT CONSTITUTE AN INDEBTEDNESS OR A LOAN OF THE CREDIT OF THE ISSUER, ANY OF THE PUBLIC ENTITIES THAT ARE MEMBERS OR ASSOCIATE MEMBERS OF THE ISSUER (THE "MEMBERS"), THE STATE OF CALIFORNIA OR ANY POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL

OR STATUTORY DEBT LIMITATION PROVISIONS, NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE MEMBERS, THE STATE OF CALIFORNIA OR ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR THE INTEREST ON THE BONDS. THE ISSUER HAS NO TAXING POWER.

**Payment of Bonds.** The Issuer shall duly and punctually pay, but solely from the sources specified in this Indenture, the principal of, redemption premium, if any, and interest on the Bonds in accordance with the terms of the Bonds and this Indenture.

**Performance of Covenants.** The Issuer shall (to the extent within its control) faithfully perform at all times any and all covenants, undertakings, stipulations and provisions contained in this Indenture, in the Bonds and in all proceedings pertaining thereto.

**Operation and Maintenance of the Broadband System; Licenses and Permits.** The Issuer will use its best efforts to arrange for the financing, planning, engineering, design, acquisition, construction, operation and maintenance of the Broadband System, and to obtain or arrange to obtain licenses, permits and other rights and regulatory approvals necessary therefor. The Issuer will maintain or cause the Manager to maintain the Broadband System in good condition and working order, will make or cause the Manager to make all necessary repairs, renewals and replacements therein, and will operate or cause the Manager to operate the same in an efficient and economical manner, at reasonable cost and in accordance with sound business principles.

**Revenue Covenant.** To the extent permitted by law, the Issuer will fix and maintain commercially viable rates, fees and charges under agreements with internet service providers and end users of internet services relating to the Broadband System which, together with moneys from the sale and use of services and products of the Broadband System, moneys provided by California local governmental entities that are identified by any such applicable entity as being provided as system revenues in support of the Broadband System and other moneys received by the Issuer in connection therewith and available to the Issuer therefor, will be designed to produce Gross System Revenues sufficient to pay Operation and Maintenance Expenses, pay the principal of and interest on the Bonds when due, pay any Commitment Costs to the Commission when due, pay the principal of and interest on any Subordinate Obligations, if any, when due, and provide reasonable and adequate reserves for the payment of the Bonds and for the protection and benefit of the Broadband System (the "Revenue Covenant").

**Restrictions on Mortgage or Sale of Broadband System.** Except as provided herein, the Issuer will not mortgage, pledge or otherwise encumber the Broadband System or any part thereof, or any extension or improvement thereof, or revenues therefrom, nor will it sell, lease or otherwise dispose of the Broadband System or any material part thereof; provided, however, the Issuer may sell any portion of such property which shall have been replaced by other similar property of at least equal value, or which shall cease to be necessary for the efficient operation of the Broadband System. The proceeds of any such sale or sales shall be paid and deposited into the Revenue Fund. The Issuer may cease to operate, abandon or otherwise dispose of any property which has become obsolete, nonproductive or otherwise unusable to the advantage of the Issuer. No such disposition shall be made which would cause the Issuer to be in default of any other covenant contained in this Indenture.

The Issuer may grant a security interest in equipment to be purchased with the proceeds of any loan, lease or other obligation, including as provided in **Section 203** hereof.

The Issuer may sell, lease or convey all or substantially all of the Broadband System to another joint exercise of powers agency, political subdivision, agency or authority of the State or an agency or authority of a political subdivision of the State, or comparable entity, provided that:

Such entity assumes in writing all of the obligations of the Issuer under this Indenture;

If the Bonds are then rated, the Issuer provides evidence to the Trustee that the consummation of such sale, lease or conveyance will not result in a downward revision or withdrawal of any rating on the Bonds by any Rating Agency then rating the Bonds;

If the Bonds are not then rated, the owners of a majority in principal amount of the Outstanding Bonds shall have consented to such sale, lease or conveyance

As to any Bonds issued as tax-exempt bonds, the Issuer and the Trustee shall receive an opinion of Bond Counsel in form and substance satisfactory to the Issuer and the Trustee that such sale, lease or conveyance does not adversely affect the exclusion of interest on such Bonds from gross income for federal income tax purposes;

the Issuer and the Trustee shall receive an opinion of Bond Counsel, in form and substance satisfactory to the Issuer and the Trustee, that any such sale, lease or conveyance is permitted by law and complies with the provisions of this Indenture; and

the Issuer shall receive the consent of the Commission as provided in **Section 11.02(q)** of this Indenture.

**Insurance; Application of Insurance Proceeds and Condemnation Awards.**

The Issuer will carry and maintain or cause to be carried and maintained in a responsible insurance company or companies fire insurance with extended coverage on the buildings and other property of an insurable nature constituting the general facilities of the Broadband System in such amount as is, in the judgment of the Issuer, prudent and reasonable taking into account, but not being controlled by, the amount of insurance or self-insured programs provided by similar broadband infrastructure systems. In the event of loss or damage, or condemnation of any portion of the Broadband System, the Issuer will use the proceeds of such insurance or condemnation awards to the extent necessary in repairing, reconstructing and replacing the property damaged, destroyed or condemned, or, if such reconstruction or replacement be unnecessary, either in whole or in part, then such proceeds not required for said purpose shall be paid into the Revenue Fund, and used and applied for the purposes of said Fund in the order and in accordance with the provisions of this Indenture, as more fully provided in (b) below. The Issuer, in operating its Broadband System, will carry and maintain or cause to be carried and maintained comprehensive liability and property damage insurance in such amounts as would normally be maintained by public bodies engaged in carrying on similar activities. The proceeds derived from any such insurance policies shall be used in paying the claims on account of which such proceeds were received. The cost of all insurance referred to in this paragraph shall be considered an Operation and Maintenance Expense of the Broadband System.

The proceeds of any insurance paid on account of any damage to the Broadband System or of any condemnation award shall be deposited by the Issuer in a special account in the Revenue Fund and used within a reasonable period of time after receipt of any such proceeds or award, taking into account any terms under which insurance proceeds are paid and any insurance restrictions upon the use or timing of the use of insurance proceeds, to (1) repair or reconstruct the damaged or condemned portion of the Broadband System, (2) provide additional Broadband System facilities, (3) redeem Bonds or (4) create an escrow fund pledged to pay specific Bonds and thereby cause such Bonds to be paid as provided in **Article X** hereof.

**Annual Budget.** Prior to the commencement of each Fiscal Year, the Issuer will cause a budget setting forth the estimated receipts and expenditures of the Broadband System for the next succeeding Fiscal Year to be prepared in accordance with all applicable provisions of the California Government Code.

The Issuer will endeavor to deliver the budget to the Trustee no later than the fifteenth calendar day of the month prior to the first day of each applicable Fiscal Year, and in any event will deliver such budget by the first day of each applicable Fiscal Year, together with a written certificate (which may be based upon a certificate of a Consultant), to the effect that the budget complies, and the Issuer expects to comply, with the Revenue Covenant set forth in **Section 6.06** hereof during such Fiscal Year. Amendments to the budget may be made throughout the year; the Issuer will deliver any such amended budget to the Trustee, together with a written certificate as to the amended budget, promptly after approval thereof. Reference is made to **Section 6.17** hereof in the event that the Issuer is unable to deliver such certificate with respect to any budget or amended budget. The Issuer will deliver to the Commission a copy of any budget and amended budget delivered to the Trustee as provided in **Section 11.02(t)** hereof.

**Books, Records and Accounts; Audit.** The Issuer will install and maintain proper books, records and accounts (entirely separate from all other records and accounts of the Issuer) in which complete and correct entries will be made of all dealings and transactions of or in relation to the Broadband System. Such accounts shall show the amount of revenues received from the Broadband System, the application of revenues, and all financial transactions in connection therewith. Said books shall be kept by the Issuer according to standard accounting practices as applicable to the operation of facilities comparable to the Broadband System.

The Issuer will provide that an independent certified audit of the Issuer's books and records relating to the Broadband System will be made annually by certified public accountants, experienced and qualified in municipal and governmental accounting. The annual financial report for the Broadband System shall contain complete statements covering the results of the year's operations and the financial status of all funds and accounts established to handle the revenues of the Broadband System, including the Funds and Accounts referred to herein. Said statements shall bear the certificate of the firm of certified public accountants making the annual audit. A copy of such audit will be filed with the Trustee, and furnished to those entities and in such manner as specified in the Issuer's Continuing Disclosure Undertaking referenced in **Section 6.14**. The Issuer will deliver to the Commission a copy of any audit filed with the Trustee as provided in **Section 11.02(t)** hereof.

**Inspection of Books.** The Issuer covenants and agrees that all books and documents in its possession relating to the Bonds and this Indenture, and the transactions relating thereto shall at all reasonable times be open to inspection by such accountants or other agencies as the Trustee may from time to time designate. The Trustee covenants and agrees that all books and documents in its possession relating to the Bonds and this Indenture, and the transactions relating thereto, including financial statements of the Issuer, shall be open to inspection by the Issuer and the Commission during business hours upon reasonable notice.

**Enforcement of Rights.** The Issuer agrees that the Trustee, as assignee, transferee, pledgee, and owner of a security interest in the Trust Estate under this Indenture in its name or in the name of the Issuer may enforce all rights of the Issuer and the Trustee for and on behalf of the bondowners, whether or not the Issuer is in default hereunder.

**Tax Covenants.** The Issuer shall not use or permit the use of any proceeds of Bonds or any other funds of the Issuer, directly or indirectly, in any manner, and shall not take or permit to be taken any other action or actions, which would cause the interest on any Bond issued as a tax-exempt obligation to be included in gross income for federal income tax purposes.

The Issuer agrees that so long as any of the Bonds remain Outstanding, it will comply with the provisions of the Tax Compliance Agreement.

The Trustee agrees to comply with the provisions of the Tax Compliance Agreement applicable to the Trustee, and upon receipt of the Tax Compliance Agreement and any Opinion of Bond Counsel which sets forth such requirements, to comply with any statute, regulation or ruling that may apply to it as Trustee hereunder and relating to reporting requirements or other requirements necessary to preserve the exclusion from federal gross income of the interest on the Bonds. The Trustee from time to time, in its sole discretion, may cause a firm of attorneys, consultants or independent accountants or an investment banking firm to supply the Trustee, on behalf of the Issuer, with such information as the Trustee, on behalf of the Issuer, may request in order to determine in a manner reasonably satisfactory to the Trustee, on behalf of the Issuer, all matters relating to (a) the actuarial yields on the Bonds as the same may relate to any data or conclusions necessary to verify that the Bonds are not “arbitrage bonds” within the meaning of Section 148 of the Internal Revenue Code, and (b) compliance with rebate requirements of Section 148(f) of the Internal Revenue Code. Payment for fees, charges, costs and expenses incurred in connection with supplying the foregoing information shall be paid by the Issuer as provided in the Tax Compliance Agreement.

The foregoing covenants of this Section shall remain in full force and effect notwithstanding the defeasance of the Bonds pursuant to **Article X** hereof or any other provision of this Indenture, until the final maturity date of all Bonds Outstanding and payment thereof.

**Continuing Disclosure.** The Issuer has entered into that certain Continuing Disclosure Undertaking relating to the Series [2025] Bonds. Notwithstanding any other provision of this Indenture, failure of the Issuer to comply with the Continuing Disclosure Undertaking shall not be considered an event of default under this Indenture; however, the Trustee may (and, at the request of the owners of at least 25% aggregate principal amount of Outstanding Series [2025] Bonds, having been indemnified in accordance with **Section 8.02(e)** shall) or any bondowner or Beneficial Owner may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Issuer to comply with its obligations under the Continuing Disclosure Undertaking. For purposes of this Section, “Beneficial Owner” means any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

**Utilities and Taxes.** The Issuer shall pay or cause to be paid, when due, all utility charges which are incurred for the benefit of the Broadband System or which may become a charge or lien against the Broadband System. The Issuer shall pay, or cause to be paid, all taxes, assessments or charges of a similar nature, if any, whether public or private, affecting the Broadband System or any portion thereof, whether or not such taxes, assessments or charges are liens thereon.

#### **Subordinate Obligations.**

It shall be a condition of the issuance or incurrence of Subordinate Obligations that the Issuer is not in default in the payment of principal or interest on the Bonds or in making any deposit into the funds and accounts under this Indenture (unless such Subordinate Obligations are being issued to provide funds to cure such default); provided that the Issuer is not in default in making a deposit into the funds and accounts under the Indenture if there has been a draw upon the Debt Service Reserve Fund that has been replenished with Commission moneys pursuant to the Commitment and the Commitment Funding Agreement as provided herein.

Before any Subordinate Obligations are issued or incurred under the provisions of this Section, the Issuer shall adopt a resolution (a) authorizing the issuance or incurrence of such Subordinate Obligations, fixing the principal amount thereof and describing the purpose or purposes for which such Subordinate Obligations are being issued or incurred, (b) authorizing the Issuer to enter into a Supplemental Indenture or other applicable document or agreement for the purpose of issuing or incurring such Subordinate Obligations and establishing the terms and provisions of such Subordinate Obligations, and (c) providing for such other matters as are appropriate because of the issuance or incurrence of the Subordinate Obligations, which matters, in the judgment of the Issuer, are not prejudicial to the Issuer, the owners of the Bonds or the Commission.

As a condition precedent to the issuance or incurrence of Subordinate Obligations, there shall be filed with the Trustee either:

A certificate of the Issuer to the effect that the Net System Revenues for the most recent Fiscal Year or for any twelve (12) consecutive months out of the most recent eighteen (18) consecutive months immediately preceding the date of issuance of the proposed Series of Subordinate Obligations, were at least equal to [100]% of Aggregate Annual Debt Service with respect to the proposed Series of Subordinate Obligations, calculated as if the proposed Series of Subordinate Obligations was then Outstanding; or

Both of the following certificates:

a certificate prepared by either an Authorized Signatory or a Consultant acceptable to the Commission showing that the Net System Revenues for the most recent Fiscal Year or for any twelve (12) consecutive months out of the most recent eighteen (18) consecutive months immediately preceding the date of issuance of the proposed Subordinate Obligations were at least equal to [100]% of the Aggregate Annual Debt Service due and payable with respect to all the Outstanding Subordinate Obligations, if any (not including the proposed Subordinate Obligations) for such Fiscal Year or other applicable period; and

a certificate prepared by a Consultant acceptable to the Commission showing that the estimated Net System Revenues for each of two (2) consecutive Fiscal Years beginning with the first Fiscal Year in which Annual Debt Service is due on or with respect to the Subordinate Obligations proposed to be issued, and for the payment of all of which provision has not been made from the proceeds of such Subordinate Obligations, including for capitalized interest, and/or from interest that has been capitalized from the proceeds of previously issued Bonds, will be at least equal to [100]% of Aggregate Annual Debt Service for each such Fiscal Year with respect to all the Outstanding Subordinate Obligations and the proposed Subordinate Obligations (calculated as if the proposed Subordinate Obligations was then Outstanding).

For purposes of paragraphs (a) and (b) above, Aggregate Annual Debt Service on the Outstanding Subordinate Obligations and the proposed Subordinate Obligations shall be calculated as provided in the definition of Aggregate Annual Debt Service as though the Bond-related terms and definitions therein related to Subordinate Obligations instead of to Bonds.

For purposes of paragraph (b)(ii) above, in estimating Net System Revenues, the Consultant may take into account (1) Gross System Revenues from improvements to and extensions of the Broadband Project reasonably expected to become available during the period for which the estimates are provided, (2) any increase in fees, rates, charges, rentals or other sources of Gross System Revenues which have been approved by the Issuer and will be in effect during the period for which the estimates are provided, (3) any

other increases in Gross System Revenues which the Consultant believes to be a reasonable assumption for such period. With respect to Operation and Maintenance Expenses, the Consultant shall use such assumptions as the Consultant believes to be reasonable, taking into account: (i) historical Operation and Maintenance Expenses, (ii) Operation and Maintenance Expenses associated with the Broadband Project and any improvements to and extensions of the Broadband Project, and (iii) such other factors, including inflation and changing operations or policies of the Issuer, as the Consultant believes to be appropriate. The Consultant shall include in the certificate or in a separate accompanying report a description of the assumptions used and the calculations made in determining the estimated Net System Revenues and shall also set forth the calculations of Aggregate Annual Debt Service, which calculations may be based upon information provided by another Consultant.

In the event that any costs, fees or other amounts are then due and owing to the Commission at the time of proposed issuance of such Subordinate Obligations, such costs, fees or other amounts owed to the Commission shall be taken into account for purposes of the calculations required for the delivery of the certificates described under paragraphs (a) and (b) above.

Neither of the certificates described under paragraph (a) or (b) above shall be required if written approval has been procured from the owners of not less than a majority in aggregate principal amount of the Bonds then Outstanding for the issuance or incurrence of such Subordinate Obligations and from the Commission.

Any Subordinate Obligations which may be issued or incurred, whether pursuant to a Supplemental Indenture or another applicable document or agreement, will be junior and subordinate to the Bonds in all respects, will not constitute Bonds under this Indenture and will not have the rights and protections accorded to Bonds under this Indenture. Any such Supplemental Indenture or other applicable document or agreement shall clearly identify that any such Supplemental Obligations are junior and subordinate to the Bonds and to the obligations of the Issuer to the Commission in all respects.

**Financial Consultant.** A Financial Consultant shall be engaged in the event of any of the following occurrences indicating financial difficulties and insufficiencies of Gross System Revenues to pay all costs and expenses of the Broadband System, each of which is referred to herein as a “Revenue Deficiency Occurrence:”

(1) In the event that the audited financial statements described in **Section 6.10** for any Fiscal Year reflects that the Issuer failed to achieve the Revenue Covenant described in **Section 6.06** hereof in such Fiscal Year.

(2) In the event that the Issuer is unable to provide a written certification as to the budget or amended budget for any Fiscal Year described in **Section 6.09** hereof that such budget or amended budget complies, and the Issuer expects to comply, with the Revenue Covenant set forth in **Section 6.06** hereof during such Fiscal Year.

(3) In the event that the Issuer has failed to fully repay the Commission its Commitment Costs within fifteen (15) months after a draw on the Commitment.

The Issuer shall notify the Trustee and the Commission promptly, but in any event no later than [five] Business Days, upon the occurrence of any Revenue Deficiency Occurrence. Such notification is referred to herein as a “Revenue Deficiency Occurrence Certificate.”

The Issuer shall, within 30 days after delivery of the Revenue Deficiency Occurrence Certificate disclosing such deficiency, cause and appoint (and, if the Issuer fails to do so, the Commission authorizes

the Trustee to so select and appoint if the Issuer fails to do so) with the approval of the Commission, a Financial Consultant to make recommendations with respect to the rates, fees and charges and the Issuer's methods of operation and other factors affecting the financial condition in order to increase Gross System Revenues for future periods to achieve the Revenue Covenant set forth in **Section 6.06**. A copy of the Financial Consultant's report and recommendations, if any, shall be filed with the Trustee, the Commission and the Issuer within 60 days after the date such Financial Consultant is retained; provided that if the Financial Consultant has not completed its report within such period of time, a copy of such report shall be so filed at such time as the Financial Consultant completes its report and recommendations, if any. Any supplement, addition, modification and/or revision to such report shall also be so filed.

The person appointing the Financial Consultant shall notify the Commission, the Trustee and the Issuer of such appointment, and the Financial Consultant shall deliver its report and findings to the Commission, the Trustee and the Issuer as provided in the preceding paragraph. Commission Staff will discuss possible recommendations to remedy the revenue shortfalls with the Issuer and Trustee. Those recommendations agreed upon to provide financial stability to the Broadband Project will be implemented by the Issuer and Trustee to the extent feasible and permitted by law except those recommendations that require an expenditure of funds greater than the amount available or projected to be available for such purpose from Gross System Revenues under this Indenture, or those written recommendations that could, based upon the written advice of Bond Counsel, cause interest on the Bonds to be includible in gross income for federal income tax purposes. The fees and expenses of the Financial Consultant shall be paid as an Operation and Maintenance Expense. Each party shall deliver to the other party at no additional charge copies of any information, correspondence or documents delivered to the Financial Consultant contemporaneously with delivering such information, correspondence or documents to the Financial Consultant.

If the Revenue Covenant is achieved following the retention of a Financial Consultant and implementation of the applicable recommendations as provided herein, the Issuer shall have no further obligation to obtain or retain a Financial Consultant unless and until there is a future Revenue Deficiency Occurrence.

Failure to achieve the Revenue Covenant shall not constitute an Event of Default under this Indenture or the Commitment Funding Agreement; provided, however:

If the Issuer has not taken all action necessary to comply with the procedures set forth above for retaining a Financial Consultant and to follow each agreed upon report and recommendations contained in the Financial Consultant's report to the extent feasible and permitted by law, the Commission shall be entitled to exercise any and all legal remedies available to it to compel such action.

If the Revenue Covenant is not achieved for [three] consecutive Fiscal Years, the Commission may require the Issuer to retain another Financial Consultant to provide a report and recommendations, or to have the existing Financial Consultant update its report and recommendation, in each case pursuant to the procedures set forth above. Such reports shall continue to be required each second Fiscal Year so long as the Revenue Covenant is not achieved.

If the Revenue Covenant is not achieved although the Issuer has taken all action necessary to comply with the procedures set forth above for retaining a Financial Consultant and to follow each agreed upon report and recommendations contained in the Financial Consultant's report to the extent feasible and permitted by law, then in any Fiscal Year in which the Revenue Covenant is not achieved and there are Commitment Costs due and owing to the Commission, (i) the Issuer may not issue any Additional Bonds unless such Additional Bonds are issued to refund Bonds of the

Issuer and the Issuer obtains a report from a Consultant acceptable to the Commission demonstrating that the refunding will reduce the total debt service payments on all Outstanding Bonds on a cash flow basis so long as the Commitment is in force and effect; and (ii) the proceeds of any asset sales pursuant to **Section 6.07** of this Indenture will be allocated to the payment of principal of the Bonds and payment of outstanding Commitment Costs.

**Account Control Agreement.** The Revenue Fund, the Surplus Fund and any other fund or account in which the Issuer deposits or maintains Gross System Revenues shall be established and maintained at a banking institution, securities intermediary or other financial institution (each a “Depository Bank(s)”) which has entered into one or more deposit account control agreements or securities account control agreements (as supplemented, amended or restated, each an “Account Control Agreement”) with the Issuer and the Trustee (as the secured party) that are effective to perfect under the Uniform Commercial Code the security interest of the Trustee (as the secured party) in the Revenue Fund, the Surplus Fund and any such other fund or account and that provide that upon the instruction of the Trustee, the Depository Bank shall prevent the Issuer from withdrawing funds from the Revenue Fund, the Surplus Fund and any such other fund or account. The Trustee and the Issuer agree as between themselves that the Trustee shall not give any such instruction to the Depository Bank to prevent the Issuer from withdrawing funds from the Revenue Fund, the Surplus Fund and any such other fund or account unless an event of default under **Section 7.01(a)**, **Section 7.01(b)** and/or **Section 7.01(d)** hereof has occurred and is continuing, and the Trustee takes control of the Revenue Fund, the Surplus Fund and any such other fund or account as provided in **Section 7.03(e)**. The Issuer agrees to cause the Manager to enter into an Account Control Agreement with the Trustee relating to any fund or account in which the Manager deposits Gross System Revenues on behalf of the Issuer; provided that the Trustee shall not give any instruction to the applicable Depository Bank for such fund or account unless an event of default under **Section 7.01(a)**, **Section 7.01(b)** and/or **Section 7.01(d)** hereof has occurred and is continuing, and the Trustee takes control of the Revenue Fund as provided in **Section 7.03(e)**.

## DEFAULTS AND REMEDIES

**Events of Default.** The term “event of default,” wherever used in this Indenture, means any one of the following events (whatever the reason for such event and whether it shall be voluntary or involuntary or be effected by operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body):

default in the payment of any interest on any Bond when such interest becomes due and payable;

default in the payment of the principal of (or premium, if any, on) any Bond when the same becomes due and payable (whether at maturity, upon proceedings for redemption or otherwise);

default in the performance, or breach, of any covenant or agreement of the Issuer in this Indenture (other than a covenant or agreement a default in the performance or breach of which is specifically dealt with elsewhere in this Section), and continuance of such default or breach for a period of 60 days after there has been given to the Issuer by the Trustee or to the Issuer and the Trustee by the owners of at least 10% in principal amount of the Bonds Outstanding, a written notice specifying such default or breach and requiring it to be remedied; provided, that if such default cannot be fully remedied within such 60-day period, but can reasonably be expected to be fully remedied, such default shall not constitute an event of default if the Issuer shall immediately

upon receipt of such notice commence the curing of such default and shall thereafter prosecute and complete the same with due diligence and dispatch;

the filing by the Issuer of a petition or answer seeking reorganization or arrangement under the federal bankruptcy laws or any other applicable law of the United States of America, or if a court of competent jurisdiction shall approve a petition, filed with or without the consent of the Issuer, seeking reorganization under the federal bankruptcy laws or any other applicable law of the United States of America, or if, under the provisions of any other law for the relief or aid of debtors, any court of competent jurisdiction shall assume custody or control of the Issuer or of the whole or any substantial part of the Broadband System; or

the occurrence of any other event of default as is provided in a Supplemental Indenture.

For the avoidance of confusion, as provided in **Section 4.08** hereof, notwithstanding any other provision of this Indenture, the making of a claim for the replenishment of moneys in the Debt Service Reserve Fund as provided in the Commitment Funding Agreement and this Indenture shall not be considered an event of default under this Indenture.

[Reference is made to the Commitment Funding Agreement for the remedies of the Commission upon the occurrence of certain events of default as provided therein.]

#### **Acceleration.**

Except as provided in **Section 7.02(b)** and **Section 7.02(c)**, if an event of default has occurred and is continuing, the Trustee shall not, whether in the exercise of its own discretion or upon the request of the Owners of the Bonds then Outstanding, declare the principal of all Bonds then Outstanding and the interest accrued thereon immediately due and payable.

Upon the occurrence and continuance of both of the following: (i) there has been an event of default under **Section 7.01(a)** and/or **Section 7.01(b)** hereof and (ii) the full amount of the Commitment has been exhausted, the Trustee may, and shall upon the written request of the owners of a majority in principal amount of the Outstanding Bonds, by notice to the Issuer and the Commission, declare the principal of all Bonds then Outstanding due and payable, whereupon such Bonds shall become and be due and payable, anything in the Bonds or herein to the contrary notwithstanding.

Upon the occurrence and continuance of an event of default under **Section 7.01(d)** hereof, the principal of all Bonds then Outstanding and the interest accrued thereon shall become due and payable automatically and immediately, without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Issuer, anything in the Bonds or herein to the contrary notwithstanding. The Trustee shall give notice to the Issuer and the Commission of any such acceleration.

At any time after the principal of the Bonds shall have been so declared to be due and payable and before the entry of final judgment or decree in any suit, action or proceeding instituted on account of such default, or before the completion of the enforcement of any other remedy hereunder, the Trustee shall, with the written consent of all Owners of the Bonds then Outstanding, annul such declaration and its consequences with respect to any Bonds not then due by their terms if (i) moneys shall have been deposited in the Debt Service Fund sufficient to pay, respectively, all matured installments of interest and principal or redemption prices then due (other than the principal then due only because of such declaration) on all Bonds then Outstanding; (ii) moneys

shall have been deposited with the Trustee sufficient to pay the charges, compensation, expenses, disbursements, advances and liabilities of the Trustee, its agents and counsel, and any paying agent, and the Fiscal Agent; and (iii) all other amounts then payable hereunder shall have been paid or a sum sufficient to pay the same shall have been deposited with the Trustee (other than a default in the payment of the principal of such Bonds then due only because of such declaration). No such annulment shall extend to or affect any subsequent event of default or impair any right consequent thereon.

**Remedies.** Upon the occurrence and continuance of any event of default under this Indenture, unless the same is waived as provided in this Indenture (subject in all respects to the limitations on waivers provided herein including the default waiver limitations set forth in **Section 7.10**), the Trustee shall have the following rights and remedies, in addition to any other rights and remedies provided under this Indenture or by law:

***Right To Bring Suit, Etc.*** The Trustee may pursue any available remedy at law or in equity by suit, action, mandamus or other proceeding to enforce the payment of the principal of, premium, if any, and interest on the Bonds Outstanding, including interest on overdue principal (and premium, if any) and on overdue installments of interest, and any other sums due under this Indenture, to realize on or to foreclose any of its interests or liens under this Indenture or any other Transaction Document, to enforce and compel the performance of the duties and obligations of the Issuer as set forth in this Indenture and to enforce or preserve any other rights or interests of the Trustee under this Indenture with respect to any of the Trust Estate or otherwise existing at law or in equity.

***Exercise of Remedies at Direction of Bondowners.*** If requested in writing to do so by the owners of not less than 25% in principal amount of Bonds Outstanding and if indemnified as provided in **Section 8.02(e)** hereof, the Trustee shall be obligated to exercise such one or more of the rights and remedies conferred by this Article as the Trustee shall deem most expedient in the interests of the bondowners.

***Appointment of Receiver.*** Upon the filing of a suit or other commencement of judicial proceedings to enforce the rights of the Trustee and the owners of the Bonds under this Indenture, the Trustee shall be entitled, as a matter of right, to the appointment of a receiver or receivers of the Trust Estate, pending such proceedings, with such powers as the court making such appointment shall confer.

***Suits To Protect the Trust Estate.*** The Trustee shall have power to institute and to maintain such proceedings as it may deem expedient to prevent any impairment of the Trust Estate by any acts which may be unlawful or in violation of this Indenture and to protect its interests and the interests of the owners of the Bonds in the Trust Estate, including power to institute and maintain proceedings to restrain the enforcement of or compliance with any governmental enactment, rule or order that may be unconstitutional or otherwise invalid, if the enforcement of or compliance with such enactment, rule or order would impair the security under this Indenture or be prejudicial to the interests of the owners of the Bonds or the Trustee, or to intervene (subject to the approval of a court of competent jurisdiction) on behalf of the owners of the Bonds in any judicial proceeding to which the Issuer is a party and which in the judgment of the Trustee has a substantial bearing on the interests of the owners of the Bonds.

***Control of Revenue Fund and Surplus Fund.*** The Trustee may take control of the Revenue Fund and the Surplus Fund and all amounts therein upon the occurrence and continuance of an event of default described in **Section 7.01(a)**, **Section 7.01(b)** and/or **Section 7.01(d)** hereof.

As provided in **Section 4.06** of this Indenture, amounts in the Revenue Fund shall first be applied to the payment of Operation and Maintenance Expenses then due, as shall moneys collected by the Trustee after payment of all undeducted amounts then due the Trustee as more fully provided in **Section 7.07** hereof.

***Enforcement Without Possession of Bonds.*** All rights of action under this Indenture or any of the Bonds may be enforced and prosecuted by the Trustee without the possession of any of the Bonds or the production thereof in any suit or other proceeding relating thereto, and any such suit or proceeding instituted by the Trustee shall be brought in its own name as trustee of an express trust. Any recovery of judgment shall, after provision for the payment of the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, and subject to the provisions of **Section 7.07** hereof, be for the equal and ratable benefit of the owners of the Bonds in respect of which such judgment has been recovered.

***Restoration of Positions.*** If the Trustee or any owner of the Bonds has instituted any proceeding to enforce any right or remedy under this Indenture by suit, foreclosure, the appointment of a receiver, or otherwise, and such proceeding has been discontinued or abandoned for any reason, or has been determined adversely to the Trustee or to such owner of the Bonds, then and in every case the Issuer, the Trustee and the owners of the Bonds shall, subject to any determination in such proceeding, be restored to their former positions and rights under this Indenture, and thereafter all rights and remedies of the Trustee and the owners of the Bonds shall continue as though no such proceeding had been instituted.

**Trustee May File Proofs of Claim.** In case of the pendency of any receivership, insolvency, liquidation, bankruptcy, reorganization, arrangement, adjustment, composition or other judicial proceeding relative to the Issuer or any other obligor upon the Bonds or of such other obligor or their creditors, the Trustee (irrespective of whether the principal of the Bonds shall then be due and payable, as therein expressed or by declaration or otherwise, and irrespective of whether the Trustee shall have made any demand on the Issuer for the payment of overdue principal, premium or interest) shall be entitled and empowered, by intervention in such proceeding or otherwise,

to file and prove a claim for the whole amount of principal (and premium, if any) and interest owing and unpaid in respect of the Outstanding Bonds and to file such other papers or documents as may be necessary or advisable in order to have the claims of the Trustee (including any claim for the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel) and of the bondowners allowed in such judicial proceeding, and

to collect and receive any moneys or other property payable or deliverable on any such claims and to distribute the same;

and any custodian, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each bondowner to make such payments to the Trustee, and in the event that the Trustee shall consent to the making of such payments directly to the bondowners, to pay to the Trustee any amount due to it for the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, and any other amounts due the Trustee under **Section 8.04**.

Nothing herein contained shall be deemed to authorize the Trustee to authorize or consent to or accept or adopt on behalf of any owner of the Bonds any plan of reorganization, arrangement, adjustment or composition affecting the Bonds or the rights of any owner thereof, or to authorize the Trustee to vote in respect of the claim of any owner of the Bonds in any such proceeding.

**Limitation on Suits by Bondowners.** No owner of any Bond shall have any right to institute any proceeding, judicial or otherwise, under or with respect to this Indenture, or for the appointment of a receiver or trustee or for any other remedy under this Indenture, unless

such owner has previously given written notice to the Trustee of a continuing event of default;

the owners of not less than 25% in principal amount of the Outstanding Bonds shall have made written request to the Trustee to institute proceedings in respect of such event of default in its own name as Trustee under this Indenture;

such owner or owners have offered to the Trustee indemnity as provided in **Sections 8.02(e), 8.02(k) and 8.04** hereof against the costs, expenses and liabilities to be incurred in compliance with such request;

the Trustee for 60 days after its receipt of such notice, request and offer of indemnity has failed to institute any such proceeding; and

no direction inconsistent with such written request has been given to the Trustee during such 60-day period by the owners of a majority in principal amount of the Outstanding Bonds;

it being understood and intended that no one or more owners of Bonds shall have any right in any manner whatever by virtue of, or by availing of, any provision of this Indenture to affect, disturb or prejudice the lien of this Indenture or the rights of any other owners of Bonds, or to obtain or to seek to obtain priority or preference over any other owners or to enforce any right under this Indenture, except in the manner herein provided and for the equal and ratable benefit of all Outstanding Bonds.

Notwithstanding the foregoing or any other provision in this Indenture, however, the owner of any Bond shall have the right which is absolute and unconditional to receive payment of the principal of (and premium, if any) and interest on such Bond on the respective stated maturities expressed in such Bond (or, in the case of redemption, on the redemption date) and nothing contained in this Indenture shall affect or impair the right of any owner to institute suit for the enforcement of any such payment.

**Control of Proceedings by Bondowners.** The owners of a majority in principal amount of the Bonds Outstanding shall have the right, during the continuance of an event of default, provided indemnity has been provided to the Trustee in accordance with **Sections 8.02(e), 8.02(k) and 8.04**:

to require the Trustee to proceed to enforce this Indenture, either by judicial proceedings for the enforcement of the payment of the Bonds and the foreclosure of this Indenture, or otherwise; and

to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee under this Indenture; provided that

such direction shall not be in conflict with any rule of law or this Indenture;

the Trustee may take any other action deemed proper by the Trustee which is not inconsistent with such direction;

the Trustee shall not determine that the action so directed would be unjustly prejudicial to the owners not taking part in such direction; and

the Trustee has been indemnified as provided in **Section 8.02(e)** hereof.

**Application of Moneys Collected.** Any moneys collected by the Trustee pursuant to this Article (after the deductions for payment of costs and expenses of proceedings resulting in the collection of such moneys) together with any other sums then held by the Trustee as part of the Trust Estate, shall be applied in the following order, at the date or dates fixed by the Trustee and, in case of the distribution of such money on account of principal (or premium, if any) or interest, upon presentation of the Bonds and the notation thereon of the payment if only partially paid and upon surrender thereof if fully paid:

FIRST: To the payment of all undeducted amounts due the Trustee under **Section 8.04** hereof;

SECOND: To the payment of Operation and Maintenance Expenses then due;

THIRD: To the payment of the interest and principal then due on the Bonds as follows:

Unless the principal of all the Bonds shall have become due and payable, all such money shall be applied:

FIRST - To the payment to the persons entitled thereto of all interest then due on the Bonds, on a parity and pro rata basis, in the order of the stated maturity of such interest and, if the amount available shall not be sufficient to pay in full said amount, then to the payment ratably, according to the amounts due to the persons entitled thereto, without any discrimination or privilege;

SECOND - To the payment to the persons entitled thereto of the unpaid principal of any of the Bonds, on a parity and pro rata basis, which shall have become due (other than Bonds matured or called for redemption for the payment of which money is held pursuant to the provisions of this Indenture), in the order of their due dates, with interest on such Bonds from the respective dates upon which they became due at the rate borne by the Bonds and, if the amount available shall not be sufficient to pay in full Bonds due on any particular date, together with such interest, then to the payment ratably, according to the amount of principal due on such date, to the persons entitled thereto without any discrimination or privilege;

THIRD - To be held for the payment to the persons entitled thereto as the same shall become due of the principal of and interest on the Bonds, on a parity and pro rata basis, which may thereafter become due either at stated maturity or upon call for redemption prior to stated maturity and, if the amount available shall not be sufficient to pay in full such Bonds due on any particular date, together with interest then due and owing thereon, in accordance with the priority of payment set forth above, payment shall be made ratably according to the amount of principal due on such date to the persons entitled thereto without any discrimination or privilege;

If the principal of all the Bonds shall have become due by acceleration of maturity or otherwise, all such money shall be applied in accordance with the priority of payment and other terms set forth above to the payment of the principal and interest then due and unpaid upon the Bonds, or of any Bond of a series over any other Bond of a series, without

preference or priority of principal over interest or of interest over principal or of any installment of interest over any other installment of interest, ratably, according to the amounts due respectively for principal and interest to the persons entitled thereto without any discrimination or privilege.

FOURTH: To the payment of any Commitment Costs then due.

FIFTH: To the payment of the remainder, if any, to the Issuer or to whosoever may be lawfully entitled to receive the same, including but not limited to the holders of any Subordinate Obligations, or as a court of competent jurisdiction may direct.

Whenever moneys are to be applied by the Trustee pursuant to the provisions of this Section, such moneys shall be applied by it at such times, and from time to time, as the Trustee shall determine, having due regard for the amount of such moneys available for application and the likelihood of additional moneys becoming available for such application in the future. Whenever the Trustee shall apply such moneys, it shall fix the date (which shall be an Interest Payment Date unless it shall deem another date more suitable) upon which such application is to be made and upon such date interest on the amounts of principal to be paid on such date shall cease to accrue. The Trustee shall give such notice as it may deem appropriate of the deposit with it of any such moneys and of the fixing of any such date, in accordance with **Section 2.04** hereof, and shall not be required to make payment to the owner of any unpaid Bond until such Bond shall be presented to the Trustee for appropriate endorsement or for cancellation if fully paid.

**Rights and Remedies Cumulative.** No right or remedy herein conferred upon or reserved to the Trustee or to the owners of the Bonds is intended to be exclusive of any other right or remedy, and every right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

**Delay or Omission Not Waiver.** No delay or omission of the Trustee or of any owner of any Bond to exercise any right or remedy accruing upon an event of default shall impair any such right or remedy or constitute a waiver of any such event of default or an acquiescence therein. Every right and remedy given by this Article or by law to the Trustee or to the owners of the Bonds may be exercised from time to time, and as often as may be deemed expedient, by the Trustee or by such bondowners, as the case may be.

**Waiver of Past Defaults.** Before any judgment or decree for payment of money due has been obtained by the Trustee as provided in this Article, the owners of a majority in principal amount of the Outstanding Bonds, by written notice delivered to the Trustee and the Issuer, on behalf of the owners of all the Bonds waive any past default hereunder and its consequences, except a default

in the payment of the principal of (or premium, if any) or interest on any Bond; or

in respect of a covenant or provision hereof which under **Article IX** cannot be modified or amended without the consent of the owner of each Outstanding Bond affected.

Upon any such waiver, such default shall cease to exist, and any event of default arising therefrom shall be deemed to have been cured, for every purpose of this Indenture; but no such waiver shall extend to or affect any subsequent or other default or impair any right or remedy consequent thereon.

**Additional Events of Default and Remedies.** So long as any particular Series of Bonds is Outstanding, the remedies as set forth in this **Article VII** may be supplemented with additional remedies as set forth in the Supplemental Indenture under which such Series of Bonds is issued.

## **THE TRUSTEE**

**Acceptance of Trusts; Certain Duties and Responsibilities.** The Trustee accepts and agrees to execute the trusts imposed upon it by this Indenture, but only upon the following terms and conditions:

Except during the continuance of an event of default,

the Trustee undertakes to perform such duties and only such duties as are specifically set forth in this Indenture, and no implied covenants or obligations shall be read into this Indenture against the Trustee; and

in the absence of bad faith on its part, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Trustee and conforming to the requirements of this Indenture; but in the case of any such certificates or opinions which by any provision hereof are specifically required to be furnished to the Trustee, the Trustee shall be under a duty to examine the same to determine whether or not they conform to the requirements of this Indenture.

If an event of default has occurred and is continuing, the Trustee shall exercise such of the rights and powers vested in it by this Indenture, 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 its own affairs.

No provision of this Indenture shall be construed to relieve the Trustee from liability for its own gross negligent action, its own gross negligent failure to act, or its own willful misconduct, except that

this subsection shall not be construed to limit the effect of subsection (a) of this Section;

the Trustee shall not be liable for any error of judgment made in good faith by an authorized officer of the Trustee, unless it shall be proved that the Trustee was grossly negligent in ascertaining the pertinent facts;

the Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the owners of a majority in principal amount of the Outstanding Bonds, relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee, under this Indenture; and

no provision of this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if it shall have reasonable

grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

Whether or not therein expressly so provided, every provision of this Indenture relating to the conduct or affecting the liability of or conveying insights and duties or affording protection to the Trustee, whether in its capacity as Trustee, Paying Agent, bond registrar or any other capacity, shall be subject to the provisions of this **Article VIII**.

**Certain Rights of Trustee.** Except as otherwise provided in **Section 8.01** hereof:

The Trustee may rely and shall be protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture, or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties.

The Trustee shall be entitled to rely upon a certificate of the Issuer signed by an Issuer Representative as to the sufficiency of any request or direction of the Issuer mentioned herein, the existence or nonexistence of any fact or the sufficiency or validity of any instrument, paper or proceeding, or that an ordinance or resolution in the form therein set forth has been adopted by the governing body of the Issuer has been duly adopted, and is in full force and effect.

Whenever in the administration of this Indenture the Trustee shall deem it desirable that a matter be proved or established prior to taking, suffering or omitting any action hereunder, the Trustee (unless other evidence be herein specifically prescribed) may, in the absence of bad faith on its part, rely upon a certificate of the Issuer.

The Trustee may consult with counsel, and the written advice of such counsel or any Opinion of Counsel or Opinion of Bond Counsel shall be full and complete authorization and protection in respect of any action taken, suffered or omitted by the Trustee hereunder in good faith and in reliance thereon.

Notwithstanding anything in this Indenture to the contrary, the Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Indenture whether at the request or direction of any of the owners of the Bonds pursuant to this Indenture or otherwise, unless such bondowners or other party shall have offered to the Trustee reasonable security or indemnity against the fees, advances, costs, expenses and liabilities (except as may result from the Trustee's own gross negligence or willful misconduct), including, without limitation, such fees, advances, costs, expenses and liabilities associated with environmental contamination and the clean up thereof, which might be incurred by it in connection with such rights or powers.

The Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture, or other paper or document, but the Trustee, in its discretion, may make such further inquiry or investigation into such facts or matters as it may see fit, and, if the Trustee shall determine to make such further inquiry or investigation, it shall be entitled to examine the books, records and premises of the Issuer, personally or by agent or attorney.

The Trustee assumes no responsibility for the correctness of the recitals contained in this Indenture and in the Bonds, except the certificate of authentication on the Bonds. The Trustee makes no representations to the value or condition of the Trust Estate or any part thereof, or as to the title thereto or as to the security afforded thereby or hereby, or as to the validity or sufficiency

of this Indenture or of the Bonds. The Trustee shall not be accountable for the use or application by the Issuer of any of the Bonds or the proceeds thereof or of any money paid to or upon the order of the Issuer under any provision of this Indenture.

The Trustee, in its individual or any other capacity, may become the owner or pledgee of Bonds and may otherwise deal with the Issuer with the same rights it would have if it were not Trustee.

All money received by the Trustee shall, until used or applied or invested as herein provided, be held in trust for the purposes for which they were received. Money held by the Trustee in trust hereunder need not be segregated from other funds except to the extent required by law or by this Indenture. The Trustee shall be under no liability for interest on any money received by it hereunder except as to investments authorized and directed pursuant to **Section 5.02** hereof.

The Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents or attorneys and the Trustee shall not be responsible for any misconduct or negligence on the part of any agent or attorney appointed with due care by it hereunder.

Notwithstanding anything elsewhere in this Indenture contained, before taking any action under this Indenture, the Trustee may require that satisfactory indemnity be furnished to it for the reimbursement of all reasonable costs and expenses to which it may be put and to protect it against all liability which it may incur in or by reason of such action.

The Trustee may elect not to proceed in accordance with the directions of the owners of the Bonds without incurring any liability to such bondowners if in the opinion of the Trustee such direction may result in environmental or other liability to the Trustee, in its individual capacity for which the Trustee has not received indemnity pursuant to **Section 8.02 and Section 8.04** hereof from the bondowners, and the Trustee may rely upon an Opinion of Counsel addressed to the Issuer and the Trustee in determining whether any action directed by the bondowners may result in such liability.

The Trustee may inform the bondowners of environmental hazards that the Trustee has reason to believe exist, and the Trustee has the right to take no further action and, in such event no fiduciary duty exists, which imposes any obligation for further action with respect to the Trust Estate or any portion thereof if the Trustee, in its individual capacity, determines that any such action would materially and adversely subject the Trustee to environmental or other liability for which the Trustee has not received indemnity pursuant to **Section 8.02 and Section 8.04** hereof.

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

The Trustee shall not be required to give any bond or security in respect of the execution of the said trusts and powers or otherwise in respect to the premises.

The Trustee shall have no duty to analyze or review any financial report received by the Trustee or express any opinion concerning the contents of any financial report or Official Statement and shall have no responsibility for the contents or accuracy of such reports or the Official Statement.

**Notice of Defaults.** The Trustee shall not be required to take notice or be deemed to have notice of any default hereunder except failure by the Issuer to cause to be made any of the payments to the Trustee required to be made by **Article IV** hereof, unless the Trustee shall be specifically notified in writing of such default by the Issuer or the owners of at least 10% in principal amount of all Bonds Outstanding, and in the absence of such notice so delivered, the Trustee may conclusively assume there is no default except as aforesaid. Within 30 days after the Trustee has received notice of any event of default or the occurrence of any event of default hereunder of which the Trustee is deemed to have notice the Trustee shall give written notice of such event of default by mail to all owners of Bonds as shown on the bond register maintained by the Trustee, unless such event of default shall have been cured or waived; provided, however, that, except in the case of a default in the payment of the principal of (or premium, if any) or interest on any Bond, the Trustee shall be protected in withholding such notice if and so long as the Trustee in good faith determines that the withholding of such notice is in the interests of the bondowners. For the purpose of this Section, the term “default” means any event which is, or after notice or lapse of time or both would become, an event of default as defined in **Section 7.01** hereof.

**Compensation and Indemnification.** The Issuer shall cause the Trustee to be promptly paid reasonable compensation for all services rendered under this Indenture together with all reasonable expenses, charges, fees of counsel, accountants and consultants and other disbursements, including those of its attorneys, agents and employees, incurred in good faith in and about the performance of its powers and duties under this Indenture. The Issuer further covenants and agrees to indemnify and save harmless the Trustee, and its officers, directors, employees, and agents against any loss, expense and liabilities that it may incur arising out of or in connection with (1) the exercise and performance of the Trustee’s powers and duties hereunder in accordance with the provisions hereof or (2) the sale of any Bonds and the carrying out of any of the transactions contemplated by the Bonds or related documents, including the costs and expenses of defending against any claim of liability, but excluding liabilities that are due to the Trustee’s gross negligence or willful misconduct. The obligations of the Issuer under this **Section 8.04** shall survive resignation or removal of the Trustee under this Indenture and payment of the Bonds and discharge of this Indenture.

As security for the payment of such compensation, expenses, reimbursements and indemnity under this Section, the Trustee shall be secured under this Indenture by a first lien prior to the Bonds, and shall have the right to use and apply any trust moneys held by it under **Article IV** hereof.

**Corporate Trustee Required; Eligibility.** There shall at all times be a Trustee hereunder which shall be a bank, national banking association, trust company or other financial institution having the powers of a trust company, organized and doing business under the laws of the United States of America or of any state thereof, authorized under such laws to exercise corporate trust powers, subject to supervision or examination by federal or state authority, having a combined capital and surplus of at least \$100,000,000. If such bank, national banking association, trust company or other financial institution publishes reports of condition at least annually, pursuant to law or to the requirements of such supervising or examining authority, then for the purposes of this Section, the combined capital and surplus of such corporation shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. If at any time the Trustee shall cease to be eligible in accordance with the provisions of this Section, it shall resign immediately in the manner and with the effect specified in this Article.

#### **Resignation and Removal of Trustee.**

The Trustee may resign at any time by giving written notice thereof to the Issuer and each owner of Bonds Outstanding as shown by the bond register required by this Indenture to be kept at the office of the Trustee. If an instrument of acceptance by a successor Trustee shall not have been

delivered to the Trustee within 90 days after the giving of such notice of resignation, the resigning Trustee may petition any court of competent jurisdiction for the appointment of a successor Trustee.

If the Trustee has or shall acquire any conflicting interest (as determined by the Trustee), it shall, within 90 days after ascertaining that it has a conflicting interest, or within 30 days after receiving written notice from the Issuer (so long as the Issuer is not in default under this Indenture) that it has a conflicting interest, either eliminate such conflicting interest or resign in the manner and with the effect specified in subsection (a).

With the consent of the Commission as provided in **Section 11.02(n)(ii)** hereof, the Trustee may be removed at any time by an instrument or concurrent instruments in writing delivered to the Issuer and the Trustee signed by the owners of a majority in principal amount of the Outstanding Bonds, or, so long as the Issuer is not in default and no condition that with the giving of notice or passage of time, or both, would constitute a default under this Indenture, by the Issuer. The Issuer or any bondowner may at any time petition any court of competent jurisdiction for the removal for cause of the Trustee.

If at any time:

the Trustee shall fail to comply with subsection (b) after written request therefor by the Issuer or by any bondowner;

the Trustee shall cease to be eligible under **Section 8.05** hereof and shall fail to resign after written request therefor by the Issuer or by any such bondowner; or

the Trustee shall become incapable of acting or shall be adjudged a bankrupt or insolvent or a receiver of the Trustee or of its property shall be appointed or any public officer shall take charge or control of the Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation;

then, in any such case, (A) the Issuer may remove the Trustee, or (B) any bondowner may petition any court of competent jurisdiction for the removal of the Trustee and the appointment of a successor Trustee.

The Trustee shall give notice at the expense of the Issuer of each resignation and each removal of the Trustee and each appointment of a successor Trustee by mailing written notice of such event by first-class mail, postage prepaid, to the registered owners of Bonds as their names and addresses appear in the bond register maintained by the Trustee. Each notice shall include the name of the successor Trustee and the address of its principal corporate trust office.

No resignation or removal of the Trustee and no appointment of a successor Trustee pursuant to this Article shall become effective until the acceptance of appointment by the successor Trustee under **Section 8.08** hereof.

**Appointment of Successor Trustee.** With the consent of the Commission as provided in **Section 11.02(n)(ii)** hereof, if the Trustee shall resign, be removed or become incapable of acting, or if a vacancy shall occur in the office of Trustee for any cause, the Issuer, (so long as no event of default hereunder has occurred and is continuing), or the owners of a majority in principal amount of Bonds Outstanding (if an event of default hereunder has occurred and is continuing), by an instrument or concurrent instruments in writing delivered to the Issuer and the retiring Trustee, shall promptly appoint a successor Trustee. In case all or substantially all of the Trust Estate shall be in the possession of a receiver

or trustee lawfully appointed, such receiver or trustee, by written instrument, may similarly appoint a temporary successor to fill such vacancy until a new Trustee shall be so appointed by the Issuer or the bondowners. If, within 30 days after such resignation, removal or incapability or the occurrence of such vacancy, a successor Trustee shall be appointed in the manner herein provided, the successor Trustee so appointed shall, forthwith upon its acceptance of such appointment, become the successor Trustee and supersede the retiring Trustee and any temporary successor Trustee appointed by such receiver or trustee. If no successor Trustee shall have been so appointed and accepted appointment in the manner herein provided, any bondowner may petition any court of competent jurisdiction for the appointment of a successor Trustee, until a successor shall have been appointed as above provided. The successor so appointed by such court shall immediately and without further act be superseded by any successor appointed as above provided. Every such successor Trustee appointed pursuant to the provisions of this Section shall be a bank or trust company in good standing under the law of the jurisdiction in which it was created and by which it exists, meeting the eligibility requirements of this Article.

**Acceptance of Appointment by Successor.** Every successor Trustee appointed hereunder shall execute, acknowledge and deliver to the Issuer and to the retiring Trustee an instrument accepting such appointment, and thereupon such successor Trustee, without any further act, deed or conveyance, shall become vested with all the estates, properties, rights, powers, trusts and duties of the retiring Trustee and the duties and obligations of the retiring Trustee shall cease and terminate; but, on request of the Issuer or the successor Trustee, such retiring Trustee shall, upon payment of its charges, fees, costs and expenses, including its agents and counsel, execute and deliver an instrument conveying and transferring to such successor Trustee upon the trusts herein expressed all the estates, properties, rights, powers and trusts of the retiring Trustee, and shall duly assign, transfer and deliver to such successor Trustee all property and money held by such retiring Trustee hereunder, subject nevertheless to its lien, if any, provided for in **Section 8.04** hereof. Upon request of any such successor Trustee, the Issuer shall execute any and all instruments for more fully and certainly vesting in and confirming to such successor Trustee all such estates, properties, rights, powers and trusts.

No successor Trustee shall accept its appointment unless at the time of such acceptance such successor Trustee shall be qualified and eligible under this Article.

**Merger, Consolidation and Succession to Business.** Any corporation or association into which the Trustee may be merged or with which it may be consolidated, or any corporation or association resulting from any merger or consolidation to which the Trustee shall be a party, or any corporation or association succeeding to all or substantially all of the corporate trust business of the Trustee, shall be the successor of the Trustee hereunder, provided such corporation or association shall be otherwise qualified and eligible under this Article, and shall be vested with all of the title to the whole property, the Trust Estate and all the trusts, powers, discretions, immunities, privileges and all other matters as was its predecessor, without the execution or filing of any paper or any further act on the part of any of the parties hereto. In case any Bonds shall have been authenticated, but not delivered, by the Trustee then in office, any successor by merger or consolidation to such authenticating Trustee may adopt such authentication and deliver the Bonds so authenticated with the same effect as if such successor Trustee had itself authenticated such Bonds.

**Co-Trustees and Separate Trustees.** At any time or times, for the purpose of meeting the legal requirements of any jurisdiction in which any of the Trust Estate may at the time be located, or in the enforcement of any default or the exercise any of the powers, rights or remedies herein granted to the Trustee, or any other action which may be desirable or necessary in connection therewith, the Trustee shall have power to appoint, and, upon the written request of the Trustee or of the owners of at least 25% in principal amount of the Bonds Outstanding, the Issuer shall for such purpose join with the Trustee in the execution, delivery and performance of all instruments and agreements necessary or proper to appoint, one or more Persons approved by the Trustee either to act as co-trustee, jointly with the Trustee, of all or any

part of the Trust Estate, or to act as separate trustee of any such property, in either case with such powers as may be provided in the instrument of appointment, and to vest in such person or persons in the capacity aforesaid, any property, title, protection, immunity, right or power deemed necessary or desirable, subject to the other provisions of this Section. If the Issuer does not join in such appointment within 15 days after the receipt by it of a request so to do, or in case an event of default has occurred and is continuing, the Trustee alone shall have power to make such appointment.

Should any written instrument from the Issuer be required by any co-trustee or separate trustee so appointed for more fully confirming to such co-trustee or separate trustee such property, title, right or power, any and all such instruments shall, on request, be executed, acknowledged and delivered by the Issuer.

Every co-trustee or separate trustee shall, to the extent permitted by law, but to such extent only, be appointed subject to the following terms, namely:

The Bonds shall be authenticated and delivered, and all rights, powers, duties and obligations hereunder in respect of the custody of securities, cash and other personal property held by, or required to be deposited or pledged with, the Trustee hereunder, shall be exercised solely by the Trustee.

The rights, powers, duties and obligations hereby conferred or imposed upon the Trustee in respect of any property covered by such appointment shall be conferred or imposed upon and exercised or performed by the Trustee or by the Trustee and such co-trustee or separate trustee jointly, as shall be provided in the instrument appointing such co-trustee or separate trustee, except to the extent that under any law of any jurisdiction in which any particular act is to be performed, the Trustee shall be incompetent or unqualified to perform such act, in which event such rights, powers, duties and obligations shall be exercised and performed by such co-trustee or separate trustee.

The Trustee at any time, by an instrument in writing executed by it, with the concurrence of the Issuer evidenced by a resolution, may accept the resignation of or remove any co-trustee or separate trustee appointed under this Section, and, in case an event of default has occurred and is continuing, the Trustee shall have power to accept the resignation of, or remove, any such co-trustee or separate trustee without the concurrence of the Issuer. Upon the written request of the Trustee, the Issuer shall join with the Trustee in the execution, delivery and performance of all instruments and agreements necessary or proper to effectuate such resignation or removal. A successor to any co-trustee or separate trustee so resigned or removed may be appointed in the manner provided in this Section.

No co-trustee or separate trustee hereunder shall be personally liable by reason of any act or omission of the Trustee, or any other such trustee hereunder.

Any request, demand, authorization, direction, notice, consent, waiver or other act of bondowners delivered to the Trustee shall be deemed to have been delivered to each such co-trustee and separate trustee.

**Designation of Paying Agents.** The Trustee is hereby designated and agrees to act as principal Paying Agent for and in respect to the Bonds. The Issuer may, in its discretion, cause the necessary arrangements to be made through the Trustee and to be thereafter continued for the designation of alternate Paying Agents, if any, and for the making available of funds hereunder for the payment of the principal of, premium, if any, and interest on the Bonds of any Series, or at the principal corporate trust office of said

alternate Paying Agents. In the event of a change in the office of Trustee, the predecessor Trustee which has resigned or been removed shall cease to be trustee of any funds provided hereunder and Paying Agent for principal of, premium, if any, and interest on the Bonds, and the successor Trustee shall become such Trustee and Paying Agent unless a separate Paying Agent or Agents are appointed by the Issuer in connection with the appointment of any successor Trustee.

**Electronic Instructions.** The Trustee shall have the right to accept and act upon instructions, including funds transfer instructions (the “**Instructions**”) given pursuant to this Indenture and delivered using Electronic Means. If the Issuer 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 Issuer understands 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 representative of the Issuer. The Issuer shall be responsible for ensuring that only authorized representatives of each transmit such Instructions to the Trustee and that the Issuer is solely responsible to safeguard the use and confidentiality of applicable user and authorization codes, passwords and/or authentication keys upon receipt. 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 Issuer 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 Issuer; (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.

## **SUPPLEMENTAL INDENTURES**

**Supplemental Indentures Without Consent of Bondowners.** Without the consent of the owners of any Bonds, but with the consent of the Commission, the Issuer and the Trustee may from time to time enter into one or more Supplemental Indentures for any of the following purposes:

to more precisely identify the Broadband Project financed out of the proceeds of the Bonds, or to correct or amplify the description of any property at any time subject to the lien of this Indenture, or better to assure, convey and confirm unto the Trustee any property subject or required to be subjected to the lien of this Indenture, or to subject additional property to the lien of this Indenture;

to add to the conditions, limitations and restrictions on the authorized amount, terms or purposes of issue, authentication and delivery of Bonds or of any Series of Bonds, as herein set forth, additional conditions, limitations and restrictions thereafter to be observed;

to authorize the issuance of any Series of Additional Bonds as provided in **Section 2.03** and to set forth the terms of such Bonds and the special provisions which shall apply to such Bonds;

to authorize the issuance or incurrence of Subordinate Obligations as provided in **Section 6.16** and to set forth the terms of such Subordinate Obligations, if such Subordinate Obligations are being issued or incurred pursuant to a Supplemental Indenture; and

to evidence the appointment of a separate trustee or the succession of a new trustee under this Indenture;

to add to the covenants of the Issuer or to the rights, powers and remedies of the Trustee for the benefit of the owners of all Bonds or to surrender any right or power herein conferred upon the Issuer, provided such supplement or amendment shall not adversely affect the interests of the bondowners;

to cure any ambiguity, to correct or supplement any provision in this Indenture which may be inconsistent with any other provision herein or to make any other change, with respect to matters or questions arising under this Indenture, which shall not be inconsistent with the provisions of this Indenture, provided such action shall not adversely affect the interests of the owners of the Bonds (in making such determination the Trustee may rely conclusively upon an Opinion of Counsel);

to evidence any change made in the terms of any Series of Bonds if such changes are authorized by the Supplemental Indenture at the time the Series of Bonds is issued and such change is made in accordance with the terms of such Supplemental Indenture;

to modify, eliminate or add to the provisions of this Indenture to such extent as shall be necessary to effect the qualification of this Indenture under the Trust Indenture Act of 1939, as amended, or under any similar federal statute hereafter enacted, or to permit the qualification of the Bonds for sale under the securities laws of the United States or any state of the United States;

to provide for uncertificated Bonds or for the issuance of coupons and bearer Bonds or Bonds registered only as to principal;

to qualify the Bonds or a Series of Bonds for a rating or ratings by one or more of the Rating Agencies;

to comply with the requirements of the Code as are necessary, in the opinion of Bond Counsel, to prevent the federal income taxation of the interest on the Bonds; or

to modify, alter, amend or supplement this Indenture or any Supplemental Indenture in any other respect which is not materially adverse to the bondowners.

**Supplemental Indentures With Consent of Bondowners and the Commission.** With the consent of the owners of not less than a majority in principal amount of the Bonds then Outstanding affected by such Supplemental Indenture and of the Commission, the Issuer and the Trustee may enter into one or more Supplemental Indentures for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this Indenture or of modifying in any manner the rights of the owners of the Bonds under this Indenture; provided, however, that no such Supplemental Indenture shall, without the consent of the owner of each Outstanding Bond affected thereby (if such Supplemental Indenture is a modification described in subsection (e) or (f) below);

change the stated maturity of the principal of, or any installment of interest on, any Bond, or reduce the principal amount thereof or the interest thereon or any premium payable upon the redemption thereof, or change any place of payment where, or the coin or currency in which, any

Bond, or the interest thereon is payable, or impair the right to institute suit for the enforcement of any such payment on or after the stated maturity thereof (or, in the case of redemption, on or after the redemption date);

reduce the percentage in principal amount of the Outstanding Bonds, the consent of whose owners is required for any such Supplemental Indenture, or the consent of whose owners is required for any waiver provided for in this Indenture of compliance with certain provisions of this Indenture or certain defaults hereunder and their consequences;

modify the obligation of the Issuer to make payment on or provide funds for the payment of any Bond;

modify or alter the provisions of the proviso to the definition of the term "Outstanding";

modify any of the provisions of this Section or **Section 7.10** hereof, except to increase any percentage provided thereby or to provide that certain other provisions of this Indenture cannot be modified or waived without the consent of the owner of each Bond affected thereby; or

permit the creation of any lien ranking prior to or on a parity with the lien of this Indenture with respect to any of the Trust Estate or terminate the lien of this Indenture on any property at any time subject hereto or deprive the owner of any Bond of the security afforded by the lien of this Indenture.

The Trustee may in its discretion determine whether or not any Bonds would be affected by any Supplemental Indenture and any such determination shall be conclusive upon the owners of all Bonds and, whether theretofore or thereafter authenticated and delivered hereunder. The Trustee shall not be liable for any such determination made in good faith.

It shall not be necessary for the required percentage of owners of Bonds under this Section to approve the particular form of any proposed Supplemental Indenture, but it shall be sufficient if such act shall approve the substance thereof.

For the purposes of this **Article IX**, the purchasers of the Bonds of a Series, whether purchasing as underwriters, for resale or otherwise, upon such purchase, may approve a Supplemental Indenture and may consent to a modification or amendment of this Indenture or any Supplemental Indenture and other modifications permitted by this **Section 9.02** in the manner provided herein, except that no proof of ownership shall be required, and with the same effect as a consent given by the owner of such Bonds; provided, however, that, if such consent is given by a purchaser who is purchasing as an underwriter or for resale, the nature of the modification or amendment and the provisions for the purchaser consenting thereto shall be described in the official statement, prospectus, offering memorandum or other offering document prepared in connection with the primary offering of the Bonds of such Series by the Issuer.

**Opinions of Bond Counsel.** Notwithstanding anything to the contrary in **Sections 9.01** or **9.02** hereof, before the Issuer and the Trustee enter into any Supplemental Indenture pursuant to **Sections 9.01** or **9.02** hereof, there shall have been delivered to the Trustee and the Commission an Opinion of Bond Counsel to the effect that such Supplemental Indenture is authorized or permitted by this Indenture, complies with its terms, will, upon the execution and delivery thereof, be valid and binding upon the Issuer in accordance with its terms and will not cause interest on any of the Bonds which is then excluded from gross income of the recipient thereof for federal income tax purposes to be included in gross income for federal income tax purposes.

**Effect of Supplemental Indentures.** Upon the execution of any Supplemental Indenture under this Article, this Indenture shall be modified in accordance therewith and such Supplemental Indenture shall form a part of this Indenture for all purposes; and every owner of Bonds theretofore or thereafter authenticated and delivered hereunder shall be bound thereby.

**Reference in Bonds to Supplemental Indentures.** Bonds authenticated and delivered after the execution of any Supplemental Indenture pursuant to this Article may, and if required by the Trustee shall, bear a notation in form approved by the Trustee as to any matter provided for in such Supplemental Indenture. If the Issuer shall so determine, new Bonds so modified as to conform, in the opinion of the Trustee and the Issuer, to any such Supplemental Indenture may be prepared and executed by the Issuer and authenticated and delivered by the Trustee in exchange for Outstanding Bonds.

## **SATISFACTION AND DISCHARGE**

**Payment, Discharge and Defeasance of Bonds.** Bonds will be deemed to be paid and discharged and no longer Outstanding under this Indenture and will cease to be entitled to any lien, benefit or security of this Indenture if the Issuer shall pay or provide for the payment of such Bonds in any one or more of the following ways:

by paying or causing to be paid the principal of (including redemption premium, if any) and interest on such Bonds, as and when the same become due and payable;

by delivering such Bonds to the Trustee for cancellation; or

by depositing in trust with the Trustee or other Paying Agent moneys and Defeasance Obligations in an amount, together with the income or increment to accrue thereon, without consideration of any reinvestment thereof, sufficient to pay or redeem (when redeemable) and discharge the indebtedness on such Bonds at or before their respective maturity or redemption dates (including the payment of the principal of, premium, if any, and interest payable on such Bonds to the maturity or redemption date thereof); provided that, if any such Bonds are to be redeemed prior to the maturity thereof, notice of such redemption is given in accordance with the requirements of this Indenture or provision satisfactory to the Trustee is made for the giving of such notice.

The Bonds may be defeased in advance of their maturity or redemption dates only with cash or Defeasance Obligations pursuant to subsection (c) above, subject to receipt by the Trustee of (i) a verification report in form and substance satisfactory to the Trustee prepared by independent certified public accountants, or other verification agent, satisfactory to the Trustee, and (ii) an Opinion of Bond Counsel addressed and delivered to the Trustee and the Issuer in form and substance satisfactory to the Trustee to the effect that the payment of the principal of and redemption premium, if any, and interest on all of the Bonds then Outstanding and any and all other amounts required to be paid under the provisions of this Indenture has been provided for in the manner set forth in this Indenture and to the effect that so providing for the payment of any Bonds will not cause the interest on the Bonds to be included in gross income for federal income tax purposes, notwithstanding the satisfaction and discharge of this Indenture.

The foregoing notwithstanding, the liability of the Issuer in respect of such Bonds shall continue, but the owners thereof shall thereafter be entitled to payment only out of the moneys and Defeasance Obligations deposited with the Trustee as aforesaid.

Moneys and Defeasance Obligations so deposited with the Trustee pursuant to this Section shall not be a part of the Trust Estate but shall constitute a separate trust fund for the benefit of the Persons entitled thereto. Such moneys and Defeasance Obligations shall be applied by the Trustee to the payment (either directly or through any Paying Agent, as the Trustee may determine) to the Persons entitled thereto, of the principal (and premium, if any) and interest for whose payment such moneys and Defeasance Obligations have been deposited with the Trustee.

**Satisfaction and Discharge of Indenture.** This Indenture and the lien, rights and interests created by this Indenture shall cease, terminate and become null and void (except as to any surviving rights pursuant to **Section 10.03** hereof) if the following conditions are met:

the principal of, premium, if any, and interest on all Bonds has been paid or is deemed to be paid and discharged by meeting the conditions of **Section 10.01** hereof;

all other sums payable under this Indenture with respect to the Bonds are paid or provision satisfactory to the Trustee is made for such payment;

all amounts due and owing to the Commission have been repaid as provided in **Section 11.02(g)** hereof;

the Trustee receives an Opinion of Bond Counsel (which may be based upon a ruling or rulings of the Internal Revenue Service) to the effect that so providing for the payment of any Bonds will not cause the interest on the Bonds to be included in gross income for federal income tax purposes, notwithstanding the satisfaction and discharge of this Indenture; and

the Trustee receives an Opinion of Counsel to the effect that all conditions precedent in this Section to the satisfaction and discharge of this Indenture have been complied with.

Thereupon, the Trustee shall execute and deliver to the Issuer a termination statement and such instruments of satisfaction and discharge of this Indenture as may be necessary at the written request of the Issuer, and shall pay, assign, transfer and deliver to the Issuer, or other Persons entitled thereto, all moneys, securities and other property then held by it under this Indenture as a part of the Trust Estate, other than moneys or Defeasance Obligations held in trust by the Trustee as herein provided for the payment of the principal of, premium, if any, and interest on the Bonds.

**Rights Retained After Discharge.** Notwithstanding the satisfaction and discharge of this Indenture, the rights of the Trustee under **Section 8.04** hereof shall survive, and the Trustee shall retain such rights, powers and duties under this Indenture as may be necessary and convenient for the payment of amounts due or to become due on the Bonds and the registration, transfer and exchange of Bonds as provided herein. Nevertheless, any moneys held by the Trustee or any Paying Agent for the payment of the principal of, redemption premium, if any, or interest on any Bond remaining unclaimed for four years after the principal of all Bonds has become due and payable, whether at maturity or upon proceedings for redemption or by declaration as provided herein, shall then be paid to the Issuer without liability for interest thereon, and the owners of any Bonds not theretofore presented for payment shall thereafter be entitled to look only to the Issuer for payment thereof and all liability of the Trustee or any Paying Agent with respect to such moneys shall thereupon cease.

## **PROVISIONS RELATING TO DEBT SERVICE RESERVE REIMBURSEMENT FUNDING COMMITMENT**

**Definitions Relating to DSR Commitment.** All terms defined in **Section 1.01** of this Indenture shall have the same meaning in this **Article XI**. In addition, the following terms shall have the respective meanings set forth below.

**“Authorizing Document”** shall mean this Indenture.

**“Bond Documents”** shall mean the resolution, trust agreement, indenture, ordinance, loan agreement, lease agreement, bond, note, certificate and/or any additional or supplemental document establishing the terms of or securing, directly or indirectly, the Bonds, executed in connection with the Bonds. For purposes of the Bonds and this **Article XI**, the Bond Documents are the Indenture and any Supplemental Indenture which may be entered into hereafter relating to the Bonds.

**“Commitment Limit”** shall mean the maximum amount of Credit Enhancement awarded by the Commission for the Bonds pursuant to [CPUC RESOLUTION NO. \_\_\_\_], subject to reduction as the principal amount of the Bonds is paid as provided in the Commitment Funding Agreement.

**“CPUC Default”** shall mean CPUC has failed to make any payment under the DSR Commitment when due and owing in accordance with the terms of the Credit Enhancement as set forth in the Commitment Funding Agreement, and as provided by law.

**“Credit Enhancement”** shall mean the LLP credit enhancement provided by the CPUC for the Bonds that provides sufficient funds to ensure timely regularly scheduled principal and interest payments on the Bonds up to the Commitment Limit, which Credit Enhancement is provided through the replenishment of the Debt Service Reserve Fund from the DSR Commitment.

**“DSRF”** shall mean the Debt Service Reserve Fund established in the custody of the Trustee pursuant to **Section 4.01** of the Indenture.

**“DSR Commitment”** shall mean the Debt Service Reserve Reimbursement Funding Commitment issued by the Commission that will support the DSRF and provide credit enhancement for the Bonds; the DSR Commitment is defined in **Section 1.01** as the “Commitment.” The DSR Commitment amount and Commitment Limit is subject to reduction as the principal amount of the Bonds is paid as provided in the Commitment Funding Agreement. The schedule for reduction of the award as the principal amount of the Bonds is paid is set forth on **Exhibit B** attached to the Commitment Funding Agreement.

### **Provisions Relating to DSR Commitment.**

The provisions of this **Section 11.02** shall govern, notwithstanding anything to the contrary set forth in this Authorizing Document.

Amounts drawn by the Trustee under the DSR Commitment and pursuant to this **Section 11.02** shall be used solely to replenish the Debt Service Reserve Fund established under **Section 4.01** and applied under **Section 4.08**. As provided in said **Section 4.08**, moneys in the Debt Service Reserve Fund shall be used to pay scheduled payments of principal and interest due on the Bonds that are not paid from Net System Revenues or otherwise under **Section 4.07**, as more fully provided in this Authorizing Document. Interest earnings on amounts on deposit in the Debt

Service Reserve Fund shall be transferred to the Debt Service Fund under this Authorizing Document to be used to pay debt service on the Bonds, as provided herein; provided that such earnings may be used to pay any Commitment Costs then due and owing, if any, as provided herein.

(2) The Trustee or other Paying Agent shall provide notice to the Commission and the Fiscal Agent of a potential draw upon the Debt Service Reserve Fund as follows: In the event that sufficient funds are not on deposit in the Debt Service Fund pursuant to **Section 4.07** of this Authorizing Document at least [five] Business Days prior to the date upon which interest or principal is due on the Bonds, the Trustee or other Paying Agent shall provide notice thereof to the Commission and the Fiscal Agent. Such notice shall include the amount of the deficiency and potential amount of the draw upon the Debt Service Reserve Fund. If any deficiency is made up in whole or in part prior to or on the payment date, the Paying Agent or Trustee shall promptly so notify the Commission and the Fiscal Agent.

Should the Debt Service Reserve Fund be drawn upon pursuant to **Section 4.08**, the Trustee or other Paying Agent will make a claim to the Commission and the Fiscal Agent on behalf of the Commission to replenish the Debt Service Reserve Fund in an amount equal to the amount of the draw upon the Debt Service Reserve Fund but in no event in excess of the Commitment Limit or the amount necessary to return the amount on deposit in the Debt Service Reserve Fund to the Debt Service Reserve Requirement, whichever is less.

The claim upon the Commission and the Fiscal Agent on behalf of the Commission shall be made no later than the [fifth] Business Day following the draw upon the Debt Service Reserve Fund. The Commission and the Fiscal Agent will provide funds from the DSR Commitment to replenish the Debt Service Reserve Fund (but in no event in excess of the Commitment Limit) within a reasonable time after said claim is made, and in any event, by the first Business Day of the month following the month in which the claim was made.

The DSR Commitment will cover no more payments after the full amount of coverage has been exhausted unless such coverage is replenished in accordance with the terms of the DSR Commitment. When the DSR Commitment is repaid, those funds will again be available to provide coverage up to the awarded amount. If the DSR Commitment is not repaid within three months, the liability to the DSR Commitment will bear interest as provided in subsection (d).

(3) The Issuer shall pay the Commission or the Fiscal Agent on behalf of the Commission from Net System Revenues the principal amount of any draws under the DSR Commitment and pay all related fees and expenses incurred by the Commission and the Fiscal Agent (but only to the extent such fees and expenses were incurred as serving as the Fiscal Agent to the Commission) and shall pay interest thereon from the date that is three months after the payment by the Commission or the Fiscal Agent on behalf of the Commission at the Late Payment Rate. Such payment shall be made pursuant to, and in the priority set forth in, **Section 4.06(c)** of this Indenture. "Late Payment Rate" means the lesser of (1) the per annum rate of interest publicly announced from time to time by The Wall Street Journal as the prime or base lending rate (the "Prime Rate") (any change in such Prime Rate to be effective on the date such change is announced in the Wall Street Journal) plus 1%, and (2) the maximum rate permissible under applicable usury or similar laws limiting interest rates. The Late Payment Rate shall be computed on the basis of the actual number of days elapsed over a year of 360 days beginning on the first day following the three month period from the draw on the DSR Commitment. In the event The Wall Street Journal

ceases to announce the Prime Rate, the Prime Rate shall be the prime or base lending rate of such national bank as the Commission shall designate. If the interest provisions of this subparagraph (c) shall result in an effective rate of interest which, for any period, exceeds the limit of the usury or any other laws applicable to the indebtedness created herein, then all sums in excess of those lawfully collectible as interest for the period in question shall, without further agreement or notice between or by any party hereto, be applied as additional interest for any later periods of time when amounts are outstanding hereunder to the extent that interest otherwise due hereunder for such periods plus such additional interest would not exceed the limit of the usury or such other laws, and any excess shall be applied upon principal immediately upon receipt of such moneys by the Commission, with the same force and effect as if the Issuer had specifically designated such extra sums to be so applied and the Commission had agreed to accept such extra payment(s) as additional interest for such later periods. In no event shall any agreed-to or actual exaction as consideration for the indebtedness created herein exceed the limits imposed or provided by the law applicable to this transaction for the use or detention of money or for forbearance in seeking its collection.

Repayment of draws and the accrued interest thereon at the Late Payment Rate with respect to the DSR Commitment (collectively, "Commitment Costs") shall commence no later than on the first day following the three month period following each draw, and each such monthly payment thereafter shall be in an amount at least equal to 1/12 of the aggregate of Commitment Costs related to such draw.

The Issuer shall take all actions required by the Commission to ensure that Commitment Costs are paid to the Commission in accordance with the provisions set forth in the Authorizing Document when due for Commitment Costs that are payable to the Commission or the Fiscal Agent on behalf of the Commission.

Amounts in respect of Commitment Costs paid to or on behalf of the Commission shall be credited first to interest due, then to the fees and expenses due and then to principal due. As and to the extent that payments are made to the Commission on account of principal due, the coverage under the DSR Commitment will be increased by a like amount, subject to the terms of the DSR Commitment; provided, however that the DSR Commitment shall automatically be reduced in proportion to any amount of Bonds that is repaid by or on behalf of the Issuer over the term of the Bonds, thereby reducing the DSR Commitment and the amounts that may be drawn thereon until such amounts have been repaid. The obligation to pay Commitment Costs shall be secured by a valid lien on all revenues and other collateral pledged as security for the Bonds (subject only to the priority of payment provisions set forth under the Authorizing Document).

Payment of any Commitment Costs shall be made from Net System Revenues immediately after the payment of debt service on the Bonds, as provided in **Section 4.06(c)** of this Indenture. Such payment of Commitment Costs and amounts owing to the Commission shall occur after payment of debt service on the Bonds, but before any Net System Revenues can be used to replenish the Debt Service Reserve Fund or otherwise be allocated to bondholders under the Bond Documents.

Any Commitment Costs not paid as provided in paragraph (v) above may be paid from the other sources of payment identified in this Indenture as provided herein.

Notwithstanding the foregoing, payments of the fees and expenses due and owing to the Fiscal Agent under the Fiscal Agent Agreement, other than initial setup costs as described in **Section 4(b)(ii)** and **Exhibit B** of that Agreement, that exceed any amounts that are set aside and

held pursuant to **Section 2.03(d)** of the Commitment Funding Agreement, shall be on parity with payments due and owing to the Trustee under the Authorizing Document.

Upon a failure to pay Commitment Costs when due or any other breach of the terms of this **Section 11.02**, the Commission shall be entitled to exercise any and all legal and equitable remedies available to it, including those provided under the Authorizing Document, other than (i) acceleration of the maturity of the Bonds or (ii) remedies which would adversely affect owners of the Bonds. [Reference is also made to Article \_\_\_ of the Commitment Funding Agreement.]

The Authorizing Document shall not be discharged until all Commitment Costs and interest thereon owing to the Commission, and all fees due and owing to the Fiscal Agent, shall have been paid in full. The Issuer's obligation to pay such amounts as set forth herein shall expressly survive payment in full of the Bonds. The Issuer's obligation to pay such amounts from the Net System Revenues, and the Commission's security interest in the Net System Revenues constituting a portion of the Trust Estate pledged to the payment of the Bonds as set forth herein, shall expressly survive payment in full of the Bonds.

The Issuer shall include any Commitment Costs then due and owing the Commission and amounts due but unpaid or not held under the Fiscal Agent Agreement as described in (e) above in the calculation of the Additional Bonds test in **Section 2.03**.

The Trustee shall ascertain the necessity for a claim upon the DSR Commitment in accordance with the provisions of subparagraph (c) hereof and provide notice to the Commission in accordance with the terms of the DSR Commitment at least [five] Business Days prior to each date upon which interest or principal is due on the Bonds as provided in said subparagraph (c). Where deposits are required to be made by the Issuer with the Trustee to the Debt Service Fund for the Bonds more often than semi-annually, the Trustee shall give notice to the Commission of any failure of the Issuer to make timely payment in full of such deposits within two Business Days of the date due.

The Issuer shall pay or reimburse the Commission any and all charges, fees, costs, losses, liabilities and expenses which the Commission may pay or incur in connection with (i) the enforcement of any rights in respect of the Authorizing Document, the Commitment Funding Agreement, the Debt Service Reserve Reimbursement Funding Commitment] or any document executed in connection with the Bonds (collectively, the "Related Documents"), including participating in any litigation or proceeding (including any bankruptcy proceeding in respect of the Issuer or the Broadband System) relating to the Authorizing Document, the Commitment Funding Agreement or any other Related Document, any party to the Authorizing Document, the Commitment Funding Agreement or any other Related Document or the transactions contemplated by the Related Documents, (ii) the pursuit of any remedies under the Authorizing Document, the Commitment Funding Agreement or any other Related Document, (iii) the reasonable costs of processing any amendment, waiver or other action requested by the Issuer with respect to, or related to the Authorizing Document, the Commitment Funding Agreement, the Commitment or any other Related Document whether or not executed or completed, or (iv) any action taken by the Commission to cure a default or termination or similar event (or to mitigate the effect thereof) under the Authorizing Document, the Commitment Funding Agreement or any other Related Document; costs and expenses shall include a reasonable allocation of compensation and overhead attributable to time of employees of the Commission spent in connection with the actions described in clauses (i) through (iv) above. The Commission reserves the right to charge a reasonable fee as a condition to executing any amendment, waiver or consent proposed in respect of the Authorizing Document, the Commitment Funding Agreement or any other Related Document requested by the

Issuer. Amounts payable by the Issuer hereunder shall bear interest at the Late Payment Rate from the date such amount is paid or incurred by the Commission until the date the Commission is paid in full. Any such amounts shall be paid solely from Net System Revenues on a subordinate basis to the payment of debt service on the Bonds.

The obligation of the Issuer to pay all amounts due to the Commission shall be an absolute and unconditional obligation of the Issuer but payable only from Net System Revenues and a basis that is subordinate to the debt service due and owing on the Bonds, and will be paid or performed strictly in accordance with the provisions of this **Section 11.02**, irrespective of: (i) any lack of validity or enforceability of or any amendment or other modifications of, or waiver with respect to the Bonds, the Authorizing Document, the Commitment Funding Agreement or any other Related Document; (ii) any amendment or other modification of, or waiver with respect to the DSR Commitment; (iii) any exchange, release or non-perfection of any security interest in property securing the Bonds, the Authorizing Document, the Commitment Funding Agreement or any other Related Documents; (iv) whether or not such Bonds are contingent or matured, disputed or undisputed, liquidated or unliquidated; (v) any amendment, modification or waiver of or any consent to departure from the DSR Commitment, the Authorizing Document, the Commitment Funding Agreement or all or any of the other Related Document; (vi) the existence of any claim, setoff, defense (other than the defense of payment in full), reduction, abatement or other right which the Issuer may have at any time against the Trustee or any other person or entity other than the Commission, whether in connection with the transactions contemplated herein or in any other Related Documents or any unrelated transactions; (vii) any statement or any other document presented under or in connection with the DSR Commitment proving in any and all respects invalid, inaccurate, insufficient, fraudulent or forged or any statement therein being untrue or inaccurate in any respect; or (viii) any payment by the Commission under the DSR Commitment against presentation of a certificate or other document which does not strictly comply with the terms of the DSR Commitment.

The Issuer shall fully observe, perform, and fulfill each of the provisions (as each of those provisions may be amended, supplemented, modified or waived with the prior written consent of the Commission) of the Authorizing Document applicable to it, each of the provisions thereof being expressly incorporated into this **Section 11.02** by reference solely for the benefit of the Commission as if set forth directly herein. No provision of the Authorizing Document or any other Related Document shall be amended, supplemented, modified or waived, without the prior written consent of the Commission, provided that no Commission Default has occurred and is continuing. The Commission is hereby expressly made a third party beneficiary of the Authorizing Document and each other Related Document.

As provided in the Commitment Funding Agreement, the Debt Service Reserve Fund shall be funded solely with cash. The prior written consent of the Commission shall be a condition precedent to the deposit of any credit facility credited to the Debt Service Reserve Fund in addition to the Commitment, pursuant to such terms, provisions and conditions as the Commission, the Issuer and if applicable the Trustee, may agree as set forth in any agreement relating thereto, including if applicable, a Supplemental Indenture.

(4) **Notice of Change and Qualifications.** The Commission shall receive prior written notice of any name change of the trustee (the "Trustee") or the resignation or removal of the Trustee or, if applicable, the Paying Agent. Any Trustee or Paying Agent must be a trust company, national banking association, bank or other financial institution having the powers of a trust company and having, through itself or its affiliates or in combination with a bank holding company if part of a holding company system either trust assets of at least \$500,000,000 or a combined capital and

surplus of at least \$50,000,000 and subject to supervision or examination by federal or state authority.

Consent of CPUC for Replacement or Removal of Trustee or Paying Agent. The Trustee or, if applicable, the Paying Agent, shall not be replaced or removed without the consent of the CPUC.

No removal, resignation or termination of the Trustee or, if applicable, the Paying Agent shall take effect until a successor, meeting the qualifications set forth in subsection (n)(i) above, shall be qualified and appointed in accordance with the requirements of the Bond Documents as set forth in **Article VIII**, including **Sections 8.06** and **8.07**, of this Indenture.

(5) The prior written consent of CPUC shall be required for any additional debt to be issued, including any Additional Bonds, that can either be repaid from the DSR Commitment or that materially impacts the revenue repayment source of the Issuer for the Credit Enhancement.

Costs/fees/amounts owed to the CPUC shall be included in any debt service coverage calculations and requirements for additional debt to be issued, as provided in **Section 2.03(b)(iii)** hereof.

The Issuer covenants to provide to the Commission, promptly upon request, any information regarding the Bonds or the financial condition and operations of the Issuer and the Broadband System as reasonably requested by the Commission. The Issuer will permit the Commission to discuss the affairs, finances and accounts of the Issuer or any information the Commission may reasonably request regarding the security for the Bonds with appropriate officers of the Issuer and will use commercially reasonable efforts to enable the Commission to have access to the facilities, books and records of the Issuer on any Business Day upon reasonable prior notice.

So long as the Bonds are outstanding or any amounts are due and payable to the Commission, the Issuer shall not sell, lease, transfer, encumber or otherwise dispose of the System or any material portion thereof pursuant to **Section 6.07** of this Indenture, except upon obtaining the prior written consent of the Commission.

The Issuer shall provide the Commission with copies of any notices or other information to be provided to the Underwriter of the Bonds under the Authorizing Document.

Notices and other information to the Commission shall be sent to the Commission as set forth in subsection (r) of this **Section 11.02** (or such other address as the Commission may designate in writing to the Issuer and the Trustee, as provided in **Section 12.01** of the Authorizing Document.

The Issuer will concurrently provide CPUC with all notices and other information that the Issuer is obligated to provide (a) under its Continuing Disclosure Agreement, and (b) to the bondholders or the Trustee of the Bonds under the Bond Documents.

Such information may include but is not limited to, audited financial information, notices of draws on reserve accounts prior to any withdrawals, notices of defaults, prior redemption/refunding notices, notices of commencement of any bankruptcy proceedings, and any notices that go to the bondholders or the Trustee of the Bonds under the Bond Documents.

The Issuer will also provide CPUC with Project progress and completion reports set forth in the Commitment Funding Agreement in accordance with the Guidelines.

The notice address of CPUC is: \_\_\_\_\_, Attention: \_\_\_\_\_, Re: \_\_\_\_\_, Telephone: \_\_\_\_\_, Email: \_\_\_\_\_. In each case in which notice or other communication refers to an event of default under the Bond Documents or a claim on the DSR Commitment (pursuant to the provisions of Section \_\_\_ hereof), then a copy of such notice or other communication shall also be sent to the attention of the [CPUC Counsel] at the same address and at [email address \_\_\_\_\_] and shall be marked to indicate "URGENT MATERIAL ENCLOSED." CPUC may modify such notice information upon notification to the Issuer and the Trustee.

[For purposes of this document, the consent of CPUC shall mean written consent provided by the \_\_\_\_\_ or designee thereof. All notices, waivers, consents and other information required to be provided to CPUC shall be provided directly to the \_\_\_\_\_ or designee thereof.]

The prior written consent of the Commission shall be a condition precedent to the obtaining of any bond insurance or other credit facility for the Bonds in addition to the Commitment, pursuant to such terms, provisions and conditions as the Commission, the Issuer and if applicable the Trustee, may agree relating to such matters as draws upon such bond insurance and upon the DSR Commitment, the repayment of the bond insurer and the DSR Commitment should amounts be due to both, and other relevant matters, as set forth in any agreement relating thereto, including if applicable, a Supplemental Indenture.

Reference is made to **Section 6.17** of the Authorizing Document for provisions relating to the obligation of the Issuer to hire a Financial Consultant (as defined in **Section 1.01** hereof) under specific circumstances indicating a risk of insolvency.

## NOTICES, CONSENTS AND OTHER ACTS

**Notices.** Except as otherwise provided herein, it shall be sufficient service of any notice, request, demand, authorization, direction, consent, waiver or other paper required or permitted by this Indenture to be made, given or furnished to or filed with the following Persons upon receipt by such Person, if the same shall be delivered in person or duly mailed by registered or certified mail, postage prepaid, return receipt requested, at the following addresses:

- (a) To the Issuer at:

Golden State Connect Authority  
1215 K Street, Suite 1650  
Sacramento, California 95814  
Attention: Executive Director

- (b) To the Trustee at:

Zions Bancorporation, National Association, as Trustee

\_\_\_\_\_

Attention: Corporate Trust Department

(c) To the Commission, as set forth in **Section 11.02(t)** hereof.

(d) To the Fiscal Agent at:

[NAME OF FISCAL AGENT], as Fiscal Agent

\_\_\_\_\_

Attention: [\_\_\_\_\_]

Notices to the bondowners shall be sent by first class mail to the address of the bondowners as shown on the bond register maintained by the Trustee under this Indenture.

A copy of the form of any notice from the Trustee to the bondowners shall be given by the Trustee to the Issuer.

If, because of the temporary or permanent suspension of mail service or for any other reason, it is impossible or impractical to mail any notice in the manner herein provided, then such delivery of notice in lieu thereof as shall be made with the approval of the Trustee shall constitute a sufficient notice.

Notice to bondowners shall be given by first class mail at the address of the bondowners as shown on the bond register maintained by the Trustee, and neither the failure to receive such notice, nor any defect in any notice so mailed, shall affect the sufficiency of such notice. Where this Indenture provides for notice in any manner, such notice may be waived in writing by the Person entitled to receive such notice, either before or after the event, and such waiver shall be the equivalent of such notice. Waivers of notice by bondowners shall be filed with the Trustee, but such filing shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

If notice to bondowners is given by first class mail, neither the failure to mail such notice, nor any defect in any notice so mailed, to any particular bondowner shall affect the sufficiency of such notice with respect to other bondowners. Where this Indenture provides for notice in any manner, such notice may be waived in writing by the Person entitled to receive such notice, either before or after the event, and such waiver shall be the equivalent of such notice. Waivers of notice by bondowners shall be filed with the Trustee, but such filing shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

**Acts of Bondowners.** Any notice, request, demand, authorization, direction, consent, waiver or other action provided by this Indenture to be given or taken by bondowners may be embodied in and evidenced by one or more substantially concurrent instruments of similar tenor signed by such bondowners in person or by an agent duly appointed in writing. Except as herein otherwise expressly provided, such action shall become effective when such instrument or instruments are delivered to the Trustee, and, where it is hereby expressly required, to the Issuer. Proof of execution of any such instrument or of a writing appointing any such agent, or of the ownership of Bonds other than the assignment of the ownership of a Bond, shall be sufficient for any purpose of this Indenture and conclusive in favor of the Issuer and the Trustee, if made in the following manner:

The fact and date of the execution by any Person of any such instrument or writing may be proved by the certificate of any notary public or other officer authorized by law to take acknowledgments of deeds, certifying that the individual signing such instrument or writing acknowledged to him the execution thereof, or by the affidavit of a witness of such execution. Whenever such execution is by an officer of a corporation or a member of a partnership on behalf of such corporation or partnership, such certificate or affidavit shall also constitute sufficient proof of such person's authority.

The fact and date of execution of any such instrument or writing and the authority of any Person executing the same may also be proved in any other manner which the Trustee deems sufficient; and the Trustee may in any instance require further proof with respect to any of the matters referred to in this Section.

The ownership of Bonds and the amount or amounts, numbers and other identification of such Bonds, and the date of holding the same, shall be proved by the bond register maintained by the Trustee.

In determining whether the owners of the requisite principal amount of Bonds Outstanding have given any request, demand, authorization, direction, notice, consent or waiver hereunder, Bonds registered on the bond register in the name of the Issuer shall be disregarded and deemed not to be Outstanding, except that, in determining whether the Trustee shall be protected in relying upon any such request, demand, authorization, direction, notice, consent or waiver, only Bonds which the Issuer has identified in writing to the Trustee as being owned by the Issuer or an affiliate thereof shall be so disregarded.

Any notice, request, demand, authorization, direction, consent, waiver or other action by the owner of any Bond shall bind every future owner of the same Bond and the owner of every Bond issued upon the transfer thereof or in exchange therefor or in lieu thereof, in respect of anything done or suffered to be done by the Trustee or the Issuer in reliance thereon, whether or not notation of such action is made upon such Bond.

**Form and Contents of Documents Delivered to Trustee.** Whenever several matters are required to be certified by, or covered by an opinion of, any specified Person, it is not necessary that all such matters be certified by, or covered by the opinion of only one such Person, or that they be so certified or covered by only one document, but one such Person may certify or give an opinion with respect to some matters and one or more other such Persons as to the other matters, and any such Person may certify or give an opinion as to such matters in one or several documents.

Any certificate or opinion of an officer of the Issuer may be based, insofar as it relates to legal matters, upon a certificate or opinion of, or representations by, counsel, unless such officer knows, or in the exercise of reasonable care should know, that the certificate or opinion or representations with respect to the matters upon which such person's certificate or opinion is based are erroneous. Any Opinion of Counsel may be based, insofar as it relates to factual matters, upon a certificate or opinion of, or representations by, an officer or officers of the Issuer stating that the information with respect to such factual matters is in the possession of the Issuer, unless such counsel knows, or in the exercise of reasonable care should know, that the certificate or opinion or representations with respect to such matters are erroneous.

**Compliance Certificates and Opinions.** Upon any application or request by the Issuer to the Trustee to take any action under any provision of this Indenture, the Issuer shall furnish to the Trustee a certificate signed by an Issuer Representative stating that all conditions precedent, if any, provided for in this Indenture relating to the proposed action have been complied with and an Opinion of Counsel stating that in the opinion of counsel rendering such opinion all such conditions precedent, if any, have been complied with, except that in the case of any such application or request as to which the furnishing of such documents is specifically required by any provision of this Indenture relating to such particular application or request, no additional certificate or opinion need be furnished.

Every certificate or opinion with respect to compliance with a condition or covenant provided for in this Indenture shall include:

a statement that each individual signing such certificate or opinion has read such condition or covenant and the definitions herein relating thereto;

a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate or opinion are based;

a statement that, in the opinion of each such individual, he has made such examination or investigation as is necessary to enable him to express an informed opinion as to whether or not such condition or covenant has been complied with; and

a statement as to whether, in the opinion of each such individual, such condition or covenant has been complied with.

## **ARTICLE II**

### **MISCELLANEOUS PROVISIONS**

**Further Assurances.** The Issuer covenants that it will do, execute, acknowledge and deliver, or cause to be done, executed, acknowledged and delivered, such further acts, instruments, financing statements and other documents as the Trustee may reasonably require for the better assuring, transferring, pledging and assigning to the Trustee, and granting a security interest unto the Trustee in and to the Trust Estate and the other property and revenues herein described.

**Immunity of Officers, Directors, Employees and Members of Issuer.** No recourse shall be had for the payment of the principal of or redemption premium, if any, or interest on any of the Bonds or for any claim based thereon or upon any obligation, covenant or agreement contained in this Indenture against any past, present or future officer, director, member, employee or agent of the Issuer, or of any successor public corporation, either directly or through the Issuer or any successor public corporation, under any rule of law or equity, statute or constitution, or by the enforcement of any assessment or penalty or otherwise, and all such liability of any such officers, directors, members, employees or agents as such is hereby expressly waived and released as a condition of and consideration for the execution of this Indenture and the issuance of Bonds.

**Limitation on Issuer Obligations.** Any other term or provision in this Indenture or in any other Transaction Documents or elsewhere to the contrary notwithstanding:

Any and all obligations (including, without limitation, fees, claims, demands, payments, damages, liabilities, penalties, assessments and the like) of or imposed upon the Issuer or its members, officers, agents, employees, representatives, advisors or assigns, whether under this Indenture or any of the other Transaction Documents or elsewhere and whether arising out of or based upon a claim or claims of tort, contract, misrepresentation, or any other or additional legal theory or theories whatsoever (collectively the “**Obligations**”), shall in all events be absolutely limited obligations and liabilities, payable solely out of the following, if any, available at the time the Obligation in question is asserted:

Bond proceeds and investments therefrom; and

Payments derived from the Bonds and this Indenture (including the Trust Estate to the extent provided in this Indenture);

(the above provisions (i) and (ii) being collectively referred to as the “exclusive sources of the Obligations”).

The Obligations shall not be deemed to constitute a debt or liability of the State of California or of any political subdivision thereof within the meaning of any state constitutional provision or statutory limitation and shall not constitute a pledge of the full faith and credit of the State of California or of any political subdivision thereof, but shall be payable solely from and out of the exclusive sources of the Obligations and shall otherwise impose no liability whatsoever, primary or otherwise, upon the State of California or any political subdivision thereof or any charge upon their general credit or taxing power.

In no event shall any member, officer, agent, employee, representative or advisor of the Issuer, or any successor or assign of any such person or entity, be liable, personally or otherwise, for any Obligation.

In no event shall this Indenture be construed as:

depriving the Issuer of any right or privilege; or

requiring the Issuer or any member, officer, agent, employee, representative or advisor of the Issuer to take or omit to take, or to permit or suffer the taking of, any action by itself or by anyone else;

which deprivation or requirement would violate or result in the Issuer’s being in violation of the Act or any other applicable state or federal law.

**Patriot Act.** The Issuer acknowledges that in accordance with Section 326 of the U.S.A. Patriot Act, the Trustee, like all financial institutions and in order to help fight the funding of terrorism and money laundering, is required to obtain, verify, and record information that identifies each Person or legal entity that establishes a relationship or opens an account with the Trustee. The Issuer agrees that it will provide or cause to be provided to the Trustee with such information as the Trustee may request in order for the Trustee to satisfy the requirements of the U.S.A. Patriot Act.

**Benefit of Indenture.** This Indenture shall inure to the benefit of and shall be binding upon the Issuer and the Trustee and their respective successors and assigns, subject, however, to the limitations contained herein. With the exception of rights expressly conferred in this Indenture, including the rights of the Issuer as provided herein, nothing in this Indenture or in the Bonds, express or implied, shall give to any Person, other than the parties hereto and their successors and assigns hereunder, any separate trustee or co-trustee appointed under **Section 8.10** hereof and the owners of Outstanding Bonds, and the Commission as provided in **Section 11.02(l)** hereof to the extent of its rights hereunder as provided in **Article XI**, any benefit or any legal or equitable right, remedy or claim under this Indenture.

**No Pecuniary Liability.** All covenants, obligations and agreements of the Issuer herein shall be effective to the extent authorized and permitted by law. No such covenant, obligation or agreement herein shall be deemed to be a covenant, obligation or agreement of any present or future board member, director, officer, agent or employee of the Issuer other than in their official capacity.

**Severability.** If any provision in this Indenture or in the Bonds shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

**Execution in Counterparts.** This Indenture may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same instrument. Copies, telecopies, facsimiles, electronic files and other reproductions of original executed documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law.

**Electronic Storage.** The parties hereto agree that the transaction described herein may be conducted and related documents may be stored by electronic means. Copies, telecopies, facsimiles, electronic files and other reproductions of original executed documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law.

**Governing Law.** This Indenture shall be governed by and construed in accordance with the laws of the State of California.

[Remainder of page intentionally left blank; signature page follows]

IN WITNESS WHEREOF, the Issuer and the Trustee have caused this Trust Indenture to be duly executed, and their respective corporate seals to be hereunto affixed and attested, by their duly authorized officers, all as of the day and year first above written.

GOLDEN STATE CONNECT AUTHORITY

By: \_\_\_\_\_  
[Chair] [Title of Authorized Signatory]

ATTEST:

By: \_\_\_\_\_  
[Secretary] [Title of Authorized Signatory]

THIS TRUST INDENTURE is executed as of the date first above written.

Zions Bancorporation, National Association,  
as Trustee

By: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

ATTEST:

By: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**EXHIBIT A**  
**(FORM OF BONDS)**

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

Registered  
No. R- \_\_\_\_\_

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

**GOLDEN STATE FINANCE AUTHORITY**  
**TELECOMMUNICATIONS REVENUE BOND**  
**(BROADBAND PROJECT)**  
**SERIES [2025]**

| Interest Rate | Maturity Date  | Dated Date | CUSIP |
|---------------|----------------|------------|-------|
| ____%         | [____ 1], 20__ |            |       |

((Registered Owner: \_\_\_\_\_ \*\* CEDE & CO. \*\*

Principal Amount: \_\_\_\_\_ DOLLARS

**GOLDEN STATE CONNECT AUTHORITY** (the “Issuer”), a joint exercise of powers agency duly organized and validly existing under the laws of the State of California (the “State”), for value received, promises to pay, but solely from the sources herein specified to the registered owner named above, or registered assigns, the principal amount stated above on the maturity date stated above, except as the provisions herein set forth with respect to redemption prior to maturity may become applicable hereto, and in like manner to pay interest on said principal amount at the interest rate per annum stated above (computed on the basis of a 360-day year of twelve 30-day months) from the Dated Date stated above or from the most recent Interest Payment Date to which interest has been paid or duly provided for. Interest on the Bonds stated above shall be payable semi-annually on each [\_\_\_\_ 1] and [\_\_\_\_ 1], beginning on [\_\_\_\_ 1], [2026], until said principal amount is paid.

**Method and Place of Payment.** The principal of and interest on this Bond shall be payable in any coin or currency of the United States of America which on the respective dates of payment thereof is legal tender for the payment of public and private debts. The principal of and redemption premium, if any, on this Bond shall be payable by check or draft to the registered owner at the maturity or redemption date upon presentation and surrender of this Bond at the principal corporate trust office of Zions Bancorporation, National Association, in \_\_\_\_\_, \_\_\_\_\_ (the “Trustee”). The interest payable on this Bond on any Interest Payment Date shall be paid by the Trustee to the registered owner of this Bond appearing on the bond register maintained by the Trustee at the close of business on the Record Date for such interest, which shall be the 15<sup>th</sup> day (whether or not a business day) of the calendar month next preceding such Interest

Payment Date and shall be paid by (a) check or draft of the Trustee mailed to such registered owner at such owner's address as it appears on such bond register or at such other address furnished in writing by such registered owner to the Trustee, or (b) at the written request addressed to the Trustee by any registered owner of Bonds in the aggregate principal amount of at least \$1,000,000, by electronic transfer to the bank for credit to the ABA routing number and account number filed with the Trustee no later than 15 days preceding the Record Date. Any such written notice for electronic transfer shall be signed by such owner and shall include the name of the bank, its address, its ABA routing number and the name, number and contact name related to such owner's account at such bank to which the payment is to be credited.

**Limited Obligations.** THE BONDS ARE LIMITED OBLIGATIONS OF THE ISSUER PAYABLE SOLELY FROM NET SYSTEM REVENUES AND ANY OTHER ASSETS PLEDGED UNDER THE INDENTURE AS PART OF THE TRUST ESTATE. THE ISSUER IS NOT OBLIGATED TO MAKE PAYMENT ON THE BONDS FROM ANY OF ITS ASSETS OTHER THAN THE NET SYSTEM REVENUES AND OTHER MONEYS HELD BY THE TRUSTEE PURSUANT TO THE INDENTURE AND SPECIFICALLY PLEDGED FOR SUCH PURPOSE UNDER THE TERMS OF THE INDENTURE AS PART OF THE TRUST ESTATE. THE BONDS DO NOT CONSTITUTE AN INDEBTEDNESS OR A LOAN OF THE CREDIT OF THE ISSUER, ANY OF THE PUBLIC ENTITIES THAT ARE MEMBERS OR ASSOCIATE MEMBERS OF THE ISSUER (THE "MEMBERS"), THE STATE OF CALIFORNIA OR ANY POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMITATION PROVISIONS, NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE MEMBERS, THE STATE OF CALIFORNIA OR ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR THE INTEREST ON THE BONDS. THE ISSUER HAS NO TAXING POWER.

**Authorization of Bonds.** This Bond is one of a duly authorized series of bonds of the Issuer designated "Telecommunications Revenue Bonds (Broadband Project), Series [2025]," in the aggregate principal amount of \$[PRINAMT] (the "Series [2025] Bonds"), issued pursuant to and in full compliance with the Constitution and statutes of the State of California, and pursuant to proceedings duly had by the Issuer. The Series [2025] Bonds are issued under and are equally and ratably secured and entitled to the protection given by a Trust Indenture, dated as of [December 1, 2025] (the Trust Indenture, as amended and supplemented from time to time in accordance with the provisions thereof, herein called the "Indenture"), between the Issuer and the Trustee, for the purpose of providing funds for the purposes described in the Indenture. The Series [2025] Bonds and any Additional Bonds issued under the Indenture are referred to as the "Bonds." Reference is hereby made to the Indenture for a description of the Trust Estate pledged and assigned thereunder, and the provisions, among others, with respect to the nature and extent of the security for the Bonds, and the rights, duties and obligations of the Issuer, the Trustee and the registered owners of the Bonds, and a description of the terms upon which the Bonds are issued and secured, upon which provision for payment of the Bonds or portions thereof and defeasance of the lien of the Indenture with respect thereto may be made and upon which the Indenture may be deemed satisfied and discharged prior to payment of the Bonds.

**Redemption Prior to Maturity.** The Bonds are subject to redemption prior to maturity as follows:

**Optional Redemption.** The Series [2025] Bonds maturing in the year \_\_\_\_ and thereafter are subject to redemption and payment prior to maturity, at the option of the Issuer, on and after [\_\_\_\_ 1], \_\_\_\_, in whole or in part at any time, at par, plus accrued interest to the redemption date.

**[Mandatory Sinking Fund Redemption.** The Series [2025] Bonds maturing on [\_\_\_\_ 1], \_\_\_\_ are subject to mandatory sinking fund redemption on the dates and in the amounts set forth in the Indenture.]

**Notice of Redemption.** Notice of redemption, unless waived, is to be given by the Trustee by mailing an official redemption notice by registered, certified or first-class mail at least 30 days and not more than 60 days prior to the date fixed for redemption to the registered owner of the Bond or Bonds to be redeemed at the address shown on the bond register maintained by the Trustee. Notice of redemption having been given as aforesaid, the Bonds or portions of Bonds to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified and from and after such date (unless the Issuer shall default in the payment of the redemption price) such Bonds or portions of Bonds shall cease to bear interest.

**Book-Entry System.** The Bonds are being issued by means of a book-entry system with no physical distribution of bond certificates to be made except as provided in the Indenture. One Bond certificate with respect to each date on which the Bonds are stated to mature or with respect to each form of Bonds, registered in the nominee name of the Securities Depository, is being issued and required to be deposited with the Securities Depository and immobilized in its custody. The book-entry system will evidence positions held in the Bonds by the Securities Depository's participants, beneficial ownership of the Bonds in authorized denominations being evidenced in the records of such participants. Transfers of ownership shall be effected on the records of the Securities Depository and its participants pursuant to rules and procedures established by the Securities Depository and its participants. The Issuer and the Trustee will recognize the Securities Depository nominee, while the registered owner of this Bond, as the owner of this Bond for all purposes, including (a) payments of principal of, and redemption premium, if any, and interest on, this Bond, (b) notices and (c) voting. Transfer of principal, interest and any redemption premium payments to participants of the Securities Depository, and transfer of principal, interest and any redemption premium payments to beneficial owners of the Bonds by participants of the Securities Depository will be the responsibility of such participants and other nominees of such beneficial owners. The Issuer and the Trustee will not be responsible or liable for such transfers of payments or for maintaining, supervising or reviewing the records maintained by the Securities Depository, the Securities Depository nominee, its participants or persons acting through such participants. While the Securities Depository nominee is the owner of this Bond, notwithstanding the provision hereinabove contained, payments of principal of, redemption premium, if any, and interest on this Bond shall be made in accordance with existing arrangements among the Issuer, the Trustee and the Securities Depository.

**Transfer and Exchange.** EXCEPT AS OTHERWISE PROVIDED IN THE INDENTURE, THIS GLOBAL BOND MAY BE TRANSFERRED, IN WHOLE BUT NOT IN PART, ONLY TO ANOTHER NOMINEE OF THE SECURITIES DEPOSITORY OR TO A SUCCESSOR SECURITIES DEPOSITORY OR TO A NOMINEE OF A SUCCESSOR SECURITIES DEPOSITORY. This Bond may be transferred or exchanged, as provided in the Indenture, only upon the bond register maintained by the Trustee at the above-mentioned office of the Trustee by the registered owner hereof in person or by such owner's duly authorized attorney, upon surrender of this Bond together with a written instrument of transfer satisfactory to the Trustee duly executed by the registered owner or such owner's duly authorized attorney, and thereupon a new Bond or Bonds of the same maturity and in the same aggregate principal amount, shall be issued to the transferee in exchange therefor as provided in the Indenture, and upon payment of the charges therein prescribed. The Issuer, the Trustee and any Paying Agent may deem and treat the person in whose name this Bond is registered on the bond register maintained by the Trustee as the absolute owner hereof for the purpose of receiving payment of, or on account of, the principal or redemption price hereof and interest due hereon and for all other purposes. The Bonds are issuable in the form of fully registered Bonds without coupons in the denominations of \$5,000 or any integral multiple thereof.

**Limitation on Rights.** The registered owner of this Bond shall have no right to enforce the provisions of the Indenture or to institute action to enforce the covenants therein, or to take any action with respect to any event of default under the Indenture, or to institute, appear in or defend any suit or other proceeding with respect thereto, except as provided in the Indenture. In certain events, on the conditions,

in the manner and with the effect set forth in the Indenture, the principal of all the Bonds issued under the Indenture and then outstanding may become or may be declared due and payable before the stated maturity thereof, together with interest accrued thereon. The Bonds or the Indenture may be modified, amended or supplemented only to the extent and in the circumstances permitted by the Indenture.

**Authentication.** This Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Indenture until the Certificate of Authentication hereon shall have been executed by the Trustee.

IT IS HEREBY CERTIFIED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and in the execution and delivery of the Indenture and the issuance of this Bond do exist, have happened and have been performed in due time, form and manner as required by law.

IN WITNESS WHEREOF, GOLDEN STATE CONNECT AUTHORITY has caused this Bond to be executed in its name by the manual or facsimile signature of its Chair or any Authorized Signatory and attested by the manual or facsimile signature of its Secretary or any Authorized Signatory, all as of the Dated Date specified above.

GOLDEN STATE CONNECT AUTHORITY

By: \_\_\_\_\_  
[Chair] [Title of Authorized Signatory]

[SEAL]

ATTEST:

By: \_\_\_\_\_  
[Secretary] [Title of Authorized Signatory]

CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds described in the within mentioned Indenture

Date of Authentication: \_\_\_\_\_

Zions Bancorporation, National Association,  
Trustee

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

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**ASSIGNMENT**

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

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(Print or Type Name, Address and Social  
Security Number or Taxpayer Identification Number of Transferee)

the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints \_\_\_\_\_ agent to transfer the within Bond on the books kept by the Trustee for the registration thereof, with full power of substitution in the premises.

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

NOTICE: The signature to this assignment must correspond with the name of the Registered Owner as it appears on the face of the within Bond in every particular.

Signature Guaranteed By:

---

(Name of Eligible Guarantor Institution)

By: \_\_\_\_\_  
Title: \_\_\_\_\_

NOTICE: Signature(s) must be guaranteed by an eligible guarantor institution as defined by SEC Rule 17AD-15 (17 CFW 240.17 Ad-15).

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**EXHIBIT B**  
**BROADBAND PROJECT AREA**  
[ATTACHED]

**EXHIBIT C**

**FORM OF  
DISBURSEMENT REQUEST  
(§ 4.03—SERIES [2025] COSTS OF ISSUANCE ACCOUNT  
OF THE COSTS OF ISSUANCE FUND)**

Request No.: \_\_\_\_\_  
Date: \_\_\_\_\_

To:     Zions Bancorporation, National Association  
          Corporate Trust Department  
\_\_\_\_\_, \_\_\_\_\_,  
          as Trustee

Re:     \$ \_\_\_\_\_ Golden State Connect Authority, Telecommunications Revenue Bonds  
          (Broadband Project), Series [2025]

You are hereby requested and directed as Trustee under the Trust Indenture dated as of [December 1, 2025] (the “Indenture”), between Golden State Connect Authority and you, as Trustee, to pay from moneys in the Series [2025] Costs of Issuance Account of the Costs of Issuance Fund, pursuant to **Section 5.03** of the Indenture, to the following payees the following amounts for the following Costs of Issuance (as defined in the Indenture):

| Payee | Amount | Description of Cost of Issuance |
|-------|--------|---------------------------------|
|-------|--------|---------------------------------|

The undersigned Authorized Signatory hereby states and certifies that each item listed above is a proper Cost of Issuance (as defined in the Indenture) that was incurred in connection with the issuance of the above-referenced Bonds, and the amount of this request is justly due and owing and has not been the subject of another requisition which was paid.

GOLDEN STATE CONNECT AUTHORITY

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

**EXHIBIT D**

**FORM OF  
DISBURSEMENT REQUEST  
(\$ 4.04— SERIES [2025] PROJECT ACCOUNT  
OF THE PROJECT FUND)**

Request No.: \_\_\_\_\_

Date: \_\_\_\_\_

To: Zions Bancorporation, National Association  
Corporate Trust Department

\_\_\_\_\_, \_\_\_\_\_,  
as Trustee

Re: \$ \_\_\_\_\_ Golden State Connect Authority, Telecommunications Revenue Bonds  
(Broadband Project), Series [2025]

You are hereby requested and directed as Trustee under the Trust Indenture dated as of [December 1, 2025] (the “Indenture”), between Golden State Connect Authority and you, as Trustee, to pay from moneys in the Series [2025] Project Account of the Project Fund, pursuant to **Section 4.04** of the Indenture, to the following payees the following amounts for the following Costs of the Project (as defined in the Indenture):

| Payee | Amount | Description of Cost of Project |
|-------|--------|--------------------------------|
|-------|--------|--------------------------------|

The undersigned Authorized Signatory hereby states and certifies that each item listed above is a proper cost of the indicated Project, and the amount of this request is justly due and owing and has not been the subject of another requisition which was paid.

GOLDEN STATE CONNECT AUTHORITY

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

**EXHIBIT E**  
**FORM OF**  
**COMPLETION CERTIFICATE**  
**SERIES [2025] PROJECT**

To: Golden State Connect Authority  
Sacramento, California  
as Issuer

Zions Bancorporation, National Association  
Corporate Trust Department

\_\_\_\_\_, \_\_\_\_\_,  
as Trustee

Re: \$\_\_\_\_\_ Golden State Connect Authority, Telecommunications Revenue Bonds  
(Broadband Project), Series [2025]

The undersigned, being an Authorized Signatory, hereby provides this certification of completion pursuant to **Section 4.04** of the Trust Indenture dated as of [December 1, 2025] (the “Indenture”), by and between the Issuer and Zions Bancorporation, National Association (the “Trustee”), pursuant to which the above-referenced Bonds were issued, as follows:

1. The \_\_\_\_\_ Project has been fully completed substantially in accordance with the plans and specifications.

(a) All costs and expenses incurred in such Project have been paid except costs and expenses the payment of which are not yet due or is being retained or contested in good faith by the Issuer.

(b) Any funds remaining in the Series [2025] Project Account of the Project Fund shall be transferred to the \_\_\_\_\_ [Account] of the Debt Service Fund.

(c) [SET OUT OTHER USE FOR FUNDS, AS AUTHORIZED BY SECTION 4.04(c)(ii)]

Notwithstanding the foregoing, this Certificate is given without prejudice to any rights against third parties which exist at the date of such certificate or which may subsequently come into being.

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

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

**EXHIBIT F**  
**SCHEDULE OF DEBT SERVICE PAYMENTS**

**APPENDIX C**

**Commitment Funding Agreement &  
Debt Service Reserve Reimbursement  
Funding Commitment**

## COMMITMENT FUNDING AGREEMENT FOR LOAN LOSS RESERVE PROGRAM

This **COMMITMENT FUNDING AGREEMENT** dated as of [December 1, 2025] (as amended and supplemented, this "Agreement"), is by and among the GOLDEN STATE CONNECT AUTHORITY (the "Issuer"), the CALIFORNIA PUBLIC UTILITIES COMMISSION (the "Commission"), COMPUTERSHARE TRUST COMPANY, N.A., a national banking association, not personally but solely in its capacity as the Commission's designated Fiscal Agent (the "Fiscal Agent"), and ZIONS BANCORPORATION, NATIONAL ASSOCIATION (together with its successors and assigns, the "Trustee").

### RECITALS

A. The State of California created a Loan Loss Reserve Program (the "Loan Loss Program" or "LLP") to fund costs related to financing broadband infrastructure deployment by a local government agency, Tribal government agency, or a nonprofit organization. The Loan Loss Program was created by Senate Bill 156 (Chapter 112, Statutes of 2021) Section 8 (the "Act"), which added Public Utilities Code section 281.2, and Assembly Bill 164 (Chapter 84, Statutes of 2021) Section 34, Item 8660-062-0001, subject in all respects to any revisions, amendments or supplements that may hereafter be provided.

B. The Commission has provided requirements and guidelines (the "Guidelines") relating to the Loan Loss Program. The Guidelines consist of the Loan Loss Program requirements and guidelines adopted by Resolution T-17858 (November 7, 2024), including Appendix C (Guidance to Staff on Bond Terms and Structure, Form of Guarantee, and Bond Risk Analysis, attached hereto as Exhibit F, and Resolution [\_\_\_\_] (\_\_\_\_, 2025), including \_\_\_\_\_, in each case as amended, revised or supplemented from time to time. Under the Act and the Guidelines, the Commission may provide an LLP credit enhancement for eligible debt as defined in the Guidelines ("Eligible Debt") issued to finance broadband infrastructure. Each such Eligible Debt for which the Commission provides LLP credit enhancement will, by its terms, have a debt service reserve fund (each, a "Debt Service Reserve Fund" or "DSRF") in the amount set forth in the applicable document under which such Eligible Debt is issued (such documentation, the "Authorizing Documents"). The purpose of any such DSRF is to ensure timely regularly scheduled principal and interest payments to the trustee or other paying agent on behalf of owners of the underlying Eligible Debt up to the amount set forth in the Authorizing Documents under which the Eligible Debt is issued.

C. The Commission has engaged the Fiscal Agent pursuant to that certain Fiscal Agent Agreement dated as of \_\_\_\_\_, 2025 (as amended and supplemented, the "Fiscal Agent Agreement") to establish a LLRF Broadband Financing Fund and under which

such fund the Fiscal Agent shall establish accounts for each Broadband Financing (each such account for an issue of Eligible Debt, the "Eligible Debt Account"). The LLP credit enhancement provided by the Commission in the way of LLP support for an issue of Eligible Debt is referred to herein as a "Credit Enhancement."

D. The Issuer applied for LLP support pursuant to the Guidelines.

E. The Commission has issued a Debt Service Reserve Reimbursement Funding Commitment (the "DSR Commitment") that will support the DSRF described herein and provide credit enhancement for the Eligible Debt described herein. The Commission will provide such Credit Enhancement by directing the Fiscal Agent to replenish the DSRF in the event of draw(s) thereon and otherwise in accordance with the terms hereof and the DSR Commitment.

F. The Commission has approved up to \$50,000,000 (the "Commitment Limit") in LLP support for the Eligible Debt as the Credit Enhancement, based upon the application and the determination made by the Commission under the Loan Loss Program, the Act and the Guidelines, and such Commitment Limit is subject to reduction as provided herein, including scheduled reductions as principal is paid pursuant to Section 2.04 and Exhibit B hereto. Any other reduction or termination of the Commitment Limit shall be effected only by Commission resolution upon satisfaction and discharge of the Indenture.

G. The Issuer is issuing its Telecommunications Revenue Bonds (Broadband Project), Series [2025] (such Eligible Debt shall hereinafter be referred to as the "Series [2025] Bonds") pursuant to a Trust Indenture dated as of [December 1, 2025] (as amended from time to time in accordance with its terms, the "Indenture" and together with the other Bond-related documents identified in the Bond Transaction Document Provisions, the "Bond Documents"). The Trustee serves as Trustee for the Series [2025] Bonds.

H. The Bond Documents establish the DSRF for the Series [2025] Bonds in the custody of the Trustee.

I. The Issuer wishes to acquire, construct, install, own, operate and maintain broadband infrastructure within the Broadband Project Area (the "Broadband Project") described in the applicable exhibit attached to the Indenture.

J. The Series [2025] Bonds are being issued for the purpose of (a) financing a portion of the cost of the Broadband Project, (b) funding capitalized interest on the Series [2025] Bonds, (c) funding a deposit to the DSRF and (d) paying costs of issuance of the Series [2025] Bonds.

K. The terms of the Series [2025] Bonds are summarized in [Exhibit A] attached hereto, including the principal amount of the Series [2025] Bonds, maturity and payment schedule, amount deposited in the DSRF and other pertinent information.

L. The Series [2025] Bonds and any Additional Bonds (as defined in the Indenture) issued under the Indenture, with the approval of the Commission, are defined therein and herein as the "Bonds."

M. The Commitment Limit is subject to reduction as the principal amount of Bonds issued is paid, as provided in the Guidelines. The schedule for reduction of the award as the principal amount of Series [2025] Bonds is paid is set forth in [Exhibit B] attached hereto.

N. This Agreement, together with the required program terms set out in the Commission materials for Eligible Debt with LLP credit enhancement, including but not limited to the "Bond Transaction Document Provisions" provided by the Commission (the "Commitment Provisions") to be included in the Bond Documents, and the DSR Commitment No. \_\_\_\_\_, constitute the "form of guarantee" referred to in the Guidelines. The "Bond Transaction Document Provisions" have been incorporated into the Bond Documents as Section 6.17 and Article XI of the Indenture.

NOW, THEREFORE, in consideration of the mutual covenants and promises hereinafter set forth and to induce the Commission to provide the Credit Enhancement, the Commission, the Issuer, the Fiscal Agent and the Trustee hereby agree as follows:

## **ARTICLE I**

### **DEFINITIONS**

**Section 1.01 Definitions.** All capitalized terms used herein and not otherwise defined shall have the meanings ascribed to them in the DSR Commitment, the Bond Documents, the Bond Transaction Document Provisions, the Guidelines or other authorizing documents.

**"Broadband Fiscal Consultant"** shall mean an Independent consultant acceptable to the Commission having the experience and qualifications necessary to review and make recommendations regarding the operation, management, marketing, improvement, condition or use of the Broadband System. For the avoidance of doubt, the Broadband Fiscal Consultant is advisory only and is not the Financial Consultant under the Indenture, and its appointment does not satisfy any requirement to retain a Financial Consultant under Section 6.17 of the Indenture.

**Section 1.02 Rules of Construction.**

For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires, the following rules of construction apply in construing the provisions of this Agreement:

- (a) The terms defined in this Article include the plural as well as the singular.
- (b) All accounting terms not otherwise defined herein shall have the meanings assigned to them, and all computations herein provided for shall be made, in accordance with generally accepted accounting principles.
- (c) All references herein to "generally accepted accounting principles" refer to such principles in effect on the date of the determination, certification, computation or other action to be taken hereunder using or involving such terms.
- (d) All references in this instrument to designated "Articles," "Sections" and other subdivisions are to be the designated Articles, Sections and other subdivisions of this instrument as originally executed.
- (e) The words "herein," "hereof" and "hereunder" and other words of similar import refer to this Agreement as a whole and not to any particular Article, Section or other subdivision.
- (f) The Article and section headings herein are for convenience only and shall not affect the construction hereof.
- (g) Whenever an item or items are listed after the word "including," such listing is not intended to be a listing that excludes items not listed.

## **ARTICLE II**

### **DSRF, DSR COMMITMENT AND CREDIT ENHANCEMENT**

**Section 2.01 DSRF.** (a) The DSRF shall be funded solely with cash; provided that amounts on deposit in the DSRF may be invested as provided in the Bond Documents. The deposit of a credit instrument in lieu of a cash deposit into the DSRF is not permitted. Amounts on deposit in the DSRF shall be applied solely to the payment of debt service due on the Bonds; provided that interest earnings on amounts on deposit in the DSRF shall be transferred to the Debt Service Fund under the Bond Documents to be used to pay debt service on the Bonds, all as provided in the Bond Documents.

(b) The obligations of the Commission pursuant to the Credit Enhancement are absolute, unconditional and irrevocable, and payments of claims from the Eligible Debt Account for the Series [2025] Bonds held by the Fiscal Agent pursuant to the Fiscal Agent Agreement established upon the issuance of the DSR Commitment in accordance with this Agreement and the

Bond Documents will be made on demand without offset or deduction up to the then-applicable Commitment Limit.

### **Section 2.02 Payment Procedure Under the DSR Commitment.**

(a) Under the DSR Commitment, the Commission will support and replenish the Debt Service Reserve Fund in the event of draw(s) thereon (a form of which draw request is attached hereto as Exhibit D), from the Eligible Debt Account for the Series [2025] Bonds held by the Fiscal Agent pursuant to the Fiscal Agent Agreement established upon the issuance of the DSR Commitment, up to the Commitment Limit as more fully provided in the Indenture. The Trustee shall ascertain the necessity for a claim upon the DSR Commitment in accordance with the provisions of the Bond Documents. Payment of any Commitment Costs (as defined herein) shall be made solely from Net System Revenues on a subordinate basis to the payment of debt service on the Bonds, as more fully provided in Section 2.03 hereof and the Indenture.

(b) Should the DSRF be drawn upon, the Trustee will make a claim to the Fiscal Agent, with a copy to the Commission, to replenish the DSRF no later than [five] Business Days following the draw upon the DSRF in an amount equal to the amount of the necessary draw upon the DSRF, but in no event in excess of the Commitment Limit, as more fully set forth in the Bond Documents. The Commission and the Fiscal Agent will provide funds from the Eligible Debt Account for the Series [2025] Bonds held by the Fiscal Agent pursuant to the Fiscal Agent Agreement established upon the issuance of the DSR Commitment to replenish the DSRF (but in no event in excess of the Commitment Limit) within [five] Business Days after said claim is made.

(c) Where deposits are required to be made by the Issuer with the Trustee for debt service or to fund or replenish any fund or account, the Trustee shall give notice to the Commission and its Fiscal Agent upon any failure by the Issuer to make any required deposit within two Business Days of the date due.

(d) The DSR Commitment will cover no more payments after the full amount of Commitment Limit has been exhausted unless and until such coverage is reinstated as provided herein and in the DSR Commitment. In addition, while any draws on the Commitment have not been repaid, the amount available to be drawn under the DSR Commitment shall be reduced by the amount of such unpaid draws until paid. When the DSR Commitment is repaid, those funds will again be available to provide coverage up to the Commitment Limit as further described in Section 2.04 of this Agreement.

### **Section 2.03 Repayment of the Commission.**

(a) (i) The Issuer, or the Trustee on behalf of the Issuer, shall pay the Commission or the Fiscal Agent on behalf of the Commission, from Net System Revenues the amount of any draws under the DSR Commitment and pay all related fees and expenses incurred by the Commission and the Fiscal Agent (but only to the extent such fees and expenses were incurred as serving as Fiscal Agent to the Commission) and shall pay interest on the unpaid amount of such

draws from the date that is three months after the payment by the Commission or the Fiscal Agent on behalf of the Commission at the Late Payment Rate.

(ii) “Late Payment Rate” means the lesser of (1) Prime Rate<sup>11</sup> (any change in such Prime Rate to be effective on the date such change is announced in the Wall Street Journal) plus 1%, and (2) the maximum rate permissible under applicable usury or similar laws limiting interest rates as identified by the Commission. The Late Payment Rate shall be computed on the basis of the actual number of days elapsed over a year of 360 days beginning on the first day following the three month period from the draw on the DSR Commitment. In the event The Wall Street Journal ceases to announce the Prime Rate, the Prime Rate shall be the prime or base lending rate of such national bank as the Commission shall designate. If the interest provisions of this Section 2.03(a) shall result in an effective rate of interest which, for any period, exceeds the limit of the usury or any other laws applicable to the indebtedness created herein [(which shall be calculated by the Trustee)], then all sums in excess of those lawfully collectible as interest for the period in question shall [be returned to the Issuer or the Trustee, as applicable, as directed by the Commission], without further agreement or notice between or by any party hereto, be applied as additional interest for any later periods of time when amounts are outstanding hereunder to the extent that interest otherwise due hereunder for such periods plus such additional interest would not exceed the limit of the usury or such other laws, and any excess shall be applied upon principal immediately upon receipt of such moneys by the Commission, with the same force and effect as if the Issuer had specifically designated such extra sums to be so applied and the Commission had agreed to accept such extra payment(s) as additional interest for such later periods. In no event shall any agreed-to or actual exaction as consideration for the indebtedness created herein exceed the limits imposed or provided by the law applicable to this transaction for the use or detention of money or for forbearance in seeking its collection.

(b) Repayment of draws and the interest accrued thereon at the Late Payment Rate and fees and expenses related thereto (collectively, “Commitment Costs”) shall commence no later than on the first day following the three month period following each draw, and each such monthly payment thereafter shall be in an amount at least equal to 1/12th of the aggregate of Commitment Costs related to such draw. Amounts in respect of Commitment Costs paid to the Commission or the Fiscal Agent on behalf of the Commission shall be credited first to interest due, then to the fees and expenses due and then to principal due.

(c) The Issuer covenants and agrees to repay the Commission, or the Fiscal Agent on behalf of the Commission, for any claims on the DSR Commitment to replenish the DSRF, including any interest thereon if applicable, solely from the Net System Revenues. The Bond

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<sup>11</sup> Prime Rate means on any day, the rate of interest per annum then most recently set forth by the federal government in its H.15 publication as the “Bank prime loan” rate. If the federal government ceases to establish or publish a prime rate from which the Prime Rate is then determined, the applicable variable rate from which the Prime Rate is determined thereafter shall be instead the prime rate reported in The Wall Street Journal (or the average prime rate if a high and a low prime rate are therein reported), and the Prime Rate shall change without notice with each change in such prime rate as of the date such change is reported. If The Wall Street Journal ceases to establish or publish a prime rate from which the Prime Rate is then determined, the Prime Rate shall be the rate determined by the Commission as the prime rate. Each determination of the Prime Rate by the Commission shall be conclusive and binding absent manifest error. Notwithstanding anything herein to the contrary, if the Prime Rate as determined as provided above would be less than zero percent (0.0%), then the Prime Rate shall be deemed to be zero percent (0.0%).

Documents provide for the application of the Net System Revenues to repay the Commission for such amounts, on a subordinate basis solely to the payment of debt service on the Bonds, and provide that the obligations of the Issuer to repay the Commission for payments from the DSR Commitment pursuant to the Credit Enhancement and other amounts due to the Commission shall be secured by a pledge and assignment of Net System Revenues, on a subordinate basis solely to the payment of debt service on the Bonds.

Reference is made to the Indenture which provides for the repayment of Commitment Costs and covenants relating thereto, including in Section 4.06(c), Section 4.06(h)(i), Section 4.08, Section 4.10, Section 6.06, Section 6.17, Section 7.07(d), Section 11.02(b), Section 11.02(d), Section 11.02(f), Section 11.02(g) and Section 11.02(h).

Commitment Costs shall be paid or performed strictly in accordance with this Agreement, solely from Net System Revenues on a subordinate basis to the payment of debt service on the Bonds, irrespective of: (i) any lack of validity or enforceability of or any amendment or other modifications of, or waiver with respect to the Bonds or the Bond Documents; (ii) any amendment or other modification of, or waiver with respect to the DSR Commitment; (iii) any exchange, release or non-perfection of any security interest in property securing the Bonds, this Agreement or the Bond Documents; (iv) whether or not such Bonds are contingent or matured, disputed or undisputed, liquidated or unliquidated; (v) any amendment, modification or waiver of or any consent to departure from this Agreement, the DSR Commitment or the Bond Documents; (vi) the existence of any claim, setoff, defense (other than the defense of payment in full), reduction, abatement or other right which the Issuer may have at any time against the Trustee or any other person or entity other than the Commission, whether in connection with this Agreement, the transactions contemplated herein, in the Bond Documents or any unrelated transactions; (vii) any statement or any other document presented under or in connection with the DSR Commitment proving in any and all respects invalid, inaccurate, insufficient, fraudulent or forged or any statement therein being untrue or inaccurate in any respect; or (viii) any payment by the Commission or its Fiscal Agent under the Commitment against presentation of a certificate or other document which does not strictly comply with the terms of the DSR Commitment.

(d) In order to pay for the ongoing fees and costs of the Fiscal Agent associated with the DSR Commitment, the Issuer shall transfer an amount equal to [0.75%] of the DSR Commitment to the Fiscal Agent to be deposited and held by the Fiscal Agent in the Administrative Expenses Account in the Broadband Financing Fund established pursuant to the Fiscal Agent Agreement. From time to time, the Commission shall instruct, pursuant to an Authorized Commission Representative (as defined in the Fiscal Agent Agreement) certificate, the Issuer to make such transfers so that a minimum balance of \$[ ] shall always be on deposit in the Administrative Expenses Account. Except for the initial set-up costs under the Fiscal Agent Agreement (which shall remain less than \$10,000 and be borne by the Commission), all ongoing reasonable and customary fees and expenses of the Fiscal Agent shall be a direct charge to the Issuer and paid from the Administrative Expenses Account.

(e) Notwithstanding the foregoing, payments of the fees and expenses due and owing to the Fiscal Agent under the Fiscal Agent Agreement, other than initial setup costs as described in Section 4(b)(ii) and Exhibit B of that Agreement, that exceed any

amounts that are set aside and held pursuant to Section 2.03(d) hereof shall be on parity with payments due and owing to the Trustee under the Bond Documents.

**Section 2.04 Reduction of Commitment Limit.** As and to the extent that payments are made to or on behalf of the Commission by the Issuer or the Trustee on account of amounts drawn under the DSR Commitment, the coverage under the DSR Commitment will be increased by a like amount, subject to the terms of the DSR Commitment; provided, however that the Commitment Limit under the DSR Commitment shall be reduced in proportion to any amount of Bonds that is repaid by or on behalf of the Issuer over the term of the Series [2025] Bonds (as described in a reduction certificate, a form of which is attached hereto as Exhibit E), thereby reducing the Commitment Limit under the DSR Commitment and the amounts that may be drawn thereon until such amounts have been repaid, as set forth in Exhibit B hereto.

**Section 2.05 Right of Subrogation.** In the event the Commission or the Fiscal Agent, on behalf of the Commission, advances any draws under the Commitment, the Commission shall be subrogated to all rights, remedies, claims, and interests of the Trustee and any other payees to the extent of such payment or advance, as more fully provided in the applicable provisions of the Indenture. The Issuer, or the [Trustees] on behalf of the Issuer, and all other parties hereto agree to recognize such subrogation rights of the Commission and to take all actions necessary or appropriate to evidence and enforce such rights, including, without limitation, the execution and delivery of any instruments or documents reasonably requested by the Commission.

The rights of subrogation granted to the Commission hereunder shall include, but not be limited to, the right to receive all payments of principal, interest, and other amounts due under this Agreement. The subrogation rights of the Commission shall be in addition to, and not in limitation of, any rights of subrogation or reimbursement otherwise available to the Commission by law or equity

Notwithstanding the foregoing, the exercise of the Commission's subrogation rights shall not impair the rights of the Trustee to receive payments of principal and interest on the Bonds as and when due, provided, further, that the Commission's right of subrogation shall be subordinate to the payment of debt service on the Bonds and such other limitations as may be set forth in the Indenture.

### **ARTICLE III**

#### **REPRESENTATIONS AND WARRANTIES OF ISSUER**

**Section 3.01 Organizational Representation.** The Issuer hereby represents and warrants that, prior to the issuance of the Series [2025] Bonds, it has amended its Ordinances, in a manner reasonably acceptable to the Commission, or the Issuer's Ordinances do not allow the Issuer (i) to enter into any material, non-ordinary-course financing arrangement or issue debt for borrowed money with respect to the Broadband System (as defined in the Indenture), (ii) to sell, transfer, or otherwise dispose of any material property or rights (including contract rights) with respect to the Broadband System (as defined in the Indenture), or (iii) to amend, repeal or waive the provision providing for (i) and (ii), in each case without the prior written consent of the Commission (provided that the Issuer's Ordinances may permit the Issuer to issue Subordinate Obligations (as defined in the Indenture) without action of the Commission if the Commission has

not approved or denied a request for consent within one hundred twenty (120) days after the request is received. The Issuer's Ordinances shall expressly provide that any contract or agreement entered into in violation of these terms is void.

#### **ARTICLE IV**

##### **COVENANTS OF ISSUER**

**Section 4.01 Issuer Compliance.** The Issuer understands and agrees that compliance by the Issuer with the requirements and conditions of the Act and the Guidelines is a prerequisite to the award of the Credit Enhancement by the Commission. The Issuer covenants and agrees to comply with all provisions, requirements and conditions of the Act and the Guidelines that are applicable to the Credit Enhancement, the DSR Commitment, the Bond Documents and the Bonds.

**Section 4.02 Bond Transaction Document Provisions.** The Issuer covenants and agrees that the text of the "Bond Transaction Document Provisions" in substantially the form provided by the Commission, shall, prior to the issuance of the Series [2025] Bonds, be included in the final Bond Documents for the Series [2025] Bonds as Section 6.17 and Article XI of the Indenture. The Issuer further covenants and agrees that the text of the Bond Document provisions approved by Resolution No. \_\_\_\_\_ of the Commission shall, prior to the issuance of the Series [2025] Bonds, be incorporated into the final Bond Documents for the Series [2025] Bonds with such modifications as are approved by duly-authorized representatives of the Commission prior to the issuance of the Series [2025] Bonds.

**Section 4.03 Ongoing Information.** The Issuer covenants and agrees to file all reports with the Commission that are required by the Guidelines or otherwise by the Commission to be filed by the Issuer, including but not limited to bi-annual reports as specified in the Guidelines. Attached hereto as Exhibit [C] is the description of the required reports specified in the Guidelines. All such reports shall be presented and filed substantially in such form as is required by the Commission, to the satisfaction of the Commission. The Issuer will permit the Commission to discuss the affairs, finances and accounts of the Issuer or any information the Commission may reasonably request regarding the security for the Bonds with appropriate officers of the Issuer and will use commercially reasonable efforts to enable the Commission to have access to the facilities, books and records and the broadband system/construction thereto of the Issuer on any Business Day upon reasonable prior notice. The Issuer agrees to promptly provide or cause to be provided such additional information relating to the Bonds and the Bond Documents as reasonably requested by the Commission.

**Section 4.04 Coverage Covenant.** While the DSR Commitment is in effect, the Issuer shall use best efforts to fix and maintain rates, fees and charges and adopt budgets designed to produce Net System Revenues for each Fiscal Year, commencing with the fifth full Fiscal Year after issuance of the Series 2025 Bonds, of not less than 115% of Aggregate Annual Debt Service.

##### **Section 4.05 Commission Notification and Consultation.**

(a) The Issuer shall provide prompt written notice to the Commission in the event that, in any calendar month, Net System Revenues are less than 115% of the amount necessary to make the deposits to the Debt Service Fund required under Section 4.06(b) of the Indenture for that

month. Upon request of the Commission, the Issuer shall meet and consult with Commission staff regarding measures that the Issuer intends to take to ensure the adequacy of system revenues, which consultations shall include, upon request of the Commission, the Trustee and any consultant required under the Guidelines. Any notices or information delivered to Owners of the Bonds, the Trustee, or the Fiscal Agent concerning shortfalls, withdrawals, and defaults shall be delivered concurrently to the Commission.

(b) In the event that in any three (3) consecutive calendar months, Net System Revenues for such month are less than 115% of the amount necessary to make the deposits to the Debt Service Fund required under Section 4.06(b) of the Indenture for that month, or Net System Revenues for any calendar month are less than 100% of the amount necessary to make the deposits to the Debt Service Fund required under Section 4.06(b) of the Indenture for that month, the Commission may require the Issuer to engage a Broadband Fiscal Consultant.

The Broadband Fiscal Consultant shall make recommendations regarding potential methods for increasing the amount of Net System Revenues available for the payment of debt service, which may concern any aspect of the Broadband System or its operation, including consideration of restructuring of debt (including refunding transactions). The Issuer shall cause the Broadband Fiscal Consultant to deliver its report and recommendations to the Commission, the Trustee and the Issuer within 60 days after the date such Broadband Fiscal Consultant is retained; provided that if the Broadband Fiscal Consultant has not completed its report within such period of time, such period may be extended with the consent of the Commission.

Upon receiving the Broadband Fiscal Consultant's report and recommendations, the Issuer shall meet and consult with Commission staff regarding implementation of the Broadband Fiscal Consultant's recommendations. In the event that the Issuer does not intend to implement any of the Broadband Fiscal Consultant's recommendations, the Issuer shall provide the Commission with a detailed explanation of the reasons that recommendation is not being implemented, the alternative measures that the Issuer will implement to increase the amount of Net System Revenues available for the payment of debt service, and the anticipated effectiveness of those alternative measures.

**Section 4.06 Reserved.**

**Section 4.07 Additional Bonds.** While the DSR Commitment is in effect, the Issuer shall not issue Additional Bonds unless the Issuer receives the prior written consent of the Commission and delivers to the Commission a certificate from a Consultant approved by the Commission verifying that the Estimated Net System Revenues (as defined below) for the Fiscal Year of maximum Aggregate Annual Debt Service after giving effect to such issuance are not less than one hundred twenty five percent (125%) of such maximum Aggregate Annual Debt Service payable on all Bonds to be Outstanding immediately following such issuance. For purposes of this Section, "Estimated Net System Revenues" will be determined by a Consultant approved by the Commission as follows: (A) determine the Net System Revenues for any Fiscal Year within the

twenty-four (24) months immediately preceding the issuance of the Additional Bonds, which may be adjusted to give full effect to rate increases implemented prior to issuance; (B) estimate the additional Net System Revenues, if any, expected from the improvements financed with proceeds of the Additional Bonds for the applicable Fiscal Years; and (C) the Estimated Net System Revenues shall be the sum of the amount determined in clause (A) plus seventy-five percent (75%) of the amount determined in clause (B).

**Section 4.08 Surplus Fund.** While the DSR Commitment is in effect, moneys on deposit in the Surplus Fund shall be used solely to support the revenue generating ability of the Broadband System (as defined in the Indenture) and to make deposits required by the Bond Documents with respect to the Broadband System, except as provided in the following sentence. The Issuer shall not request or direct the Trustee to release, transfer, or apply any Surplus Fund moneys for purposes outside of the Broadband System without the prior written consent of the Commission (provided that action of the Commission shall not be required for a proposed use of Surplus Funds moneys under this sentence if (A) there has been no unpaid draw under the DSR Commitment and all Commitment Costs owing to the Commission or the Fiscal Agent have been paid, (B) no default has occurred and is continuing under the Indenture or this Agreement, and (C) (I) the proposed use of Surplus Fund moneys is for an expansion of the Broadband System adjacent to the Broadband Project Area, the revenues from such expansion will be deposited in the Revenue Fund and treated as Gross System Revenues under the Indenture, and the Commission has not approved or denied the request for consent within sixty (60) days after the request, and any supporting documentation requested by the Commission, is received; (II) the Commission has not approved or denied such request for consent within one hundred twenty (120) days after the request, and any supporting documentation requested by the Commission, is received; or (III) the Net System Revenues for the two most recent Fiscal Years were at least equal to 125% of the Aggregate Annual Debt Service for each such Fiscal Year with respect to all the Outstanding Bonds). No distributions shall be made from the Surplus Fund while any amounts remain on deposit in any Capitalized Interest Fund or account established under the Indenture for any Bonds without the prior written consent of the Commission.

**Section 4.09 Rights and Remedies.** The Issuer covenants and agrees to comply with all obligations on its part relating to the Credit Enhancement, the DSR Commitment and the Bonds as more fully set forth in the Bond Documents and this Agreement for the benefit of the Commission. The Issuer acknowledges and agrees that the Commission has certain rights and remedies related to the Credit Enhancement, the DSR Commitment and the Bonds as more fully set forth in the Bond Documents and the Bond Transaction Document Provisions, which will remain in force and effect until the Commission has been repaid in full for any claims on the DSR Commitment and for all other amounts owing the Commission hereunder and the Bond Documents, and the Bonds are no longer outstanding under the Bond Documents. The Issuer's obligation to pay such amounts from the Net System Revenues, and the Commission's security interest in the Net System Revenues for the repayment of such amounts, shall expressly survive payment in full of the Bonds. Notwithstanding anything to the contrary (including Sections 6.06 and 6.17 of the Indenture), failure of the Issuer to comply with Sections 4.04, 4.05, 4.07, 4.08, or 4.12 hereof shall constitute a default hereunder if such failure continues for thirty (30) days after written notice from the Commission; provided, however, that such failures shall not constitute an Event of Default under the Indenture.

**Section 4.10 Consents to Amendments/Supplements.** It is understood and agreed that the prior written consent of the Commission is required for any amendment or supplement to the Bond Documents, provided that a Commission Default shall not have occurred and be continuing, as further required in the Bond Transaction Document Provisions and the Bond Documents.

**Section 4.11 Commitment Costs and Fiscal Agent Fees and Expenses.** The Issuer or the Trustee on behalf of the Issuer shall take all actions required by the Commission to ensure that Commitment Costs are paid to the Commission as set forth herein when due for Commitment Costs that are payable to the Commission or the Fiscal Agent on behalf of the Commission. Commitment Costs due and owing shall be included in debt service requirements for purposes of calculation of the additional debt test in the Indenture. In addition, the Issuer hereby agrees to pay all fees and expenses due and owing to the Fiscal Agent under the Fiscal Agent Agreement, other than initial setup costs as described in Section 4(b)(ii) and Exhibit B of that Agreement, in accordance with Section 2.03(e) hereof.

**Section 4.12 Organizational Covenant.** While the DSR Commitment is in effect, Issuer shall not amend its Ordinances to provide that the Issuer may (i) enter into any material, non-ordinary-course financing arrangement or issue debt for borrowed money with respect to the Broadband System, (ii) sell, transfer, or otherwise dispose of any material property or rights (including contract rights) with respect to the Broadband System), or (iii) amend, repeal or waive the provision providing for (i) and (ii), in each case without the prior written consent of the Commission.

**Section 4.13 Absolute Nature of Credit Enhancement.** Compliance by the Issuer with the provisions of this **Article IV** is not a prerequisite to the ongoing effectiveness of the Credit Enhancement. The obligations of the Commission pursuant to the Credit Enhancement are absolute, unconditional and irrevocable, and payments of claims from the DSR Commitment in accordance with the Bond Transaction Document Provisions and this Agreement will be made on demand without offset or deduction up to the Commitment Limit.

## **ARTICLE V**

### **TAX-EXEMPT BONDS**

**Section 5.01** The Issuer covenants and agrees to comply with the various requirements set forth in the Bond Documents to maintain the tax-exempt status of the Series [2025] Bonds and any Additional Bonds issued as tax-exempt bonds. The Issuer agrees to inform the Commission in the event of any change in the tax-exempt nature of the Series [2025] Bonds and any such Additional Bonds.

**Section 5.02** The Commission agrees that the portion of the DSR Commitment committed by the Commission to the Credit Enhancement of the Bonds issued on a tax-exempt basis as described herein shall be invested in such manner as not to adversely affect the tax-exempt nature of such Bonds, as determined by Bond Counsel. [To that end, the Commission hereby instructs the Fiscal Agent to invest all funds that are held in the Eligible Debt Account for the Series [2025] Bonds that will be paying the DSR Commitment in \_\_\_\_\_ until the Commission directs otherwise with approval of Bond Counsel.]

## **ARTICLE VI**

### **DEFAULTS AND REMEDIES**

**Section 6.01 Default and Remedies.** If the Issuer shall fail to repay the Commission for any draws on the DSR Commitment or any other Commitment Costs or any fees due and owing to the Fiscal Agent in accordance with the requirements of the Bond Documents, this Agreement, the Act and the Guidelines, the Commission and the Fiscal Agent, if applicable, shall be entitled to exercise any and all legal and equitable remedies available to it, including those provided under the Bond Documents and this Agreement, all as more fully set forth therein.

**Section 6.02 No Discharge.** The Bond Documents shall not be discharged or terminated unless all amounts due or to become due to the Commission have been paid in full or duly provided for, all as more fully set forth in the Bond Documents and this Agreement.

## **ARTICLE VII**

### **MISCELLANEOUS**

**Section 7.01 Third Party Beneficiary(s).** The Commission and the Fiscal Agent are recognized as and shall be deemed to be third party beneficiary(s) of the Bond Documents and may enforce the provisions of the Bond Documents as if they were a party thereto.

**Section 7.02 Waiver and Amendment.** No provisions of this Agreement shall be deemed waived or amended except by a written instrument unambiguously setting forth the matter waived or amended and signed by the party against which enforcement of such waiver or amendment is sought, and in the case of amendments, signed by all parties to this Agreement. Waiver of any matter shall not be deemed a waiver of the same or any other matter on any future occasion.

**Section 7.03 Binding Effect.** This Agreement shall be binding upon and inure to the benefit of the Commission, the Fiscal Agent, the Issuer, the Trustee and their respective heirs, successors and assigns, except that the Issuer may not assign any of its rights or obligations under this Agreement without the prior written consent of the Commission.

**Section 7.04 Notices.** Notices to the Commission shall be sent to the following address (or such other address as the Commission may designate in writing): Ella Krainsky [Ella.Krainsky@cpuc.ca.gov](mailto:Ella.Krainsky@cpuc.ca.gov). Notices to the Fiscal Agent shall be sent to the following address (or such other address as the Fiscal Agent may designate in writing): Computershare Trust Company, N.A., Attention: Jaime Aguirre, Email: [jaime.aguirre@computershare.com](mailto:jaime.aguirre@computershare.com). Notices to the Issuer shall be sent to the following address (or such other address as the Issuer may designate in writing): Golden State Connect Authority, 1215 K Street, Suite 1650, Sacramento, California 95814, Attention: Executive Director. Notices to the Trustee shall be sent to the following: Zions Bancorporation, National Association, as Trustee

The above information may be updated in writing from time to time by the parties to this Agreement without necessitating an amendment of this Agreement.

**Section 7.05 Counterparts.** This Agreement may be executed in counterparts, each of which alone and all of which together shall be deemed one original Agreement.

**Section 7.06 Severability.** If any one or more of the agreements, provisions or terms of this Agreement shall be for any reason whatsoever held invalid, then such agreements, provisions or terms shall be deemed severable from the remaining agreements, provisions or terms of this Agreement and shall in no way affect the validity or enforceability of the other provisions of this Agreement. In the event of any conflict in the terms of this Agreement and the Bond Documents, the terms of this Agreement shall control.

**Section 7.07 Governing Law.** This Agreement and the rights and obligations of the parties to the Agreement shall be governed by and construed and interpreted in accordance with the laws of the State of California.

**Section 7.08 Electronic Storage.** The parties hereto agree that the transaction described herein may be conducted and related documents may be stored by electronic means. Copies, telecopies, facsimiles, electronic files and other reproductions of original executed documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law.

**Section 7.09 Consent Not to be Unreasonably Withheld.** Whenever any waiver, approval or consent shall be provided for from any party hereunder, it is agreed and understood that such waiver, consent or approval shall not be unreasonably withheld, conditioned, or delayed.

**[SIGNATURE PAGE FOLLOWS]**

IN WITNESS WHEREOF, the Commission, the Issuer, the Fiscal Agent and the Trustee have caused this Commitment Funding Agreement to be duly executed by their duly authorized officers, all as of the day and year first above written.

CALIFORNIA PUBLIC UTILITIES  
COMMISSION

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

GOLDEN STATE CONNECT AUTHORITY

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

COMPUTERSHARE TRUST COMPANY,  
N.A.

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

ZIONS BANCORPORATION, NATIONAL  
ASSOCIATION

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**EXHIBIT A**  
**BOND TERMS AND PROVISIONS**

[TO COME]

EXHIBIT B

REDUCTIONS IN AWARD AS PRINCIPAL OF BONDS IS PAID

| SCHEDULE 1                                  |     |                 |  |                                 |
|---------------------------------------------|-----|-----------------|--|---------------------------------|
| Issuer Name<br>Issue<br>Designation<br>etc. |     |                 |  |                                 |
| Date                                        | Par | Commitment<br>@ |  | Release to<br>Broadband<br>LLRF |
| Outstanding                                 |     | 50%             |  |                                 |

## EXHIBIT C

### GUIDELINES REPORTING PROVISIONS

The Bi-Annual Progress Reporting and Completion Reporting requirements set forth in the Guidelines are as follows:

#### **Bi-Annual Progress Reporting**

Commission Staff will provide guidance and a template to awardees for reporting progress on a bi-annual basis. LLP awardees are required to file progress reports identifying project milestones and percent complete to date on a bi-annual basis. Progress reports are due on March 1 and September 1 of each year. In the event either date falls on a weekend or holiday, the reports are due the following business day.

Bi-annual progress reports will consist of the information listed below. These progress reports will be submitted to the Commission Staff and will be made available to the public via the CPUC's Broadband LLP webpage. Commission Staff will provide submission instructions and other relevant information, consistent with these requirements, on the CPUC Broadband LLP webpage.

- Description of project accomplishments during the reporting period.
- Identification of project milestones and the percent complete to date. If the percent completed is more than 5% delayed from the estimated target milestones shown in the Loan Loss application, the awardee must provide a narrative description explaining the delay.
- Major construction milestones (including a reporting on all CEQA mitigation implementation and monitoring activities, if CEQA review was required), date of completion of each task/milestone as well as problems/issues encountered, and actions taken to resolve these issues/problems during construction (including CEQA compliance, if applicable).
- Description of any challenges or issues and any risks faced during the reporting period in achieving planned progress on the project, including environmental compliance and permitting challenges if applicable.
- Description of significant project milestones or accomplishments planned for the following reporting period.
- Projected date of completion of the project, problems/issues encountered since previous bi-annual progress report and actions taken to resolve these issues/problems during construction (and comprehensive reporting on CEQA mitigation compliance, if applicable).
- Certification that each progress report is true and correct, under penalty of perjury.

### **Monthly Net System Revenues Reporting**

While the DSR Commitment is in effect, the Issuer shall deliver to the Commission and its Fiscal Agent, within [30] days after the end of each month, a report showing for such month (and year-to-date):

- Gross System Revenues, Operation and Maintenance Expenses, and Net System Revenues (each as defined in the Indenture);
- The amount required to be deposited to the Debt Service Fund for such month under Indenture § 4.06(b) and the ratio of monthly Net System Revenues to that required deposit;
- Any DSRF activity (draws/replenishments) during the month; and
- The actual number of current subscribers by subscriber type and subscriber speed.

### **Completion Reporting**

In addition to the bi-annual progress reporting requirements, awardees will file a completion report, per Public Utilities Code 281.2(d)(2) within 30 days of the project completion date. Commission Staff will provide guidance and a template to awardees for completion reporting.

The completion report will contain the following:

- Description of the project, including any changes in the project construction and alignment, if applicable.
- Comparison of approved versus actual costs of construction.
- Description of status of progress as compared with Deployment Schedule proposed in application.
- Subscribership information to date.
  - Projected subscribers versus actual subscribers (by subscriber type), as of the date of the completion report.
  - The actual number of current subscribers by subscriber type and subscriber speed.
  - The potential number of subscribers of each type that could be served using the LLP project's existing facilities at the same minimum defined speed.
  - Both the number of low-income customers in the project area and the number of low-income customers subscribing to low-income plans.
  - Number of subscribers broken down by each broadband plan offered, if applicable.
- Speed test data at the address level for the project area, including:

- Test results for download and upload speeds.
- A representative sample of speed test results at dispersed locations in the project area, including locations at the edge of the project area; the number of tests will vary based on the project.
- Maps and associated data of speed test locations and results in a .kmz/.kml file, shapefile or .csv spreadsheet.
- A screenshot of the results of CalSPEED speed tests, which can be accessed at <http://www.calspeed.org/index.html>.
- Peak and off-peak speed tests.
- Maps and associated data of all locations served.
- The geographic coordinates of all locations that are served. This information will be provided in a plain-text, comma-separated values (.csv) file, or .kmz/.kml file or shapefile that contains.
 

geo-located street address information, including latitude and longitude, as well as census block code (GEOID).
- Identification of the number of served locations in the project area that have broadband availability at or above the aforementioned minimum speeds.
- Documentation of advertisements issued, billing inserts and marketing information.
- Documentation of all service plans offered by the awardee, including speed tiers and prices.
- Open access interconnections (if applicable).
  - The number of interconnection requests and executed service agreements.
- Updates on project permitting (if applicable).

### **Incident Reporting**

In the event of an anticipated deficiency in broadband revenues, the LLP requires sufficient notice to minimize risk of losses. The awardee and trustee must notify Commission Staff and the Director of the Communications Divisions as soon as they know (or should know) of anticipated deficiencies in broadband revenue that will be used for payments on debt service.

Awardee and trustee shall put in writing the following facts:

- The anticipated date of the draw on the applicable DSR or a draw from the DSR Guarantee to the DSR.
- Incident type and details including preventative measures.
- Amount of deficiency or anticipated future draws from the DSR or DSR Guarantee.

**EXHIBIT D**

**FORM OF DEBT SERVICE COMMITMENT NOTICE AND WITHDRAWAL  
REQUEST**

Re: Fiscal Agent Agreement dated as of [Date] by and among California Public Utilities Commission (the “Commission”) and Computershare Trust Company, N.A., (the “Fiscal Agent”) and Commitment Funding Agreement For Loan Loss Reserve Program dated as of \_\_\_\_\_, 2025, by and among the Commission, Golden State Connect Authority (the “Issuer”), Zions Bancorporation, National Association (the “Trustee”) and Fiscal Agent.

In accordance with the terms of the Trust Indenture dated as of [December 1, 2025] for the Telecommunications Revenue Bonds (Broadband Project), Series [2025], the Trustee hereby notifies the Commission that the Debt Service Reserve Fund has been drawn on.

THE UNDERSIGNED, A DULY AUTHORIZED OFFICER OF THE TRUSTEE\*, HEREBY SUBMITS THIS CLAIM in connection with a draw on the Debt Service Reserve Fund. The Trustee requests support and replenishment in the amount of [(USD \$ [Insert Amount of the draw])]. The amount of this claim does not exceed the amount available to be drawn by the Trustee under DSR Commitment No. \_\_\_\_\_.

FUNDS TO BE WIRED TO:

ABA ROUTING NUMBER: [Insert the ABA Routing number of the Receiving Bank]

RECEIVING BANK: [Insert the Name of the Receiving Bank]

BENEFICIARY: [Insert the Name of the Beneficiary]

ORIGINATING BANK INFORMATION (OBI FIELD): [Insert the Name of the Originating Bank Information]

VERY TRULY YOURS,

BY Zions Bancorporation, National Association

NAME: [Completed by the BOND Trustee]

TITLE: [Completed by the BOND Trustee]

DATE: [Completed by the BOND Trustee]

\*Bond Trustee to also provide supporting document showing signing authority/incumbency certificate at time of claim.

## EXHIBIT E

### FORM OF DEBT SERVICE COMMITMENT REDUCTION CERTIFICATE

Re: Fiscal Agent Agreement dated as of [Date] by and among California Public Utilities Commission (the “Commission”) and Computershare Trust Company, N.A., (the “Fiscal Agent”) and Commitment Funding Agreement For Loan Loss Reserve Program dated as of [Date] by and among the Commission, Golden State Connect Authority (the “Issuer”), Zions Bancorporation, National Association (the “Trustee”) and Fiscal Agent (the “Commitment Funding Agreement”).

In accordance with the terms of the Trust Indenture dated as of [December 1, 2025] for the Telecommunications Revenue Bonds (Broadband Project), Series [2025], the Commission and Trustee hereby notifies the Fiscal Agent that pursuant to Section 2.04 of the Commitment Funding Agreement there has been a reduction of the commitment limit under DSR Commitment No. \_\_\_\_\_.

We hereby request that the available amount for drawing under DSR No. \_\_\_\_\_ be reduced by [Amount in Words] (USD \$[Amount in Figures]).

After this reduction, the remaining amount available for drawing under DSR No. \_\_\_\_\_ shall be [Remaining Amount in Words] (USD \$[Remaining Amount in Figures]).

[The Commission hereby authorizes and directs the Fiscal Agent to transfer the excess amount of [Amount in Words] (USD \$[Amount in Figures]) to the LLRF Broadband Financing Fund.

VERY TRULY YOURS,

BY Zions Bancorporation, National Association  
NAME: [Completed by the BOND Trustee]  
TITLE: [Completed by the BOND Trustee]  
DATE: [Completed by the BOND Trustee]

BY: California Public Utilities Commission  
NAME: [Completed by the BOND Trustee]  
TITLE: [Completed by the BOND Trustee]  
DATE: [Completed by the BOND Trustee]

## **EXHIBIT F**

### **GUIDANCE TO STAFF ON BOND TERMS AND STRUCTURE, FORM OF GUARANTEE, AND BOND RISK ANALYSIS**

#### **A. Bond Terms and Structure**

GSCA shall include, at minimum, the bond terms and structure specified in D.23-11045, Section 1.6, as well as those listed below.

1. The Commission must consent to any additional debt to be issued that can either be repaid from the same BLLR DSR Guarantee or that materially impacts the revenue repayment source on an existing BLLR DSR Guarantee.
2. The bond trustee shall not be replaced without the consent of the Commission.
3. Bond documents and indentures shall not be revised without the consent of the Commission.
4. Ongoing information such as audited financial information, notices of draws on reserve accounts prior to any withdrawals, notices of defaults, prior redemption/refunding notices, notices of commencement of any bankruptcy proceedings, and any notices (including rating agency-related matters) that go to bond owners/lenders must also be sent concurrently to the CPUC and its representatives.
5. The Commission is a third-party beneficiary of the issuing documentation.
6. Delinquent payments owed to the Commission will be based on the prime rate plus one percent, compounded monthly after the 3-month grace period.
7. Any agreements that materially impact the security or sources of repayment of the BLLR credit enhanced bonds cannot be entered into without the prior written consent of the Commission.
8. Legal opinions supporting the bond documents also must be addressed to the Commission. The indenture cannot be fully discharged until all amounts due to and owing to the Commission have been repaid.
9. The Commission must sign off on the flow of funds, together with all other security features of the transaction documents which are deemed material by the Commission and its advisors to the underlying credit strength available to support repayment of the BLLR under the credit enhancement documentation in the event of draw(s) on the Debt Service Reserve Reimbursement Funding Commitment.
10. Costs/fees/amounts owed to the Commission shall be included in calculations for additional debt to be issued.

11. If, at any time before finalizing the bond issuance, the Commission becomes aware of any additional information that it might require, or terms that might protect the Commission's interest, the Commission may request that information or impose those terms, which will be included as if they were enumerated here

**DEBT SERVICE RESERVE  
REIMBURSEMENT FUNDING  
COMMITMENT**

ISSUER: GOLDEN STATE CONNECT AUTHORITY

ISSUE NAME: Telecommunications Revenue Bonds  
(Broadband Project), Series [2025]

Commitment No.: \_\_\_\_\_

==

Commitment Limit: \$50,000,000

Date: \_\_\_\_\_, 2025

Termination Date: The earlier of \_\_\_\_\_, 20\_\_\_\_  
and the date the Debt is no longer  
outstanding.

THE CALIFORNIA PUBLIC UTILITIES COMMISSION (the "Commission"), for consideration received, hereby UNCONDITIONALLY AND IRREVOCABLY agrees to pay, or provide for the payment by COMPUTERSHARE, N.A. (including its successors and assigns, its "Fiscal Agent"), that amount which was drawn upon the Debt Service Reserve Fund to pay the principal of and/or interest on the underlying eligible debt referenced above (the "Debt") that had become Due for Payment and had been paid from the Debt Service Reserve Fund because of insufficient funds of the Issuer referenced above being available in the Debt Service Fund under the Trust Indenture (the "Authorizing Document") dated as of \_\_\_\_\_, 2025 between the Issuer referenced above and the Trustee, and such payment shall be made to the trustee ZIONS BANCORPORATION, NATIONAL ASSOCIATION (the "Trustee") to replenish the Debt Service Reserve Fund as required under the applicable broadband financing documentation (collectively, the "Transaction Documents") providing for the issuance of and securing of the Debt for the benefit of the Owners, subject only to the terms of this Debt Service Reserve Reimbursement Funding Commitment (this "Commitment") and the Funding Agreement. The Debt was issued pursuant to the Authorizing Document.

The Commission, or the Fiscal Agent on behalf of the Commission, will make payment as provided in this Commitment to the Trustee upon notice of a DSRF Draw and corresponding claim for funds from the Debt Service Reserve Reimbursement Commitment to replenish the Debt Service Reserve Fund, which payment will be made within a reasonable time after said claim is made, and in any event, by the first Business Day of the month following the month in which the Commission and its Fiscal Agent shall have received Notice of DSRF Draw], in a form reasonably satisfactory to each. A Notice of DSRF Draw will be deemed received on a given Business Day if it is received prior to [10:00 a.m.] (California time) on such Business Day; otherwise, it will be deemed received on the next Business Day. If any Notice of DSRF Draw received by the Commission and its Fiscal Agent is incomplete, it shall be deemed not to have been received by the Commission for purposes of the preceding sentence and the Commission shall promptly so advise the Trustee or the Issuer, as appropriate, who may submit an amended Notice of DSRF Draw. Payment by the Fiscal Agent on behalf of the Commission to the Trustee for the benefit of the Owners shall, to the extent thereof, discharge the obligation of the Commission under this Commitment. Upon such payment, the Commission shall become entitled to reimbursement of the amount so paid (together with interest and expenses, if not paid within 3 months) pursuant to the Funding Agreement.

The amount available under this Commitment for payment shall not exceed the Commitment Limit. The amount available at any particular time to be paid to the Trustee by the Commission or the Fiscal Agent on behalf of the Commission under the terms of this Commitment shall automatically be reduced by any payment under this Commitment. However, after such payment, the amount available under this Commitment shall be reinstated in full or in part, but only up to the Commitment Limit, to the extent of the reimbursement of such payment (inclusive of interest and expenses but only to the extent such amounts had reduced the Commitment Limit as provided in the Funding Agreement) to the Commission by or on behalf of the Issuer. Within five Business Days of such reimbursement, the Commission or its Fiscal Agent shall provide the Trustee and the Issuer with notice of the reimbursement and reinstatement (which shall only be up to the Commitment Limit).

Payment under this Commitment shall not be available with respect to (a) any DSRF Draw that occurs prior to the Effective Date or after the Termination Date of this Commitment or (b) Debt that is not outstanding under the Transaction Documents.

The following terms shall have the meanings specified for all purposes of this Commitment.

“Broadband Loan Loss Reserve Fund” means the fund by that name that is established and held with the Fiscal Agent, with an Eligible Debt Account therein for the Debt.

“Business Day” means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in the State of California are, or the Commission’s Fiscal Agent (as defined below)] is, authorized or required by law or executive order to remain closed.

“Commitment Limit” means the dollar amount of the Debt Service Reserve Reimbursement Commitment required to be maintained for the Debt by the Transaction Documents from time to time, but in no event shall the Commitment Limit exceed \$50,000,000. The Commitment Limit shall automatically and irrevocably be reduced from time to time as the outstanding principal amount of the Debt is paid down, as provided in the Transaction Documents, and shall also be subject to reduction pursuant to Section 2.02(d) of the Funding Agreement with respect to unpaid Commitment Costs.

“Debt Service Fund” means the Debt Service Reserve Fund established under the Indenture to be applied to pay principal of and interest on the Debt when Due for Payment.

“Debt Service Reserve Fund” means the Debt Service Reserve Fund established under the Authorizing Document to be applied to pay principal of and interest on the Debt if insufficient moneys are available therefor in the Debt Service Fund when such principal and/or interest is Due for Payment.

“Debt Service Reserve Reimbursement Commitment” means credit support from the Broadband Loan Loss Reserve Fund to replenish the applicable Debt Service Reserve Fund established for the Debt that is being issued to fund costs related to the financing of the deployment of broadband infrastructure by a local government agency or nonprofit organization.

“DSRF Draw” means a draw upon the Debt Service Reserve Fund for the Debt to pay the principal of and/or interest on the Debt when Due for Payment because of insufficient moneys in the Debt Service Fund to pay such principal of and/or interest on the Debt when due pursuant to the Indenture.

“Due for Payment” means (a) when referring to the principal amount of the Debt, payable on the stated maturity date thereof or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity unless the Commission shall elect, in its sole discretion, to pay such principal due upon such acceleration together with any accrued interest to the date of acceleration, and (b) when referring to interest owed on the Debt, payable on the stated date for payment of interest.

“Funding Agreement” means the Commitment Funding Agreement dated as of the effective date hereof in respect of this Commitment, among the Issuer, the Commission, the Fiscal Agent, and the Trustee, as the same may be amended or supplemented from time to time.

“Notice” means telephonic or electronic notice, subsequently confirmed in a signed writing, or written notice by registered or certified mail, from the Trustee, with a copy to the Issuer, the Trustee to the Commission and the Fiscal Agent, if applicable, which notice shall specify (a) the person or entity making the claim, (b) the Commitment Number, (c) the claimed amount and (d) the date such claimed amount became Due for Payment.

“Owner” means, in respect of Debt, the person or entity who, at the time of a DSRF Draw, is entitled under the terms of Debt to payment of principal or interest thereunder, except that “Owner” shall not include the Issuer or any person or entity whose direct or indirect obligation constitutes the underlying security for the Debt.

The Commission has appointed the Fiscal Agent for purposes of this Commitment by providing written notice to the Trustee and the Paying Agent specifying the name and notice address of the Fiscal Agent. From and after the date of receipt of such notice by the Trustee, (a) copies of all notices required to be delivered to the Commission pursuant to this Commitment shall be simultaneously delivered to the Fiscal Agent and to the Commission and shall not be deemed received until received by both and (b) all payments required to be made by the Commission under this Commitment may be made directly by the Commission or by the Fiscal Agent on behalf of the Commission. The Fiscal Agent is the agent of the Commission only and the Fiscal Agent shall in no event be liable to any Owner for any act of the Fiscal Agent or any failure of the Commission to deposit or cause to be deposited sufficient funds to make payments due under this Commitment.

To the fullest extent permitted by applicable law, the Commission agrees not to assert, and hereby waives, only for the benefit of each Owner, all rights (whether by counterclaim, setoff or otherwise) and defenses (including,

without limitation, the defense of fraud), whether acquired by subrogation, assignment or otherwise, to the extent that such rights and defenses may be available to the Commission to avoid payment of its obligations under this Commitment in accordance with the express provisions of this Commitment.

This Commitment sets forth in full the undertaking of the Commission, and shall not be modified, altered or affected by any other agreement or instrument, including any modification or amendment thereto. Any commitment fee/expenses paid in respect of this Commitment is nonrefundable for any reason whatsoever, including payment, or provision being made for payment, of the Debt prior to maturity. This Commitment may not be cancelled or revoked.

In witness whereof, \_\_\_\_\_ has caused this Commitment to be executed on its behalf by its Authorized Officer.

CALIFORNIA PUBLIC UTILITIES COMMISSION

By \_\_\_\_\_  
Authorized Officer

**APPENDIX D**  
**California Public Utilities Commission**  
**Disclosure**

## **The Commission**

The California Public Utilities Commission (the “Commission”) is a constitutionally created state agency that regulates privately owned electric, natural gas, telecommunications, water, railroad, rail transit, and passenger transportation companies, in addition to authorizing video franchises. The Commission’s authority was granted by Article XII of the California Constitution. The Legislature also has plenary power to confer additional authority and jurisdiction upon the Commission by statute. The Legislature has exercised this authority to direct the CPUC to manage broadband deployment, grants, and analysis to inform public policy. In 2021, the Legislature established the Broadband Loan Loss Reserve Fund (the “LLRF”) pursuant to Senate Bill 156 (SB 156) and codified in California Public Utilities Code Section 281.2. The LLRF was appropriated to the Commission to fund costs related to the financing of broadband infrastructure deployments by local government agencies, nonprofit organizations, and Tribal governments.

The Commission’s institutional roots date to 1911, when voters created the Railroad Commission. The 1912 Public Utilities Act then expanded the Railroad Commission’s jurisdiction across gas, electricity, telephone, water, railroads, and marine transportation, and, in 1946, the Railroad Commission was renamed as the California Public Utilities Commission. Today, the Commission governs through adopted strategic directives that frame expectations for safety, reliability and resiliency, consumer support, compliance and enforcement, climate and environmental sustainability, economic prosperity, administration, communication and engagement, decision-making processes, intergovernmental coordination, and enterprise risk management. The Commission’s role is wide-ranging and includes: ensuring the delivery of safe, reliable services at reasonable rates; protecting consumers; and safeguarding the environment and supporting a healthy California economy. Accordingly, the Commission’s stated mission is to “empower California through access to safe, clean, and affordable utility services and infrastructure.”

Operationally, the Commission works through multiple divisions and offices, separated by function and industry.<sup>12</sup> Within the Commission sits the Public Advocates Office, a statutorily independent consumer advocate (as more particularly described in California Public Utilities Code Section 309.5) charged with pursuing the lowest possible rates consistent with safe and reliable service in line with California’s environmental and equity goals.

The Commission is led by five Commissioners appointed by the California Governor and confirmed by the State Senate.

## **Loan Loss Reserve Fund**

California’s Broadband Loan Loss Reserve Fund is the capital that supports the Commission-run Loan Loss Program (the “LLP”) a credit-enhancement tool designed to assist municipalities, nonprofits, and Tribal governments in their broadband financings by providing credit enhancement and for public-private partnerships where a public or nonprofit sponsor owns the broadband infrastructure. Under SB 156, the California Legislature created and funded the LLRF to cover

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<sup>12</sup> A full list of the Commission’s divisions is available on its website, here: <https://www.cpuc.ca.gov/about-cpuc/divisions>

financing costs and to support reserves for principal and interest on eligible broadband financing debt. The Commission later adopted LLP requirements, decisions, and guidelines, and authorized staff to administer the LLP. As of the date of this Official Statement, the LLP has \$50,000,000 of funding from the State Legislature.

THE LLP IS PROGRAMMATIC IN NATURE AND IS NOT A BANK LETTER OF CREDIT, SURETY, OR MONOLINE INSURANCE. AND, BECAUSE OF ITS UNIQUE NATURE, THE COMMISSION DOES NOT PERFORM PRIVATE-MARKET UNDERWRITING OF ANY OF THE FINANCINGS IT SUPPORTS, INCLUDING THE BONDS OR THE BONDS-FINANCED PROJECTS DESCRIBED IN THIS OFFICIAL STATEMENT, WHICH, AS OF THE DATE OF THIS OFFICIAL STATEMENT, ARE THE ONLY DEBT AND PROJECTS SUPPORTED BY THE LLRF.

Each supported financing is governed by the LLP requirements, Commission decisions and guidelines which collectively require, among other things, that the eligible debt be first supported by a debt service reserve fund ("DSRF") which must be funded up to the applicable debt service reserve requirement (the "DSRR"). The LLRF enhances each DSRF with a debt service reserve replenishment commitment (the "Commitment") issued by the Commission pursuant to a Commitment Funding Agreement among the Commission, the applicable issuer, the applicable bond trustee or lender, and the Commission's Fiscal Agent (as defined below) (the "CFA"). Each Commitment binds the LLRF for an up to approved coverage amount, which, with respect to the Bonds described in this Official Statement is initially equal to \$50,000,000 (which is also the current total amount of the LLRF).

If applicable revenues are deficient, the underlying bond trustee or lender, as applicable, is required to initially draw on the applicable DSRF to make scheduled debt service payments. Once a draw is made on the DSRF, the bond trustee or lender, as applicable, then provides a notice to the Commission and its Fiscal Agent to fund the applicable DSRF up to the applicable DSRR. Borrowers like the Issuer must repay amounts drawn from the LLRF pursuant to a Commitment commencing three months after the applicable Commitment draw date. If a draw under the Commitment is not repaid within three months, such draw (and any related costs of the Commission related thereto) accrues interest at a rate equal to the then applicable prime rate (as defined in the CFA) plus one percent.

As a part of the LLP, the Commission has agreed to subordinate repayments of draws on the applicable Commitment to be paid after scheduled principal and interest payments on covered eligible debt, including the Bonds described in this Official Statement, in the flow of funds under each authorizing document, including the Indenture pursuant to which the Bonds described in this Official Statement are being issued. As required under the Indenture and the CFA, if a Commitment draw remains unpaid for twelve months, the applicable borrower, including the Authority, must retain a financial consultant and implement corrective measures agreed to by Commission staff.

EACH COMMITMENT IS LIMITED TO THE APPROVED COVERAGE AMOUNT AND MAY BE EXHAUSTED OVER TIME AS THE COMMITMENT ITSELF IS SET TO AN

INITIAL MAXIMUM AMOUNT AND DECREASES OVER TIME AS THE APPLICABLE ELIGIBLE DEBT MATURES OR IS PREPAID.

A form of the CFA to be executed in connection with the issuance of the Bonds is attached to this Official Statement. A form of the Commitment to be issued by the Commission pursuant to the CFA to replenish the DSRF for the Bonds is attached to this Official Statement.

### **The Fiscal Agent Agreement**

The Commission has entered into a Fiscal Agent Agreement (the “FAA”) with Computershare Trust Company, National Association (the “Fiscal Agent”), whereby the Commission appointed Computershare to administer the “LLRF Broadband Financing Fund” established thereunder to hold the LLRF and to establish deal-specific eligible debt accounts (each an “Eligible Debt Account”) to support each LLP-backed financing. Funds remain the property of the Commission, but the Fiscal Agent is directed to execute a CFA for each supported financing, receive notice of any Nonpayment (as defined in the FAA), and transfer the required amounts from the applicable Eligible Debt Account to the applicable bond trustee or lender to replenish the applicable DSRF in accordance with the applicable Commitment, thereby keeping scheduled debt service current up to the approved coverage amount.

Under the FAA, amounts in excess of an applicable financing’s committed coverage are swept by the Fiscal Agent to the LLRF Broadband Financing Fund, issuers and the applicable Debt Service Reserve Holders are third-party beneficiaries, and the initial term of the FAA expires on \_\_\_\_\_, 20\_\_\_\_, if not terminated earlier thereunder. For the avoidance of doubt, the FAA is an administrative and custodial arrangement and does not create any additional guarantee to any debt holders, including the Bondholders, beyond the DSRF replenishment commitments set forth in the applicable CFA.

**APPENDIX E**  
**Disclosure, No Default and Tax**  
**Certificate**

**OPINION OF COUNSEL**

[A\_\_\_\_, 20\_\_]

Golden State Connect Authority  
[ADDRESS]

KeyBanc Capital Markets Inc.  
[ADDRESS]

Zions Bancorporation, National Association  
[ADDRESS]

|     |             |                                                                     |
|-----|-------------|---------------------------------------------------------------------|
| RE: | Commitment: | Debt Service Reserve Reimbursement Funding Commitment               |
|     | Issuer:     | Golden State Connect Authority                                      |
|     | Bonds:      | Telecommunications Revenue Bonds (Broadband Project), Series [2025] |

Date of the Official Statement: [\_\_\_\_, 20\_\_]

Ladies and Gentlemen:

I am Counsel of The California Public Utilities Commission, a California state regulatory agency existing under the Constitution and laws of the State of California (the “Commission”). You have requested my opinion in such capacity as to the matters set forth below in connection with the issuance by the Commission of its above-referenced Commitment (the “DSR Commitment”). In that regard, and for purposes of this opinion, I have examined such official records, documents and proceedings as I have deemed necessary and appropriate.

Based upon the foregoing, I am of the opinion that:

1. The Commission is a California state regulatory agency and is duly organized and validly existing under the Constitution and laws of the State of California and has all requisite power and authority pursuant to California Public Utilities Code Section 281.2 to issue the Commitment.
2. The Commitment has been duly authorized, executed and delivered by the Commission, pursuant to Resolution T-[\_\_\_\_], adopted [September 26, 2025].
3. The Commitment constitutes the valid and binding obligation of the Commission, enforceable in accordance with its terms, except as the binding effect and enforceability thereof may be limited by applicable laws in effect from time to time affecting the rights of creditors generally and except to the extent that the enforceability thereof may be limited by the application of general principles of equity, judicial discretion and the limitation on legal remedies against public entities in California.

4. No authorization, approval, consent or any other action by any person, board or body, public or private, other than such authorizations, approvals and consents which have been duly and validly obtained, which approvals that have been obtained include the approval of the governing body of the Commission is required for the valid authorization, execution and delivery of, and performance by the Commission of its obligations under the Commitment.

In addition, please be advised that I have reviewed the description of the Commitment under the caption “[Debt Service Reserve Reimbursement Funding Commitment]” in the official statement related to the above-referenced Bonds (the “Official Statement”). There has not come to my attention any information which would cause me to believe that the description of the Commitment, as of the date of the Official Statement or as of the date of this opinion, contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. Please be advised that except as described above, I express no opinion with respect to any information contained in, or omitted from, the Official Statement.

I am a member of the Bar of the State of California, and do not express any opinion as to any law other than the laws of the State of California.

This letter and the legal opinions herein are intended for the information solely of the addressees hereof and solely for the purposes of the transactions described in the Official Statement and are not to be relied upon by any other person or entity (including, without limitation, any person or entity that acquires bonds from an addressee of this letter.) I do not undertake to advise you of matters that may come to my attention subsequent to the date hereof that may affect the conclusions expressed herein.

Very truly yours,

**DISCLOSURE, NO DEFAULT AND TAX CERTIFICATE OF  
THE CALIFORNIA PUBLIC UTILITIES COMMISSION  
[SUBJECT TO REVIEW BY TAX COUNSEL]**

Commitment: Debt Service Reserve Reimbursement Funding Commitment  
Issuer: Golden State Connect Authority  
Bonds: Telecommunications Revenue Bonds (Broadband Project), Series  
[2025]

Date of the Official Statement: [\_\_\_\_, 20\_\_]

The undersigned hereby certifies on behalf of The California Public Utilities Commission, a California state regulatory agency existing under the Constitution and laws of the State of California (the “Commission”), in connection with the issuance by the Commission of its Commitment referenced above (the “DSR Commitment”) in respect of the Bonds referenced above (the “Bonds”) that:

- (i) The information set forth under the caption “[THE CALIFORNIA PUBLIC UTILITIES COMMISSION LOAN LOSS RESERVE FUND]” in the official statement referenced above, relating to the Bonds (the “Official Statement”) is true and correct;
- (ii) As of the date hereof, no default has occurred and is continuing by the Commission under the DSR Commitment, the Commitment Funding Agreement, dated as of [\_\_\_\_, 2025] (the “CFA”), the Fiscal Agent Agreement, dated as of [\_\_\_\_, 2025] (the “FAA”), or any other agreement to which the Commission is a party relating to the Bonds;
- (iii) The DSR Commitment is an absolute, unconditional and irrevocable obligation of the Commission, to cause the Fiscal Agent to disburse amounts from the applicable Eligible Debt Account to the Trustee to replenish the Debt Service Reserve Fund (“DSRF”) upon a draw, in each case up to the Commitment Limit and in accordance with the CFA and the Trust Indenture, dated as of [\_\_\_\_, 2025], by and between Golden State Connect Authority (the “Issuer”) and Zions Bancorporation, National Association, as trustee (the “Indenture”). The DSR Commitment is not a direct guarantee of scheduled debt service to Bondholders and amounts are provided solely to replenish the DSRF;
- (iv) The Issuer is obligated to repay the Commission for any draws and to pay related fees, expenses and interest as provided in the Commitment Funding Agreement (collectively, “Commitment Costs”); such amounts are payable from Net System Revenues on the basis and with the priority set forth in the Indenture. Fees included in the Commitment Costs were determined in arm’s length negotiations;
- (v) No portion of the amounts payable to the Commission on account of such Commitment Costs represents an indirect payment of costs of issuance or for the provision of additional services by the Commission, or represents a direct or indirect payment for any goods or services provided to the Issuer or the direct or indirect payment for a cost, risk or other element that is not customarily

borne by credit enhancers of tax-exempt bonds (in transactions in which the guarantor has no involvement other than as a guarantor);

(vi) The Commission is not providing any services in connection with the Bonds other than providing the DSR Commitment, and the Commission will not use any portion of the proceeds of the Bonds other than amounts directed to the Commission or the Fiscal Agent in respect to Commitment Costs;

(vii) The Commitment Costs (including any charges payable in connection with the DSR Commitment) are not conditioned upon the sale of Bonds to the Commission and have been determined without regard to any decision by the Commission to purchase Bonds;

(viii) Except for disbursements under the DSR Commitment to replenish the DSRF in accordance with the CFA, the Commission has no obligation to pay any amount of principal or interest on the Bonds;

(ix) The Commission does not expect that a claim or any other payment will be made on or with respect to the DSR Commitment or by the Commission (or the Fiscal Agent on its behalf) to the Trustee to replenish the DSRF;

(x) Neither the Issuer nor any other obligor is entitled to a refund of any Commitment Costs or other amounts paid in connection with the DSR Commitment in the event any Bonds are retired before their final maturity dates.

The Commission makes no representation as to the nature of the interest to be paid on the Bonds or the treatment of the DSR Commitment under Section 1.148-4(f) of the Income Tax Regulations.

Capitalized terms used but not defined herein have the meanings given in the Indenture, the CFA, or the FAA, as applicable.

THE CALIFORNIA PUBLIC UTILITIES COMMISSION

By: \_\_\_\_\_

Name: [\_\_\_\_\_]

Title: Authorized Commission Representative

Dated: [\_\_\_\_\_, 20\_\_]

**PRIMARY MARKET DISCLOSURE CERTIFICATE**

**GOLDEN STATE CONNECT AUTHORITY  
TELECOMMUNICATIONS REVENUE BONDS (BROADBAND PROJECT), SERIES [2025]  
(the “Supported Bonds”)**

For the benefit of Golden State Connect Authority (the “Issuer”), and acknowledging that the Issuer will be relying on the contents hereof in addressing certain tax and disclosure items and for other matters, The California Public Utilities Commission, a California state regulatory agency existing under the Constitution and laws of the State of California (the “Commission”), makes the following representations and warranties as of the date hereof:

1. The Commission has not purchased, nor has it committed to purchase, any of the Supported Bonds, whether at the initial offering or otherwise;
2. The Commission has not entered into any agreement or understanding regarding the purchase or sale of the Supported Bonds. The Commission has agreed to provide a Debt Service Reserve Reimbursement Funding Commitment (the “DSR Commitment”) to support the Supported Bonds by replenishing the Debt Service Reserve Fund established under the Indenture upon a draw thereon, following a claim by the Trustee, and has entered into documentation associated with such DSR Commitment.

[\_\_\_\_, 2025]

THE CALIFORNIA PUBLIC UTILITIES COMMISSION

By: \_\_\_\_\_

Name: [\_\_\_\_\_]

Title: Authorized Commission Representative

**PROCEDURES FOR PAYMENT TO THE COMMISSION**

At or prior to the Payment Date (as defined below), Golden State Connect Authority (the “Issuer”) will fund the Administrative Expenses Account held by the Fiscal Agent in the amount required by the Fiscal Agent Agreement, dated [\_\_\_\_, 2025] (the “Administrative Expenses Deposit”). Funding of the Administrative Expenses Account will be confirmed on the Payment Date. Capitalized terms used but not defined herein shall have the meanings given in the financing documents for the Issuer’s Telecommunications Revenue Bonds (Broadband Project), Series [2025] (the “Supported Bonds”). Set forth below are the procedures to confirm the amount of the Administrative Expenses Deposit and to wire such amount:

Upon determination of the final debt service schedule, email such schedule to the appropriate officer of the California Public Utilities Commission (the “Commission”) below:

Name: [\_\_\_\_\_]

EMAIL: [\_\_\_\_\_]

Confirm with the individual below that you are in agreement with respect to par and commitment fees on the transaction prior to the Payment Date.

Payment Date: Date of delivery of the Supported Bonds.

Method of Payment: Wire transfer of immediately available funds in U.S. dollars.

Wire Transfer Instructions:

|                 |         |
|-----------------|---------|
| Bank:           | [_____] |
| ABA#:           | [_____] |
| Acct. Name:     | [_____] |
| Account No.:    | [_____] |
| Commitment No.: | [_____] |

**CONFIRMATION OF PAYMENT**

The Commission will accept as confirmation of the payment a wire transfer number and the name of the sending bank, to be communicated the following person on the closing date:

# **APPENDIX F**

## **Fiscal Agent Agreement**

## **EXHIBIT A, SCOPE OF WORK**

### **1. Background**

WHEREAS, in July 2021, California Governor Gavin Newsom signed Senate Bill 156 (Stats. 2021, Ch. 84 and 112) and Assembly Bill 164 (Budget Act of 2021), which, among other things, created a Broadband Loan Loss Reserve Fund (the “LLRF”) in the California State Treasury, and which is codified in the California Public Utilities Code Section 281.2 (“Section 281.2”). Seven Hundred Fifty Million dollar (\$750,000,000) was initially appropriated (and has subsequently been revised to \$50,000,000) by the State of California to fund costs related to the financing of broadband infrastructure deployment by local government agencies, nonprofit organizations and Tribal governments (each an “Issuer” and collectively, the “Issuers,” and such financings, the “Broadband Financings” and singularly, a “Broadband Financing”); and

WHEREAS, Section 281.2 specifies that such costs include, but are not limited to, payment of the costs of debt issuance, obtaining credit enhancement, and establishment and funding of reserves for the payment of principal and interest on the Broadband Financings. Section 281.2 further specifies that the California Public Utilities Commission (Commission or State) may establish, among other things, eligibility requirements, financing terms and conditions and criteria for projects deployed by using Broadband Financings in whole or in part by funds allocated to the LLRF; and

WHEREAS, after both informal and formal discussions with various stakeholders and the issuing of guidelines to govern the Commission in its allocation of the LLRF pursuant to Section 281.2, the Commission issued its “Decision 23-11-045 Addressing Staff Proposal On Establishment of a Broadband Loan Loss Reserve Fund,” set forth in Rulemaking 20-08-2021 on November 2, 2023 (the “Decision”); and

WHEREAS, pursuant to Section 281.2, the Commission has determined that in order to provide for the efficient allocation of funds to assist Issuers and related borrowers, as applicable, in Broadband Financings, the Commission is engaging the Computershare

Trust Company, National Association (Fiscal Agent) to establish an LLRF Broadband Financing Fund and under which such fund the Fiscal Agent shall establish accounts for each Broadband Financing as described further herein; and

WHEREAS, the Commission and the Fiscal Agent desire to enter into this Fiscal Agent Agreement dated as of \_\_\_\_, 2025 (as amended and supplemented, this “Agreement”) pursuant to which the Commission will appoint the Fiscal Agent to assume the duties and responsibilities of the Fiscal Agent to the Commission with respect to the replenishment of depleted Debt Service Reserve Funds established for the Eligible Debt (as defined below) with funds held by the Fiscal Agent that have been drawn from the LLRF for such Eligible Debt, including entering into a Commitment Funding Agreement (as defined herein) which shall account for ongoing payment obligations due to the Fiscal Agent; and

NOW THEREFORE, the Commission and the Fiscal Agent agree as follows:

## **2. Definitions**

The terms defined in this section have the meanings specified in Exhibit A Section 2 unless the context clearly requires otherwise.

“Administrative Expenses Account” has the meaning set forth in Exhibit A Section 4(b) of this Agreement.

“Authorized Commission Representative” means the Executive Director of the Commission or any other officer or employee of the Commission authorized by the Executive Director to act on behalf of said Executive Director as set forth in a certificate of the Executive Director, a form of which is attached hereto as Exhibit H.

“Broadband Financing” and “Broadband Financings” have the meanings set forth in the recitals of this Agreement.

“Broadband Financing Fund” has the meaning set forth in Exhibit A Section 4(a) of this Agreement.

“Business Day” means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in the State are, or the Fiscal Agent is, authorized or required by law or executive order to remain closed.

“Commitment Funding Agreement” means the applicable Commitment Funding Agreement for the Eligible Debt among the Issuer, the Fiscal Agent and the Commission that establishes the related Debt Service Reserve Reimbursement Funding Commitment to replenish the related Debt Service Reserve Fund for the Eligible Debt, a form of which is attached hereto as Exhibit G, as such agreement shall be updated per the negotiated terms with respect to each Eligible Debt issuance.

“Commitment Limit” means the applicable maximum amount of support from the LLRF established to support the applicable Eligible Debt, as to be reduced from time-to-time as set forth in each applicable Commitment Funding Agreement.

“Commission” has the meaning set forth in Exhibit A Section 1 of this Agreement.

“Debt Service Reserve Fund” means the applicable fund established for the applicable Eligible Debt that has been fully funded at closing thereof and that will be replenished by the related Debt Service Reserve Reimbursement Funding Commitment upon the drawing thereof for a Nonpayment.

“Debt Service Reserve Holder” means the entity that is the holder, and, if applicable, the servicer, of the Debt Service Reserve Fund for the Eligible Debt.

“Debt Service Reserve Reimbursement Funding Commitment” means the applicable commitment issued by the Commission to the applicable Debt Service Reserve Holder that provides Debt Service Reserve Fund support in connection with the applicable Eligible Debt.

“Decision” has the meaning set forth in Exhibit A Section 1 of this Agreement.

“Due for Payment” means (a) when referring to the principal amount of the Eligible Debt, payable on the stated maturity date thereof or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity unless the Commission shall elect, in its sole discretion, to pay such principal due upon such acceleration together with any accrued interest to the date of acceleration, and (b) when referring to interest owed on the Eligible Debt, payable on the stated date for payment of interest.

“Eligible Debt” means each Broadband Financing that is to be supported by a Debt Service Reserve Reimbursement Funding Commitment and that is, from time to time, added to the scope of this Agreement by delivery from the Commission to the Fiscal Agent of an Eligible Debt Certificate.

“Eligible Debt Account” has the meaning set forth in Exhibit A Section 4(c) of this Agreement.

“Eligible Debt Certificate” means the certificate provided by the Commission to the Fiscal Agent specifying that such Broadband Financing constitutes Eligible Debt pursuant to Exhibit A Section 5.

“Fiscal Agent” has the meaning set forth in Exhibit A Section 1 of this Agreement.

“Issuer” or “Issuers” has the meaning set forth in Exhibit A Section 1 of this Agreement.

“Late Payment Rate” means the lesser of (a) the per annum rate of interest publicly announced from time to time by The Wall Street Journal as the prime or base lending rate (the “Prime Rate”) (any change in such Prime Rate to be effective on the date such

change is announced in the Wall Street Journal) plus 1%, and (b) the maximum rate permissible under applicable usury or similar laws limiting interest rates.

“LLRF” has the meaning set forth in Exhibit A Section 1 of this Agreement.

“Mail” means by first-class United States mail, postage prepaid.

“Nonpayment” means, in respect of Eligible Debt, the failure of the applicable Issuer to have provided sufficient funds to the Debt Service Reserve Holder for payment in full of interest and principal, if applicable, that is Due for Payment on such Eligible Debt and such funds have been drawn to the payment thereof from the applicable Debt Service Reserve Fund. “Nonpayment” also includes, in respect of Eligible Debt, any payment of principal or interest that is Due for Payment made to an Owner by or on behalf of the Issuer that has been recovered from such Owner pursuant to the United States Bankruptcy Code by a trustee in bankruptcy in accordance with a final, non-appealable order of a court having competent jurisdiction.

“Owner” means, in respect of Eligible Debt, the person or entity who, at the time of Nonpayment, is entitled under the terms of Eligible Debt to payment of principal or interest thereunder, except that “Owner” shall not include the Issuer or any person or entity whose direct or indirect obligation constitutes the underlying security for the Eligible Debt.

“Permitted Investments” has the meaning set forth in Exhibit E.

“Prime Rate” means on any day, the rate of interest per annum then most recently set forth by the federal government in its H.15 publication as the “Bank prime loan” rate. If the federal government ceases to establish or publish a prime rate from which the Prime Rate is then determined, the applicable variable rate from which the Prime Rate is determined thereafter shall be instead the prime rate reported in The Wall Street Journal (or the average prime rate if a high and a low prime rate are therein reported), and the Prime Rate shall change without notice with each change in such prime rate as of the date such change is reported. If The Wall Street Journal ceases to establish or publish a prime rate from which the Prime Rate is then determined, the Prime Rate shall be the rate determined by the Commission as the prime rate. Each determination of the Prime Rate by the

Commission shall be conclusive and binding absent manifest error. Notwithstanding anything herein to the contrary, if the Prime Rate as determined as provided above would be less than zero percent (0.0%), then the Prime Rate shall be deemed to be zero percent (0.0%).

“Section 281.2” has the meaning set forth in Exhibit A Section 1 of this Agreement.

“State” means the State of California.

Except as otherwise indicated, references to Articles and Sections are to the Articles and Sections of this Agreement, and any of the terms defined in Exhibit A Section 2 may, unless the context otherwise requires, be used in the singular or the plural, depending on the reference.

### **3. Tasks**

The Commission hereby appoints and retains the Fiscal Agent for the purpose of performing the duties and responsibilities of the Fiscal Agent to the Commission in connection with administering the applicable Debt Service Reserve Reimbursement Funding Commitment for Eligible Debt, including, without limitation:

- (a) To create, hold and provide an account of the Broadband Financing Fund and related Eligible Debt Accounts pursuant to Exhibit A Section 4 of this Agreement and to invest the amounts therein pursuant to Exhibit A Section 4(f) of this Agreement.
- (b) To execute Commitment Funding Agreements for each Eligible Debt and any other documents necessary in connection with such Eligible Debt in substantially the same form attached hereto as Exhibit G.
- (c) The obligation of the Fiscal Agent, after proper notice from the Debt Service Reserve Holder in accordance with the applicable Commitment Funding Agreement, to transfer amounts from the related Eligible Debt Account on Business Days to the applicable Debt Service Reserve Holder to replenish such Debt Service Reserve Fund

after payments in respect of principal and interest on the Eligible Debt in the event of Nonpayment thereof.

- (d) Assist the Commission in confirmation of payments due and owing under the applicable Debt Service Reserve Reimbursement Funding Commitment, including, but not limited to, any payments due and owing at the Late Payment Rate as to be calculated as set forth in the Commitment Funding Agreement.

By executing and delivering this Agreement, the Fiscal Agent also hereby agrees to perform the duties and responsibilities of the Fiscal Agent under the Commitment Funding Agreement (a form of which is attached hereto as Exhibit G) with respect to the Eligible Debt. The Fiscal Agent shall have the right to review each Commitment Funding Agreement prior to its execution to ensure that its rights, duties and obligations thereunder are consistent with the terms of this Agreement.

#### **4. Deliverables**

- (a) Upon receipt of the funds pursuant to Exhibit A Section 6(a) of this Agreement, the Fiscal Agent will create on its books, on behalf of the Commission, a special trust fund to be known as the “LLRF Broadband Financing Fund” (the “Broadband Financing Fund”). From time-to-time, the Commission will provide the Fiscal Agent with written notice of any additional deposits (“Additional Deposits”) to be received and to be deposited into the Broadband Financing Fund. Any Additional Deposits will become part of the Broadband Financing Fund upon the deposit thereof by the Fiscal Agent. All amounts and securities credited to the Broadband Financing Fund, all proceeds therefrom, and all cash balances on deposit therein (1) shall be the property of the Commission, and (2) shall be applied only in strict conformity with the terms and conditions of this Agreement. When there is no Eligible Debt outstanding or if this Agreement expires or is terminated by the Commission any balance then remaining in the Broadband Financing Fund shall be transferred to the Commission, and the Fiscal Agent shall thereupon be discharged from any further duties hereunder. Other accounts and subaccounts

therein may be established within the Broadband Financing Fund when deemed necessary or convenient by the Commission or the Fiscal Agent after consultation with the Commission.

**(b) (i) The Fiscal Agent shall create an account titled the “Broadband Financing Fund Administrative Expenses Account” within the Broadband Financing Fund. Moneys shall be deposited in the Administrative Expenses Account from the Broadband Financing Fund as directed by an Authorized Commission Representative in a certificate (a form of which is attached hereto as Exhibit F) and shall be applied by the Fiscal Agent, from time to time, as directed in such certificate, solely to the payment of the ordinary reasonable and customary fees and expenses of the Fiscal Agent, and as otherwise directed by the Commission. The Broadband Financing Fund Administrative Expenses Account shall initially be funded by a transfer by the Golden State Connect Authority (“GSCA”), as an Issuer, pursuant to and as further described in the initial Commitment Funding Agreement among the Commission, GSCA, the Fiscal Agent and Zions Bancorporation, National Association, which such Commitment Funding Agreement shall set forth the initial minimum amount to be maintained in the Administrative Expense Fund. From time-to-time, the Commission shall instruct, pursuant to an Authorized Commission Representative certificate, applicable Issuers, including, but not limited to, GSCA, to make such transfers so that an agreed-upon minimum amount shall always be on deposit in the Administrative Expense Account.**

**(ii) Notwithstanding anything to the contrary herein, the total amount paid from the Commission shall remain less than \$10,000, it being understood that all amounts other than the initial setup costs of this Agreement (which shall remain less than \$10,000) be a direct charge to the Issuers. The Fiscal Agent acknowledges, and the Commission hereby covenants and agrees, that the Issuers shall be charged with all ongoing reasonable and customary fees and expenses of the Fiscal Agent incurred hereunder, which shall be paid from the Administrative Expenses Account, to the extent that funds are available in**

**that Account, and that the Commission shall ensure that all Eligible Debt documents include the necessary provisions that provide for the ongoing fees of the Fiscal Agent consistent with subparagraph (b)(i). In furtherance of the foregoing, the Commission shall provide the Fiscal Agent with such Eligible Debt documents to be reviewed in advance of their execution to ensure that provisions are included for the ongoing payment of the Fiscal Agent.**

- (c) Upon the receipt by the Fiscal Agent of an Eligible Debt Certificate, the Fiscal Agent shall create an applicable Eligible Debt Account pursuant to the wording as set forth in the Eligible Debt Certificate. All amounts and securities credited to each Eligible Debt Account, and all proceeds therefrom, and all cash balances from time to time on deposit therein (1) shall be the property of the Commission, (2) shall be applied only in strict conformity with the terms and conditions of this Agreement, the applicable Commitment Funding Agreement and the related Debt Service Reserve Reimbursement Funding Commitment, and (3) are hereby irrevocably pledged to the payment of the principal of and interest on the Eligible Debt for the benefit of the Owners, which payment shall be made by timely transfers on Business Days of such amounts at such times as are provided in the applicable Commitment Funding Agreement.
- (d) No earlier than ten (10) days prior to the applicable payment date required for Eligible Debt as set forth in the applicable Commitment Funding Agreement, the Fiscal Agent shall transfer all amounts in the applicable Eligible Debt Account that are in excess of the applicable Debt Service Reserve Reimbursement Funding Commitment Amount to the Broadband Financing Fund; provided, however, that if at any time the amount set forth in an applicable Eligible Debt Account is less than the applicable Debt Service Reserve Reimbursement Funding Commitment Amount, then the Commission shall direct, pursuant to an Authorized Commission Representative certificate, the Fiscal Agent to make a transfer from the Broadband Financing Fund to such Eligible Debt Account so that the amount set forth in such Eligible Debt Account is at least equal to the Debt Service Reserve

Reimbursement Funding Commitment Amount, subject in all respects to the applicable Commitment Limit.

- (e) The Fiscal Agent is hereby irrevocably instructed to transfer to each Debt Service Reserve Holder from the cash balances from time to time on deposit in the applicable Eligible Debt Account, the amounts due and owing as set forth in the applicable Commitment Funding Agreement and the related Debt Service Reserve Reimbursement Funding Commitment on Business Days.
- (f) The Fiscal Agent agrees to invest and reinvest funds in the Broadband Financing Fund and the Administrative Expenses Account as set forth herein, pursuant to receipt of a certificate a form of which is set forth in Exhibit F hereto or as otherwise directed by an **Authorized Commission Representative** in writing. The Fiscal Agent acknowledges that the investment of some or all of the funds hereunder may be subject to yield restrictions to comply with state or federal tax law, and the Fiscal Agent shall comply with any such restrictions that are identified in a certificate of the Commission.
- (g) Upon the creation of an Eligible Debt Account pursuant to the terms of this Agreement, the Fiscal Agent shall invest and reinvest funds in such Eligible Debt Account as set forth in Exhibit E or the Eligible Debt Certificate or as otherwise directed by an Authorized Commission Representative in writing after consultation with applicable Issuers in the case of Eligible Debt that issued on a tax exempt basis.
- (h) The Commission recognizes and agrees that the Fiscal Agent will not provide supervision, recommendations or advice relating to either the investment of moneys held in the Broadband Financing Fund, Administrative Expenses Account and Eligible Debt Account or the purchase, sale, retention or other disposition of any Permitted Investment. The Commission shall be solely responsible for complying with the provisions of any law, rule or regulation concerning the investment of public funds. Earnings on Permitted Investments shall be added to

the amounts set forth in the applicable funds and accounts hereunder; provided, however, that with respect to an Eligible Debt Account, such amounts shall be transferred in accordance with Section 4(d) hereto. The Fiscal Agent shall be under no obligation to invest moneys in the Broadband Financing Fund, Administrative Expenses Account and Eligible Debt Account other than as directed by the Commission hereunder or pursuant to a certificate issued in the form of Exhibit D hereunder. Any loss or expense incurred because of an investment will be borne by the Broadband Financing Fund, Administrative Expenses Account and Eligible Debt Account. In no event shall the Fiscal Agent be liable for the Commission's direction of the selection of investments or for investment losses incurred thereon. The Fiscal Agent shall be entitled to rely on the investment direction of the Commission as to the suitability and legality of the directed investments. The Fiscal Agent shall have no responsibility to monitor the ratings of Permitted Investments. The Commission acknowledges that to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grant the Commission the right to receive brokerage confirmations of security transactions as they occur, the Commission specifically waives receipt of such confirmations to the extent permitted by law. The Fiscal Agent will furnish the Commission periodic cash transaction statements which include detail for all investment transactions made by the Fiscal Agent hereunder. No statement need be rendered for any fund or account if no activity occurred in such fund or account during such month. The Commission may receive brokerage confirmations at no additional cost upon its written request.

- (i) The Fiscal Agent is hereby authorized to trade with itself and any affiliated entity in the purchase and sale of securities for investment, and is authorized to execute purchases and sales of Permitted Investments through the facilities of its own trading or capital markets operations or those of any affiliated entity. The Fiscal Agent shall send statements to the Commission on a monthly basis reflecting activity in the Broadband Financing Fund, Administrative Expenses Account, and Eligible Debt Account for the preceding month.

- (j) The Commission acknowledges and agrees that the delivery of the funds held hereunder is subject to the sale and final settlement (or, as applicable, maturity) of Permitted Investments. Proceeds of a sale of Permitted Investments will be delivered on the Business Day on which the appropriate instructions are delivered to the Fiscal Agent if received prior to the deadline for same day sale of such Permitted Investments, if applicable. If such instructions are received after the applicable deadline, proceeds will be delivered on the next succeeding Business Day.
- (k) Notwithstanding Sections 8 and 9 of Exhibit D, Special Terms and Conditions, no termination of this Agreement or resignation or removal of the Fiscal Agent shall become effective until the appointment of, and acceptance by, a successor fiscal agent to carry out the functions and obligations set forth herein respecting each Eligible Debt Account then existing upon substantially the same terms and conditions as set forth in this Agreement. If a successor Fiscal Agent has not been appointed within 60 days of the notice of resignation or removal, the Fiscal Agent may petition a court of competent jurisdiction for the appointment of a successor, and any such action of a court shall be binding upon the parties
- (l) Each Issuer and each Debt Service Reserve Holder is hereby recognized as and shall be deemed to be a third party beneficiary of this Agreement and may enforce the provisions of this Agreement as if it were a party thereto.

**5. Nature of Broadband Financing Fund and Eligible Debt Accounts**

- (a) The amounts received by the Fiscal Agent under this Agreement shall not be considered as a banking deposit by the Commission, and the Fiscal Agent shall have no right or title with respect thereto except as Fiscal Agent under the terms of this Agreement. The amounts received by the Fiscal Agent under this Agreement shall not be subject to warrants, drafts or checks drawn by the Commission, except to the extent expressly herein provided.

- (b) The Fiscal Agent shall hold the applicable Eligible Debt Accounts, and all other assets of the Eligible Debt Account, for the benefit of the applicable Debt Service Reserve Holder as described further in Section 7(c).

## **6. Addition of Eligible Debt**

Any Broadband Financing that the Commission approves to receive a Debt Service Reserve Reimbursement Funding Commitment and that has been formally issued by an Issuer thereof shall be deemed to be added to the definition of Eligible Debt under this Agreement if the Commission delivers a certificate executed by an Authorized Commission Representative to the Fiscal Agent specifying the following:

- (a) the Issuer and related borrower, if any, of the series of Eligible Debt; and
- (b) the title of the Eligible Debt Account to be created;
- (c) the amount of the applicable Debt Service Reserve Reimbursement Funding Commitment for the applicable Eligible Debt;
- (d) the CUSIP number, if any, of the Eligible Debt;
- (e) the Debt Service Reserve Holder of the Eligible Debt;
- (f) the maturity and any mandatory sinking fund redemption of the Eligible Debt;
- (g) the payment dates (which may be provided by providing the applicable documentation thereof) of the Eligible Debt;
- (h) the capitalized interest dates of the Eligible Debt;
- (i) the Permitted Investments such Eligible Debt Account shall be invested in; and
- (j) directing the Fiscal Agent to enter into the Commitment Funding Agreement pursuant to Section 3(b)]. Upon delivery of these items, such Eligible Debt shall be included in the definition of Eligible Debt.

## **7. Commission Responsibilities**

- (a) The Commission hereby agrees that upon execution of this Agreement it shall transfer to the Fiscal Agent, Fifty million dollars (\$50,000,000), which shall be deposited into a Broadband Financing Fund to be established by the Fiscal Agent.

- (b) The Commission shall provide such information concerning the Eligible Debt as the Fiscal Agent shall reasonably request. The Commission shall notify the Fiscal Agent upon the occurrence of any Nonpayment and any other event of default under the applicable broadband financing documentation that the Fiscal Agent is not copied or an additional recipient of such notice.
- (c) The Commission shall not have any obligation or liability to the Owners with respect to this Agreement other than to ensure that sufficient funds are deposited and held by the Fiscal Agent in the Eligible Debt Accounts for the replenishment of a Debt Service Reserve Fund to be used for the payment of principal of, or premium, if any, or interest on the Eligible Debt.

## **8. Fiscal Agent Responsibilities**

- (a) The Fiscal Agent has the power to receive, to hold and to disburse moneys in accordance with the terms hereof. The Fiscal Agent has no power to vary, alter or substitute the corpus of any trust created pursuant to this Agreement at any time, except as specifically authorized herein.
- (b) Whenever in the administration of its duties under this Agreement the Fiscal Agent 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) shall be deemed to be conclusively proved and established by a certificate of the Commission and such certificate shall be full warranty to the Fiscal Agent for any action taken or suffered under the provisions of this Agreement in good faith reliance thereon, but in its discretion the Fiscal Agent may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as it may deem reasonable.
- (c) The Fiscal Agent may become an Owner of Eligible Debt with the same rights it would have if it were not the Fiscal Agent; may acquire and dispose of Eligible Debt or other evidences of indebtedness of the Commission and enforce its rights as

Owner thereof to the same extent as if it were not the Fiscal Agent; and may act as a depository for and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of Owners of Eligible Debt, whether or not such committee shall represent the Owners of a majority of the Eligible Debt Outstanding.

- (d) The Fiscal Agent shall have the right to accept and act upon instructions not inconsistent with this Agreement, including funds transfer instructions (“Instructions”) given pursuant to this Agreement and delivered using Electronic Means; provided, however, that the Commission shall provide to the Fiscal Agent an incumbency certificate listing the Authorized Commission Representatives with the authority to provide such Instructions and containing specimen signatures of such Authorized Commission Representatives, which incumbency certificate shall be amended by the Commission whenever a person is to be added or deleted from the listing. If the Commission elects to give the Fiscal Agent Instructions using Electronic Means and the Fiscal Agent in its discretion elects to act upon such Instructions, the Fiscal Agent’s understanding of such Instructions shall be deemed controlling. The Commission understands and agrees that the Fiscal Agent cannot determine the identity of the actual sender of such Instructions and that the Fiscal Agent shall conclusively presume that directions that purport to have been sent by an Authorized Commission Representative listed on the incumbency certificate provided to the Fiscal Agent have been sent by such Authorized Commission Representative. The Commission shall be responsible for ensuring that only Authorized Commission Representatives transmit such Instructions to the Fiscal Agent and that the Commission and all Authorized Commission Representatives are solely responsible to safeguard the use and confidentiality of applicable user and authorization codes, passwords and/or authentication keys upon receipt by the Commission. The Fiscal Agent shall not be liable for any losses, costs or expenses arising directly or indirectly from the Fiscal Agent’s reliance upon and compliance with such Instructions notwithstanding such directions conflict or are inconsistent with a subsequent written instruction. The Commission agrees: (i) to assume all risks arising out of the use of Electronic Means to submit Instructions to the Fiscal Agent, including without

limitation the risk of the Fiscal Agent 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 Fiscal Agent and that there may be more secure methods of transmitting Instructions than the method(s) selected by the Commission; (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 Fiscal Agent immediately upon learning of any compromise or unauthorized use of the security procedures.

- (e) "Electronic Means" shall mean the following communications methods: e-mail, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys issued by the Fiscal Agent, or another method or system specified by the Fiscal Agent as available for use in connection with its services hereunder.
- (f) No provision in this Agreement shall require the Fiscal Agent to risk or expend its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder.
- (g) The Fiscal Agent shall provide the Commission with such information concerning the Eligible Debt in the possession of the Fiscal Agent as the Commission shall reasonably request. The Fiscal Agent will use its reasonable efforts to assist the Commission to obtain information relating to the Eligible Debt; provided, that the Commission shall reimburse the Fiscal Agent its related reasonable costs and expenses.
- (h) In accepting the appointment as Fiscal Agent hereunder, the Fiscal Agent acts solely as agent for the Commission and not in its individual capacity. Except as otherwise provided in this Agreement, all persons who have a claim against the Fiscal Agent arising from this Agreement shall only seek payment from funds and accounts held by the Fiscal Agent under this Agreement. The Fiscal Agent does not assume any obligation or relationship of agency or trust for the Issuers or the Owners, except

that all funds held by the Fiscal Agent in the Eligible Debt Accounts for the replenishment of a Debt Service Reserve Fund to be used for the payment of principal of, or premium, if any, or interest on the Eligible Debt shall be held in trust for such Owners herein. Under no circumstances shall the Fiscal Agent be liable in its individual capacity for the obligations evidenced by the Eligible Debt.

**9. Location**

Services will be performed remotely at the Fiscal Agent's offices.

**10. Period of Performance**

Subject to the applicable provisions set forth in Exhibit D hereto, the initial term of this Agreement shall be for thirty-five (35) years; provided, however, that this Agreement may be extended pursuant to a written amendment executed by both parties from time to time in compliance with State of California law.

**11. Contact Information**

Any communication required or permitted by this Agreement must be in writing except as expressly provided otherwise in this Agreement. All notices required or authorized to be given pursuant to this Agreement shall be in writing and sent by electronic-mail or by Mail to the following contacts:

|                                                                                 |                                                                                             |
|---------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------|
| <b>California Public Utilities<br/>Commission</b>                               | Computershare Trust Company, N.A                                                            |
| Name: Ella Krainsky                                                             | Name: Jaime Aguirre                                                                         |
| Email: <a href="mailto:Ella.Krainsky@cpuc.ca.gov">Ella.Krainsky@cpuc.ca.gov</a> | Email: <a href="mailto:jaime.aguirre@computershare.com">jaime.aguirre@computershare.com</a> |

**12. Authorized Commission Representatives**

Rachel Peterson, Ryan Dulin, Ana Maria Johnson, Maria Ellis, Michael Minkus or any additional individuals that shall complete a Certificate of Authorized Signers and a Security Procedure Agreement, forms of which are attached hereto as Exhibit H.

## **EXHIBIT B, BUDGET DETAIL AND PAYMENT PROVISIONS**

### **1. Invoicing and Payment**

#### **A. Compensation**

As compensation for the services specified in Exhibit A and upon receipt and approval of invoices by the CPUC, the Fiscal Agent shall be entitled to a sum not to exceed the total dollar amount listed on the attached STD 213 Standard Agreement.

#### **B. Payments**

Payments shall be based on the rates and or schedule as set forth and specified in Exhibit B-1, Cost Sheet which is attached hereto and made a part of this Agreement.

**C. Retention of Records and Audit Requirement**

The Fiscal Agent's invoices will be subject to a financial audit by CPUC at any time within three (3) years of completion of the work.

**2. Budget Contingency Clause**

- A. It is mutually agreed that if the Budget Act of the current year and/or any subsequent years covered under this Agreement does not appropriate sufficient funds for the program, this Agreement shall be of no further force and effect. In this event, the CPUC shall have no liability to pay any funds whatsoever to Fiscal Agent or to furnish any other considerations under this Agreement and Fiscal Agent shall not be obligated to perform any provisions of this Agreement.
- B. If funding for any fiscal year is reduced or deleted by the Budget Act for purposes of this program, the CPUC shall have the option to either cancel this Agreement with no liability occurring to the CPUC or offer an agreement amendment to Fiscal Agent to reflect the reduced amount.

**3. Prompt Payment Clause**

Payment will be made in accordance with, and within the time specified in, Government Code Chapter 4.5, commencing with Section 927.

**EXHIBIT B-1, COST SHEET**

Acceptance Fees - \$2,250

Administrative Fee (1<sup>st</sup> Year) - \$5,000

Debt Fund Fee (1<sup>st</sup> Year) - \$1,750

Total Agreement Amount - \$9,000

**EXHIBIT C, GENERAL TERMS AND CONDITIONS**

The General Terms and Conditions, GTC 02/2025 will be included and adhered to in the Agreement by reference to the following link:

<https://www.dgs.ca.gov/OLS/Resources/Page-Content/Office-of-Legal-Services-Resources-List-Folder/Standard-Contract-Language>

Agreement # 24NS0981  
Computershare Trust Company  
California Public Utilities Commission

## **EXHIBIT D, SPECIAL TERMS AND CONDITIONS**

### **1. Excise Tax**

The State of California, which the Commission is agency of, is exempt from federal excise taxes, and no payment will be made for any taxes levied on employees' wages.

The State will pay for any applicable State of California or local sales or use taxes on the services rendered or equipment or parts supplied pursuant to this Agreement. The State of California may pay any applicable sales and use tax imposed by another state.

### **2. Dispute Resolution**

A dispute for purposes of this section is a disagreement between Fiscal Agent and CPUC in the performance of the Agreement, which is unable to be resolved between Fiscal Agent and Program Staff ("Dispute"). In the event of a Dispute, Fiscal Agent shall file a "Notice of Dispute" with the California Public Utilities Commission, Executive Director, or designee within ten (10) days of discovery of the problem. Within ten (10) days, the Executive Director or designee shall meet with the Fiscal Agent and Contract Manager for purposes of resolving the dispute. The decision of the Executive Director or designee shall be final.

In the event of a dispute, the language contained within this Agreement shall control over any other and the decision of the Executive Director shall be based on this principle.

State reserves the right to issue an order to stop work in the event that a dispute should arise, The stop work order will be in effect until the dispute has been resolved.

### **3. Subcontracts**

- A. Fiscal Agent shall submit any proposed subcontracts to the Contract Manager for its prior written approval before entering into the same. No work shall be subcontracted without the prior approval of the Contract Manager. Upon termination of any subcontract, the State shall be notified immediately.
- B. Nothing contained in this Agreement or otherwise, shall create any contractual relation between the State and the Fiscal Agent, and no subcontract shall relieve the Fiscal Agent of its responsibilities and obligations hereunder. The Fiscal Agent agrees to be as fully responsible to the State for the acts and omissions of its subcontractors and of persons either directly or indirectly employed by any of them as it is for the acts and omissions of persons directly employed by the Fiscal Agent. The Fiscal Agent's obligation to pay its subcontractors is an independent obligation from the State's obligation to make payments to the Fiscal Agent. As a result, the State shall have no obligation to pay or to enforce the payment of any moneys to any subcontractor. It is the intention of the parties than no subcontractors shall be deemed an employee of the State. Fiscal Agent agrees to take any and all actions necessary to comply with this intention.

### **4. Relationship with Fiscal Agent and Subcontractor**

Fiscal Agent shall be responsible for all actions of subcontractors and all payment to subcontractors. Failure of a subcontractor to perform for any reason shall not relieve Fiscal Agent of the responsibility for competent and timely performance of duties under this contract. Commission staff will not communicate with subcontractors except through Fiscal Agent's Contract Manager.

All requests for changes of work within this subcontract shall be in writing between the Contract Manager for Commission and the Contract Manager for Fiscal Agent.

## **5. Commission Staff**

Commission staff will be permitted to work side by side with Fiscal Agent's staff to the extent and under conditions directed by the Commission's Contract Manager. In this connection, Commission staff will be given access to all data, working papers, etc., which Fiscal Agent may seek to utilize.

Fiscal Agent will not be permitted to use State personnel for the performance of services which are the responsibility of Fiscal Agent.

## **6. Confidentiality of Data/Nondisclosure Agreement**

The Fiscal Agent ("Signatory"), for itself and its employees, principals, agents, and subcontractors, acknowledges by signing this Agreement it agrees to perform the task(s) under this Agreement. The Signatory recognizes that it may be required to have access to data, information and documents within the knowledge and possession of various entities under the regulatory jurisdiction of the Commission. The Signatory also recognizes that some of this data, information and documents may be proprietary, confidential, or privileged in nature.

The Signatory further recognizes that the Commission Staff has broad statutory authority to compel the production of such information subject to the provisions of Public Utilities Code 583 and General Order 66-D. The Signatory understands that these

legal provisions generally preclude public disclosure of information obtained in confidence except during the course of a public hearing or with permission of the Commission.

The Signatory acknowledges that it has received a copy and read Public Utilities Code Section 583 and General Order 66-D and agrees to be subject to and to fully comply with these legal provisions in discharging its responsibilities. Such compliance includes abiding by the terms of prohibiting public disclosure of confidential information and submitting to the jurisdiction of the Commission for the purposes of enforcing Public Utilities Code Section 583.

The Signatory further recognizes that the data, information and documents obtained during the course of its work for the Commission may be subject to other requirements for nondisclosure which include, but are not limited to, attorney work product privilege, the official information privilege, the attorney-client privilege, and other prohibitions precluding disclosure of confidential information and Signatory may not disclose such data, information and documents without the prior written consent of the Commission or its Staff.

The Signatory agrees not to disclose any information regarding its work to third parties except with the Commission Staff's express prior written consent, and to return all data, information and documents obtained during the course of the Agreement immediately upon request or termination. The Signatory agrees to immediately notify the Commission Staff of any inquiries from third parties which request disclosure of any data, information, or documents.

The Signatory will not comment publicly to the press or any other media regarding its work, or the Commission's action on the same, except to the Commission Staff, Signatory's own personnel and/or its agents, representatives, attorneys, custodians, and/or nominees involved in the completion of tasks under this Agreement, or at a public hearing, or in response to questions from a legislative committee.

In addition, the Signatory agrees that prior to commencement of any work associated with this Agreement, the signatory shall: (1) provide a copy of this section of this Agreement, Public Utilities Code Section 583 and General Order 66-D to all who will be performing tasks under this Agreement; and (2) inform all those working under this Agreement that they are subject to these legal provisions and must comply with Confidentiality of Data Agreement/Nondisclosure Section.

The requirements of this Section are in addition to, not in substitution, of any separate Non-Disclosure Agreement or similar agreement which may be required by Commission Staff prior to accessing CPUC data, information, or documents

Ninety days after any document submitted has become a part of the public records of the State, Signatory may at its own expense, publish or utilize the same but shall include the following legend:

#### LEGAL NOTICE

This report was prepared as an account of work sponsored by the California Public Utilities Commission. It does not necessarily represent the views of the Commission or any of its employees except to the extent, if any, that it has formally been approved by the Commission at a public meeting. For information regarding any such action, communicate directly with the Commission at 505 Van Ness Avenue, San Francisco, California 94102. Neither the Commission nor the State of California, nor any officer, employee, or any of its contractors or subcontractors makes any warranty, express or implied, or assumes any legal liability whatsoever for the contents of this document.

#### **7. Termination-Bankruptcy**

In the event proceedings in bankruptcy are commenced against the Fiscal Agent, it is adjudged bankrupt, or a receiver is appointed and qualifies, the State may terminate this Agreement by giving five (5) days' notice in writing to the Fiscal Agent.

**8. Termination for Convenience**

State may at its option terminate this contract, with or without cause, at any time upon giving thirty (30) days' notice in writing to Fiscal Agent. In such event, Fiscal Agent agrees to adhere to the instructions provided in such termination notice, including immediately stopping work, and to use all reasonable efforts to mitigate its expenses and obligations hereunder. In such event, State shall pay Fiscal Agent for all services satisfactorily rendered prior to such notice of termination and for all reasonable expenses incurred by Fiscal Agent prior to said termination which are not included in charges for service rendered prior to termination and which could not by reasonable efforts of Fiscal Agent have been avoided.

**9. Termination in Event of Breach**

In the event of any breach of this Agreement after notice and failure to cure a default, the State or the Fiscal Agent may without any prejudices to any of its other legal remedies terminate this contract upon five days' written notice to the Fiscal Agent, or the State, as applicable.

**10. Waiver**

No waiver of any breach of this contract shall be held to be a waiver of any other or subsequent breach. All remedies afforded in this contract shall be taken and construed as cumulative: that is, in addition to every other remedy provided herein or by law. The failure of State to enforce at any time any of the provisions of this Agreement, or to require at any time performance by Fiscal Agent of any of the provisions thereof, shall in no way be construed to be a waiver of such provision nor in any way to affect the validity of this Agreement or any part thereof or the right of State to thereafter enforce each and every such provision.

**11. Gratuities**

- A. The State may, by written notice to the Fiscal Agent, terminate the right of Fiscal Agent to proceed under this contract if it is found, after notice and hearing by the State or by Executive Director of the Public Utilities Commission or duly authorized representative, that gratuities were offered or given by the Fiscal Agent, or any agent or representative of the Fiscal Agent, to any officer or employee of the State with a view toward securing a contract, securing favorable treatment with respect to award amendment, or the evaluation of performance of such contract, provided that the facts upon which either the Commission or the Executive Director makes such findings may be reviewed in any competent court.
  
- B. In the event this contract is terminated, State shall be entitled (i) to pursue the same remedies against Fiscal Agent as it could pursue in the event of the breach of the contract by the Fiscal Agent, and (ii) to a penalty in addition to any other damages to which it may be entitled by law, and to exemplary damages in an amount which shall be not less than three nor more than ten times the cost incurred by the Fiscal Agent in providing any such gratuities to any such officer or employee.

The rights and remedies of State provided in this clause shall not be exclusive and are in addition to any other rights and remedies provided by law or under this contract.

## **12. Conflict of Interest**

Fiscal Agent agrees to refrain from entering into any relationship which could result in a conflict of interest in the performance of this Agreement; and to notify the Commission's Contract Manager promptly of any potential conflict of interest, including subcontractors. The Commission may exercise its option to terminate this Agreement if a conflict is found.

## **13. Complete Agreement**

Other than as specified herein, no document or communication passing between the parties hereto shall be deemed a part of this Agreement.

#### **14. Captions**

The clause headings appearing in this Agreement have been inserted for the purpose of convenience and ready reference. They do not purport to and shall not be deemed to define, limit, or extend the scope or intent to the clauses to which they appertain.

#### **15. Force Majeure**

Neither party shall be liable to the other for any delay in or failure of performance, nor shall any such delay in or failure of performance constitutes default, if such delay or failure is caused by "Force Majeure." As used in this section, "Force Majeure" is defined as follows: Acts of war and acts of god such as earthquakes, floods, and other natural disasters or similar circumstances such that performance is impossible.

#### **16. Tax Delinquencies**

Public Contract Code Section 10295.4 provides that a State agency shall not enter into any contract for goods or services with a contractor whose name appears on either list of the 500 largest tax delinquencies pursuant to Section 7063 or 19195 of the Revenue and Taxation Code. Franchise Tax Board (FTB) and California Department of Tax and Fee Administration (CDTFA) will post and periodically update lists of the 500 largest tax delinquencies on their websites as required by law. If the Commission determines that the Fiscal Agent or any of its subcontractors are on either the FTB or CDTFA list at any time before or during the contract term, this will be grounds for termination of the contract.

#### **17. Registration with Secretary of State**

All business entities doing business within the State must be admitted and registered with the State of California Secretary of State and maintain applicable State of California licenses as required by law. All businesses who do not possess active State of California licenses required to perform the contract services in the scope of work, or who are not admitted or registered with the Secretary of State as required by law during this Agreement term may have this Agreement terminated at the discretion of the Commission.

## **18. Amendments**

- A. No amendment or variation of the terms of this Agreement shall be valid unless made in writing, signed by the parties, and approved as required. No oral understanding or agreement not incorporated in this Agreement is binding on any of the parties.
- B. CPUC reserves the right to amend this Agreement through a formal written amendment, signed by the parties, for additional time and/or funding.

## **19. Parties in Interest**

Except as herein otherwise specifically provided, nothing in this Agreement expressed or implied is intended or shall be construed to confer upon any person, firm or corporation other than the Commission and the Fiscal Agent any right, remedy or claim under or by reason of this Agreement, which is intended to be for the sole and exclusive benefit of the Commission and the Fiscal Agent

Any banking association or corporation into which the Fiscal Agent may be merged, converted or with which the Fiscal Agent may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which the Fiscal Agent shall be a party, or any banking association or corporation to which all or substantially all of the corporate trust business of the Fiscal Agent shall be transferred, shall succeed to all the Fiscal Agent's rights, obligations and immunities hereunder without the execution or

filing of any paper or any further act on the part of any of the parties hereto, anything herein to the contrary notwithstanding.

**20. Severability**

In case any one or more of the provisions of this Agreement shall for any reason, be held to be illegal or invalid, such illegality or invalidity shall not affect any other provisions of this Agreement, and this Agreement shall be construed and enforced as if such illegal or invalid provisions had not been contained herein or therein.

**21. No Personal Liability of Commission Officials; Limited Liability of Commission to Owners of Bonds.**

**No covenant or agreement containing this Agreement shall be deemed to be the covenant or agreement of any present or future official, officer, agent or employee of the Commission in such person's individual capacity.**

The Commission shall not have any obligation or liability to the Owners with respect to this Agreement other than to ensure that sufficient funds are deposited and held by the Fiscal Agent in the Eligible Debt Accounts for the replenishment of a Debt Service Reserve Fund to be used for the payment of principal of or interest on the Eligible Debt.

**22. Notices.**

**Any notice, request, direction, designation, consent, acknowledgment, certification, appointment, waiver or other communication required or permitted by this Agreement must be in writing except as expressly provided otherwise in this Agreement.**

Except as otherwise required herein, all notices required or authorized to be given pursuant to this Agreement shall be in writing and shall be hand delivered, sent by electronic-mail, by Mail or such other readily accessible electronic means (so long as such recipient shall agree to the receipt of information by such means), to the following addressee:

1. If to the Commission to:

California Public Utilities Commission  
505 Van Ness Ave,  
San Francisco, CA 94102  
Attention: Ella Krainsky  
Telephone: 415-703-3313  
E-mail: Ella.Krainsky@cpuc.ca.gov

2. If to the Fiscal Agent, to:

Computershare Trust Company, National Association  
CTO Mail Operations  
1505 Energy Park Drive  
St. Paul, MN 55108  
Attention: Jaime Aguirre  
Telephone: (410) 423-9759  
E-mail: [jaime.aguirre@computershare.com](mailto:jaime.aguirre@computershare.com)

### **23. Insurance Requirements**

- The Fiscal Agent is covered by comprehensive property and casualty and specialty lines insurance. The Fiscal Agent is also covered by particular policies for (a) crime (fidelity), electronic and computer crime and (b) professional indemnity insurance (errors and omissions), which policies are relevant to the services provided by the Fiscal Agent under this Agreement.

### **24. Russia Sanctions**

On March 4, 2022, Governor Gavin Newsom issued Executive Order N-6-22 <https://www.gov.ca.gov/wp-content/uploads/2022/03/3.4.22-Russia-Ukraine-Executive-Order.pdf> regarding Economic Sanctions against Russia and Russian entities and individuals. “Economic Sanctions” refers to sanctions imposed by the U.S. government in response to Russia’s actions in Ukraine, as well as any sanctions imposed under state law. The EO directs state agencies to terminate contracts with, and to refrain from entering any new contracts with, individuals or entities that are

determined to be a target of Economic Sanctions. Accordingly, should the State determine Fiscal Agent is a target of Economic Sanctions or is conducting prohibited transactions with sanctioned individuals or entities, that shall be grounds for termination of this Agreement. The State shall provide Fiscal Agent advance written notice of such termination, allowing Fiscal Agent at least 30 calendar days to provide a written response. Termination shall be at the sole discretion of the State.

**EXHIBIT E, PERMITTED INVESTMENTS**

Eligible securities for investment may be any of the following (as set forth and updated from time to time in CALIFORNIA GOVERNMENT CODE SECTION 16430):

- (a) Bonds or interest-bearing notes or obligations of the United States, or those for which the faith and credit of the United States are pledged for the payment of principal and interest.
- (b) Bonds or interest-bearing notes or obligations that are issued by or fully guaranteed as to principal and interest by a federal agency or a United States government-sponsored enterprise, as defined by the Omnibus Budget Reconciliation Act of 1990 (Sec. 13112, Public Law 101-508; 2 U.S.C. Sec. 622(8)).
- (c) Bonds, notes, or other obligations of this state, or those for which the faith and credit of this state are pledged for the payment of principal and interest.
- (d)(1) Bonds, notes, or other obligations of a local government of this state, including, but not limited to, any of the following:
  - (A) A county.
  - (B) A city.
  - (C) A city and county.
  - (D) A metropolitan water district.
  - (E) A water district.

- (F) A water storage district.
- (G) An irrigation district.
- (H) A municipal utility district.
- (I) A school district.

(2) Bonds, notes, or other obligations eligible for investment pursuant to this subdivision shall be within the top three ratings of a nationally recognized statistical rating organization.

(e) Bonds, debentures, or other obligations of any of the following:

- (1) Issued by federal land banks or federal intermediate credit banks established under the Federal Farm Loan Act, as amended (12 U.S.C. Sec. 2001 et seq.).
- (2) Issued by the Central Bank for Cooperatives and banks for cooperatives established under the Farm Credit Act of 1933, as amended (12 U.S.C. Sec. 2001 et seq.).
- (3) The Federal Home Loan Bank established under the Federal Home Loan Bank Act (12 U.S.C. Sec. 1421 et seq.).
- (4) The Federal National Mortgage Association established under the National Housing Act, as amended (12 U.S.C. Sec. 1701 et seq.).
- (5) The Federal Home Loan Mortgage Corporation.
- (6) Issued by the Tennessee Valley Authority under the Tennessee Valley Authority Act, as amended (16 U.S.C. Sec. 831 et seq.).
- (7) Guaranteed by the Commodity Credit Corporation for the export of California agricultural products under the Commodity Credit Corporation Charter Act, as amended (15 U.S.C. Sec. 714 et seq.).

(f) Bonds, notes, warrants, and other securities not in default that are the direct obligations of the government of a foreign country that the International Monetary Fund lists as an advanced economy and for which the full faith and credit of that country has been pledged for the payment of principal and interest, if the securities are rated investment grade or its equivalent, or better, by a nationally recognized statistical rating organization. Securities eligible for investment pursuant to this subdivision shall satisfy all of the following:

- (1) Be United States dollar denominated with a maximum maturity of five years or less, and eligible for purchase and sale within the United States.
- (2) The combined par value of all of the investments authorized by this subdivision do not exceed 1 percent of the total par value of Pooled Money Investment Account assets at the time of purchase.
- (3) The government of the foreign country issuing the securities submits to the jurisdiction of a federal or state court in the United States when disputes arise related to the investments.

(g)(1) Commercial paper of “prime” quality as defined by a nationally recognized statistical rating organization that rates these securities, if the commercial paper is issued by a federally or state-chartered bank or a state-licensed branch of a foreign bank, corporation, trust, or limited liability company that is approved by the Pooled Money Investment Board as meeting the conditions specified in either subparagraph (A) or subparagraph (B):

(A) Both of the following conditions:

- (i) Organized and operating within the United States.
- (ii) Having total assets in excess of five hundred million dollars (\$500,000,000).

(B) Both of the following conditions:

- (i) Organized within the United States as a federally or state-chartered bank or a state-licensed branch of a foreign bank, special purpose corporation, trust, or limited liability company.
- (ii) Having program wide credit enhancements including, but not limited to, overcollateralization, letters of credit, or surety bond.

(2) A purchase of eligible commercial paper shall not do any of the following:

- (A) Exceed 270 days maturity.
- (B) Represent more than 10 percent of the outstanding paper of an issuing federally or state-chartered bank or a state-licensed branch of a foreign bank, corporation, trust, or limited liability company.
- (C) Exceed 30 percent of the resources of an investment program.

(3) At the request of the Pooled Money Investment Board, an investment made pursuant to this subdivision shall be secured by the issuer by depositing with the Treasurer securities authorized by Section 53651 of a market value at least 10 percent in excess of the amount of the state's investment.

(h) Bills of exchange or time drafts drawn on and accepted by a commercial bank, otherwise known as banker's acceptances, that are eligible for purchase by the Federal Reserve System.

(i) Negotiable certificates of deposits issued by a federally or state-chartered bank or savings and loan association, a state-licensed branch of a foreign bank, or a federally or state-chartered credit union. For the purposes of this section, negotiable certificates of deposits are not subject to Chapter 4 (commencing with Section 16500) and Chapter 4.5 (commencing with Section 16600).

(j) The portion of bank loans and obligations guaranteed by the United States Small Business Administration or the United States Farmers Home Administration.

(k) Bank loans and obligations guaranteed by the Export-Import Bank of the United States.

(l) Student loan notes insured under the Guaranteed Student Loan Program established pursuant to the Higher Education Act of 1965, as amended (20 U.S.C. Sec. 1001 et seq.) and eligible for resale to the Student Loan Marketing Association established pursuant to Section 133 of the Education Amendments of 1972, as amended (20 U.S.C. Sec. 1087-2).

(m) Obligations issued, assumed, or guaranteed by the International Bank for Reconstruction and Development, the Inter-American Development Bank, the Asian Development Bank, the African Development Bank, the International Finance Corporation, the Government Development Bank for Puerto Rico, the European Bank for Reconstruction and Development, or the European Investment Bank.

(n) Bonds, debentures, and notes issued by corporations organized and operating within the United States. Securities eligible for investment pursuant to this subdivision shall be within the top three ratings of a nationally recognized statistical rating organization.

(o) Negotiable Order of Withdrawal Accounts (NOW Accounts), invested in accordance with Chapter 4 (commencing with Section 16500).

(p) Shares of any money market mutual fund subject to registration by, and under the regulatory authority of, the United States Securities and Exchange Commission, provided that all of the following conditions are met:

(1) The money market mutual fund invests in securities and obligations described in one or more of the following: subdivision (a), (b), or (e) of this section or repurchase agreements or reverse repurchase agreements described in Section 16480.4.

(2) The financial institution issuing shares of the money market mutual fund has at least five years of experience investing in the types of securities and obligations being purchased by the state and has assets under management in the money market mutual fund in excess of ten billion dollars (\$10,000,000,000).

(3) The money market mutual fund has attained the highest ranking or the highest letter and numerical rating provided by not less than two nationally recognized statistical rating organizations.

(4) The financial institution does not impose a commission on the purchase or sale of fund shares by the state.

(5) The state does not purchase more than 10 percent of a money market mutual fund's total assets.

(6) The state does not invest more than 10 percent of the Pooled Money Investment Account's funds in any single money market mutual fund meeting the requirements of this subdivision.

**EXHIBIT F, CERTIFICATE OF WITHDRAWAL OF AMOUNTS FROM THE  
ADMINISTRATIVE EXPENSES FUND**

**FORM OF WITHDRAWAL REQUEST**

Re: Fiscal Agent Agreement dated as of [Date] by and among California Public Utilities Commission (the “Commission”) and Computershare Trust Company, N.A., (the “Fiscal Agent”)

In accordance with the terms of the Fiscal Agent Agreement, dated as of \_\_\_\_\_ (the “Agreement”) by and among California Public Utilities Commission and Computershare Trust Company, N.A., the undersigned pursuant to Section 4(b)(i) of the Agreement authorizes and directs the Fiscal Agent to withdraw [\$amount] from the Administrative Expense Account to pay the Fiscal Agent the following amounts for the following purposes:

Disbursement Amounts:

| <b>Payee’s Name and Address</b>      | <b>Invoice Number</b>                                     | <b>Dollar Amount</b> | <b>Purpose</b>               |
|--------------------------------------|-----------------------------------------------------------|----------------------|------------------------------|
| Computershare Trust Company,<br>N.A. | <invoice list OR “see<br>attached” with a<br>spreadsheet> |                      | Annual Administration<br>Fee |
|                                      | <invoice list OR “see<br>attached” with a<br>spreadsheet> |                      |                              |

California Public Utilities Commission

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**EXHIBIT G, FORM OF COMMITMENT FUNDING AGREEMENT**

[ATTACHED]

**EXHIBIT H, FORM OF CERTIFICATE OF AUTHORIZED SIGNERS AND SECURITY  
PROCEDURE AGREEMENT**

|                                                       |                                                                                     |
|-------------------------------------------------------|-------------------------------------------------------------------------------------|
| <b>Certificate of Authorized Signers<br/>– Entity</b> |  |
|-------------------------------------------------------|-------------------------------------------------------------------------------------|

[Company name]

The undersigned, \_\_\_\_\_, of [company name] hereby certifies that the following named officers or individuals are duly appointed, qualified, and acting in the capacity set forth opposite their name, and the following signature is a true and genuine specimen signature of said officer or individual.

| Name | Title | Signature |
|------|-------|-----------|
|      |       |           |
|      |       |           |
|      |       |           |
|      |       |           |
|      |       |           |
|      |       |           |
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|      |       |           |
|      |       |           |
|      |       |           |

Such officers or individuals of [company name], are hereby authorized to furnish Computershare Corporate Trust with directions relating to any matter concerning any and all accounts which [company name] may have with the Computershare Trust Company, National Association ("Computershare"). Upon execution and completion, this certificate shall become the governing certificate of authorized signers on behalf of [company name], and this certificate shall replace all prior certificates of authorized

signers which [company name] has previously provided to Computershare, and all such previous certificates of authority shall be deemed null and void.

In witness whereof, the undersigned has caused this certificate of authorized signers to be executed by its officer duly authorized this            day of            , 20            .

[company name]

By:

Name:

Title:

**Submit**

Return the completed form to Computershare.



## Security Procedure Agreement

This Security Procedure Agreement (this "Agreement") is entered into as of month day, year, by and between Computershare Trust Company, National Association ("Computershare") and (the "Undersigned").

1. Purpose of this Agreement: Computershare has entered into one or more transactions identified on Exhibit A to this Agreement, as it may from time to time be amended from time to time (each individually referred to as a "Transaction" and collectively referred to as the "Transactions"). Under the terms of the governing documents for each Transaction, the Undersigned is authorized to instruct Computershare regarding the disbursement of funds held with Computershare in connection with such Transaction (an "Instruction"). Computershare and the Undersigned wish to establish the procedure(s) that will be used by Computershare to authenticate that Instructions received in the name of the Undersigned are, in fact, authorized by the Undersigned.
2. Use of Security Procedure to Confirm Instructions: When Computershare receives an Instruction in the name of the Undersigned, Computershare shall confirm that Instruction is authorized by the Undersigned by means of the security procedure set forth in this Agreement.
3. Revisions and Rescissions: The security procedure specified in this Agreement may be revised or rescinded only by a writing signed by an authorized representative of the Undersigned. Such revisions or rescissions shall be effective only after actual receipt by Computershare and following such period of time as may be necessary to afford Computershare a reasonable opportunity to act on it. If a written notice of a revision or rescission is delivered to Computershare by a person that is a successor-in-interest to the Undersigned, such document shall be accompanied by additional documentation satisfactory to Computershare showing that such person has succeeded to the rights and responsibilities of the Undersigned under the applicable governing documents related to the Transaction.
4. Inability to Confirm Instructions: The Undersigned understands that Computershare's inability to confirm an Instruction pursuant to the security procedure selected by the Undersigned may result in a delay or failure to act on that Instruction, and the Undersigned agrees that Computershare need not treat an Instruction as having been received until Computershare has authenticated it pursuant to the agreed upon security procedure.
5. Determination of Security Procedure Suitability: The Undersigned has reviewed each of the security procedures identified in this Agreement and has determined that the option checked in Section 9 of this Agreement best meets its requirements given the size, type and frequency of the Instructions it will issue to Computershare. By

selecting the security procedure specified in Section 9 of this Agreement, the Undersigned acknowledges that it has elected to not use the other security procedures described below and agrees to be bound by any Instruction, whether or not authorized, issued in its name and accepted by Computershare in compliance with the particular security procedure chosen by the Undersigned.

6. Notice - Security Procedure Not Used to Detect Errors; Reliance on Numbers: The security procedure selected by the Undersigned will not be used to detect errors in the Instructions given by the Undersigned. If an Instruction describes the beneficiary of the payment inaccurately by name and/or account number, payment may be made on the basis of the account number even if it identifies a person different from the named beneficiary. If an Instruction describes a participating financial institution inconsistently by name and identification number, the identification number may be relied upon as the proper identification of the financial institution. Therefore, it is important that the Undersigned take such steps as it deems prudent to ensure that there are no such inconsistencies in the Instructions it sends to Computershare.
7. Persons Authorized to Instruct Computershare: The following persons are authorized by the Undersigned to provide Instructions to Computershare regarding the disbursement of funds in the manner authorized by the Transaction governing documents:

| Name | Title | Phone number | Email address | Specimen signature |
|------|-------|--------------|---------------|--------------------|
|      |       |              |               |                    |
|      |       |              |               |                    |
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|      |       |              |               |                    |

8. Persons Authorized to Confirm Instructions: The following persons are authorized by the Undersigned to confirm Instructions to Computershare regarding the disbursement of funds:

| Name | Title | Phone number | Email address |
|------|-------|--------------|---------------|
|      |       |              |               |

9. Security Procedure:

**Select one option –**

- ☐ Confirmation by telephone call-back. Computershare shall confirm Instructions by telephone call-back to a person at the telephone number designated in Section 8 above. The person confirming the Instruction shall be a person other than the person from whom the Instruction was received, unless only one person is designated in both Sections 7 and 8 above.
- ☐ (Select box, if applicable) If Computershare is unable to obtain confirmation by telephone call-back, Computershare may, at its discretion, confirm by email, as described in "Confirmation by email" below.
- ☐ Confirmation by email. Computershare shall confirm Instructions by email to a person at the email address specified for such person in Section 8 above. The person confirming the Instruction shall be a person other than the person from whom the Instruction was received, unless only one person is designated in both Sections 7 and 8 above. The Undersigned understands the risks associated with communicating sensitive matters, including time sensitive matters, by email. The Undersigned further acknowledges that Instructions and data sent by email may be less confidential or secure than Instructions or data transmitted by other methods. Computershare shall not be liable for any loss of the confidentiality of Instructions and data prior to receipt by Computershare.
- ☐ (Select box, if applicable) If Computershare is unable to obtain confirmation by email, Computershare may, at its discretion, confirm by telephone callback, as described in "Confirmation by telephone call-back" above.
- ☐ Delivery of Instructions by password protected file transfer system only - no confirmation. Computershare offers the option to deliver Instructions through a password protected file transfer system. If the Undersigned wishes to use the

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password protected file transfer system, further information will be provided by Computershare. If the Undersigned selects this option, they agree that no further confirmation of Instructions will be performed by Computershare.

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- ☐ Delivery of Instructions by password protected file transfer system with confirmation. Same as "Delivery of Instructions by password protected file transfer system only – no confirmation" above, but Computershare shall confirm Instructions by (must check at least one, may check both):

☐ Telephone call-back

☐ Email to a person

At the telephone number or email address designated in Section 8 above. By selecting a box in the prior sentence, the Undersigned shall be deemed to have agreed to the terms of such confirmation option as more fully described in "Confirmation by telephone call-back" or "Confirmation by email" above.

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**IN WITNESS WHEREOF**, the parties have caused this Agreement to be executed as of the date first written above and do each hereby warrant and represent that their respective signatory, whose signature appears below, has been and is on this date, duly authorized by all necessary and appropriate corporate action to execute this Agreement. The individual signing below on behalf of the Undersigned may approve additions to and removals from this Agreement. Computershare may accept such changes without further investigation as long as purporting to be signed by the person identified below.

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Agreed to and accepted by:

[Insert company name]

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Agreed to and accepted by:

Computershare Trust Company, National Association

Solely in its capacity as set forth in the applicable agreement(s)

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By:

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By:

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Name:

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Name:

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Title:

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Title:

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## Exhibit A

List of transactions to which this Agreement applies, as defined in the Agreement to which this Exhibit A is attached.

[Deal Key(s)]

[Deal Name(s)]