

TRUST AGREEMENT

by and among

CALISTOGA PUBLIC FACILITIES CORPORATION

and the

CITY OF CALISTOGA

and

CITY TREASURER OF THE CITY OF CALISTOGA

Dated [Closing Date]

**RELATING TO \$3,750,000
2011 CERTIFICATES OF PARTICIPATION
(USDA WATER LOAN)**

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TRUST AGREEMENT

This TRUST AGREEMENT, dated [Closing Date] (the "Trust Agreement"), by and among the CALISTOGA PUBLIC FACILITIES CORPORATION, a nonprofit corporation duly organized and existing under and by virtue of the laws of the State of California (the "Corporation"), the CITY OF CALISTOGA, a municipal corporation duly organized and existing under and by virtue of the Constitution and laws of the State of California (the "City") and the CITY TREASURER OF THE CITY OF CALISTOGA, acting as trustee (the "Trustee");

WITNESSETH:

WHEREAS, the City of Calistoga (the "City") proposes to cause certificates of participation to be delivered to the United States of America, acting through Rural Utilities Service, United States Department of Agriculture (the "USDA") to provide permanent long-term financing for certain improvements to the City's water system (the "Project") and to pay the costs of execution and delivery of the Certificates and incidental and related expenses;

WHEREAS, pursuant to this Trust Agreement all rights to receive Installment Payments made by the City under the Installment Purchase Agreement will be assigned without recourse by the Corporation to the Certificates, evidencing the proportionate interests of the holders thereof in Installment Payments to be made by the City to the Corporation (the "Certificates");

WHEREAS, the proceeds of the Certificates will be used finance certain capital improvements to Project, reimburse the City for certain costs relating to the Project and pay the costs of execution and delivery of the Certificates and incidental and related expenses; and

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

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

ARTICLE I

DEFINITIONS; EQUAL SECURITY

SECTION 1.01. Definitions. Unless the context otherwise requires, the terms defined in this Section shall for all purposes hereof and of any amendment hereof or supplement hereto and of the Certificates and of any certificate, opinion, request or other document mentioned herein or therein have the meanings defined herein, the following definitions to be equally applicable to both the singular and plural forms of any of the terms defined herein:

Advance

The term "Advance" means the amount paid by the Purchaser and received by the City deposited in the Project Reimbursement Fund from time to time, as recorded in the Master Certificate.

Authorized City Representative

The term "Authorized City Representative" means the City Manager, Finance Director or Administrative Services Director of the City or any other officer of the City duly authorized by the City Council of the City in writing to the Trustee.

Authorized Corporation Representative

The term "Authorized Corporation Representative" means any member of the Board of Directors, the chief executive officer or the chief financial officer of the Corporation or any or other officer of the Corporation duly authorized by the Corporation in writing to the Trustee.

Business Day

The term "Business Day" means any day of the year other than a Saturday or Sunday or a day on which banks located in the city where the Corporate Trust Office is located, are required or authorized to remain closed.

Certificate of Advances

The term "Certificate of Advances" means the Certificate of Advances, attached to the Master Certificate listing the amount and date of the Advances.

Certificate of the City

The term "Certificate of the City" means an instrument in writing signed by an Authorized City Representative. If and to the extent required by the provisions of Section 11.06, each Certificate of the City shall include the statements provided for in Section 11.06.

Certificate of the Corporation

The term "Certificate of the Corporation" means an instrument in writing signed by an Authorized Corporation Representative. If and to the extent required by the provisions of Section 11.06, each Certificate of the Corporation shall include the statements provided for in Section 11.06.

Certificate Payment Date

The term "Certificate Payment Date" means July 1, 2051 date designated in the Certificate, which is the date on which the principal component of the Installment Payments evidenced and represented thereby shall become due and payable.

Certificates

The term "Certificates" means the certificates of participation executed and delivered by the Trustee pursuant hereto and then Outstanding.

City Council

The term "City Council" means the City Council of the City or any successor thereto.

City Treasurer

The term "City Treasurer" means the City Treasurer of the City or any successor thereto.

Closing Date

The term "Closing Date" means July __, 2011.

Code

The term "Code" means the Internal Revenue Code of 1986, as amended.

Corporation

The term "Corporation" means the Calistoga Public Facilities Corporation, a nonprofit public benefit corporation duly organized and existing under and by virtue of the laws of the State of California.

Costs of Delivery

The term "Costs of Delivery" means all items of expense directly or indirectly payable by or reimbursable to the City or the Corporation and related to the authorization, execution and delivery of the Installment Purchase Agreement, this Trust Agreement and the execution and delivery of the Certificates, including, but not limited to, advertising and printing costs, costs of preparation and reproduction of documents, travel expenses, fees and charges of the Trustee, legal fees and charges, fees and disbursements of consultants and professionals, fees and charges for preparation, execution and safekeeping of the Certificates, fees of the Corporation and any other authorized cost, charge or fee in connection with the delivery of the Certificates.

Costs of Delivery Fund

The term "Costs of Delivery Fund" means the fund by that name established pursuant to Section 3.02 herein.

City

The term "City" means the City of Calistoga, a municipal corporation of the State of California, duly organized and existing under and by virtue of the Constitution and laws of the State of California.

Depreciation Reserve

The term "Depreciation Reserve" means the fund by that name established in Section 5.03 herein.

Event of Default

The term "Event of Default" shall have the meaning ascribed to such term in the Installment Purchase Agreement.

Initial Advance

The term "Initial Advance" means the initial Advance on the Closing Date in an amount equal to at least \$55,001.

Installment Payments

The term "Installment Payments" means the installment payments payable by the City under the Installment Purchase Agreement.

Installment Payment Date

The term "Installment Payment Date" means the fifteenth day of the month prior to each Interest Payment Date, or if said date is not a Business Day, then the preceding Business Day.

Installment Purchase Agreement

The term "Installment Purchase Agreement" means the Installment Purchase Agreement, dated as of the date hereof, by and between the City and the Corporation and assigned by the Corporation to secure the Certificates.

Interest Fund

The term "Interest Fund" means the fund by that name established in Section 5.03 herein.

Interest Payment Date

The term "Interest Payment Date" means a date on which interest evidenced and represented by the Certificates becomes due and payable, being January 1 and July 1 of each year until the Certificate Payment Date, commencing on January 1, 2012.

Master Certificate

The term "Master Certificate" means the certificate attached as Exhibit A representing the Certificates.

Moody's

The term "Moody's" means Moody's Investors Service, Inc., a corporation duly organized and existing under and by virtue of the laws of the State of Delaware, and its successors and assigns, except that if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, then the term "Moody's" shall be deemed to refer to any other nationally recognized securities rating agency selected by the City.

Opinion of Counsel

The term "Opinion of Counsel" means a written opinion of counsel of recognized national standing in the field of law relating to municipal obligations, appointed and paid by the City or the Corporation.

Outstanding

The term "Outstanding," when used as of any particular time with reference to Certificates, means (subject to the provisions of Section 9.02 herein) all Certificates except --

- (1) Certificates cancelled by the Trustee or delivered to the Trustee for cancellation;
- (2) Certificates paid or deemed to have been paid within the meaning of Section 10.01 herein; and
- (3) Certificates in lieu of or in substitution for which other Certificates shall have been executed and delivered by the Trustee pursuant to Section 2.09 herein.

Owner

The term "Owner" means any person who shall be the registered owner of any Outstanding Certificate.

Permitted Investments

The term "Permitted Investments" means any of the following to the extent then permitted by the general laws of the State of California applicable to investments by counties including, without limitation, the provisions of California Government Code Section 5922(d) (the Trustee entitled to rely upon the investment direction of the City as a determination that such investment constitutes a Permitted Investment):

- (1) Cash (insured at all times by the Federal Deposit Insurance Corporation);

(2) Direct Obligations of the United States (including obligations issued or held in book-entry form on the books of) the Department of the Treasury of the United States of America;

(3) Obligations of any of the following federal agencies which obligations represent the full faith and credit of the United States of America:

- Export-Import Bank
- Farm Credit System Financial Assistance Corporation
- Rural Economic Community Development Administration
- General Services Administration
- U.S. Maritime Administration
- Small Business Administration
- Government National Mortgage Association ("GNMA")
- U.S. Department of Housing & Urban Development ("PHA's")
- Federal Housing Administration
- Federal Financing Bank

(4) Direct obligations of any of the following federal agencies which obligations are not fully guaranteed by the full faith and credit of the United States of America:

- Senior debt obligations rated "Aaa" by Moody's and "AAA" by S&P issued by the Federal National Mortgage Association ("FNMA") or Federal Home Loan Mortgage Corporation ("FHLMC")
- Obligations of the Resolution Funding Corporation ("REFCORP")
- Senior debt obligations of the Federal Home Loan Bank System

(5) U.S. dollar denominated deposit accounts, federal funds and bankers' acceptances with domestic commercial banks have a rating on their short term certificates of deposit on the date of purchase of "A-1" or "A-1+" by S&P and "P-1" by Moody's and maturing no more than 360 calendar days after the date of purchase (ratings on holding companies are not considered as the rating on the bank);

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

(7) Investments in a money market fund, including such funds for which the Trustee or an affiliate of the Trustee acts as an investment advisor or provides other services, which are rated "AAAm" or "AAAm-G" or better by S&P;

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

- (a) which are rated, based on an irrevocable escrow account or fund (the "escrow"), in the highest rating category of Moody's and S&P or any successors thereto; or
- (b) (i) which are fully secured as to principal and interest and redemption premium, if any, by an escrow consisting only of cash or obligations described in paragraph (2) above, which escrow may be applied only to the payment of such principal of and interest and redemption premium, if any, on such bonds or other obligations on the maturity date or dates thereof or the specified redemption date or dates pursuant to such irrevocable instructions, as appropriate, and (ii) which escrow is sufficient, as verified by a nationally recognized independent certified public accountant, to pay principal of and interest and redemption premium, if any, on the bonds or other obligations described in this paragraph on the maturity date or dates specified in the irrevocable instructions referred to above, as appropriate;
- (9) municipal obligations rated "Aaa/AAA" or general obligations of States with a rating of "A2/A" or higher by both Moody's and S&P;
- (10) The Local Agency Investment Fund administered by the State of California; and
- (11) Any other investment, including investment agreements rated "A2/A" or higher by both Moody's and S&P."

Principal Corporate Trust Office

The term "Principal Corporate Trust Office" means such office of the Trustee as may be designated from time to time in written notice from the Trustee to the City and the Corporation, initially being the office of the City Treasurer of the City in Calistoga, California, or such other office designated by the Trustee from time to time.

Project

The term "Project" means certain improvements to the City's water system.

Project Reimbursement Fund

The term "Project Reimbursement Fund" means the fund by that name established pursuant to Section 3.02 herein.

Purchaser

The term "Purchaser" means the United States of America, acting through Rural Utilities Service, United States Department of Agriculture, as purchaser of the Certificates.

Record Date

The term "Record Date means the close of business on the 15th day of the month preceding any Interest Payment Date, whether or not such day is a Business Day.

Request of the City

The term "Request of the City" means a request of the City to the Purchase for an Advance to be used to deposited in the Project Reimbursement Fund and used to reimburse the City for costs of the Project.

Reserve Fund

The term "Reserve Fund" means the fund by that name established pursuant to Section 5.03 herein.

Reserve Fund Requirement

The term "Reserve Fund Requirement" means the amount equal to \$ _____, which amount shall be established from annual deposits to the Reserve Fund in the amount equal to one tenth (1/10th) of the average annual Installment Payments relating to the Certificates (the "Special Payment" as defined below) for ten (10) years or until the maximum amount under the Code is reached, whichever is earlier.

Revenue Fund

The term "Revenue Fund" means the fund by that name, established pursuant to Section 5.02 hereof that is held by the Trustee.

Revenues

The term "Revenues" means all Installment Payments and Special Payments received or receivable by the Corporation.

Sinking Fund

The term "Sinking Fund" means the fund by that name established in Section 5.03 herein.

Special Payment

The term "Special Payment" means the amount equal to one tenth (1/10th) of the average annual Installment Payments relating to the Certificates which shall be applied to the Reserve Fund as set forth in Section 5.03(c) herein.

S&P

The term "S&P" means Standard & Poor's Ratings Group, a corporation duly organized and existing under and by virtue of the laws of the State of New York, and its

successors and assigns, except that if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, then the term S&P shall be deemed to refer to any other nationally recognized securities rating agency selected by the City.

Supplemental Trust Agreement

The term "Supplemental Trust Agreement" means an agreement amending or supplementing the terms hereof entered into pursuant to the terms hereof.

Tax Certificate

"Tax Certificate" means the certificate relating to Section 103 of the Code, executed by the City on the date of delivery of the Certificates to the Purchaser, as originally delivered and as it may be amended from time to time.

Trust Agreement

The term "Trust Agreement" means this Trust Agreement by and among the Trustee, the Corporation and the City, dated [Closing Date], as originally executed and as it may from time to time be amended or supplemented by a Supplemental Trust Agreement or otherwise in accordance herewith.

Trustee

The term "Trustee" means initially the City Treasurer of the City, or any bank or trust company which may at any time be substituted in its place as provided in Section 8.02 herein.

Trustee Bank

The term "Trustee Bank" means any bank or trust company which may at any time be substituted in its place as provided in Section 8.02 herein.

Written Request of the Corporation

The term "Written Request of the Corporation" means an instrument in writing signed by or on behalf of the Corporation by an Authorized Corporation Representative or by any other person (whether or not an officer of the Corporation) who is specifically authorized by resolution of the Board of Directors of the Corporation to sign or execute such a document on its behalf.

Written Request of the City

The term "Written Request of the City" means an instrument in writing signed by an Authorized City Representative or by any other officer of the City duly authorized by the City Council of the City in writing to the Trustee for that purpose.

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

ARTICLE II

TERMS AND CONDITIONS OF CERTIFICATES

SECTION 2.01. Preparation of Certificates. The Corporation is hereby authorized to register, execute and deliver the Certificates in the aggregate principal amount of up to \$3,750,000, evidencing the proportionate interests of the Owners thereof in Installment Payments to be made by the City to the Corporation pursuant to the Installment Purchase Agreement.

SECTION 2.02. Denominations and Dating of Certificates. The Certificates shall be maintained in the form of the Master Certificate in the minimum denomination equal to the Outstanding aggregate principal amount evidenced by the Certificates, in an amount not to exceed three million seven hundred and fifty thousand dollars (\$3,750,000). The Certificates shall be dated as of their date of the [the Disbursement] and shall evidence and represent interest from such date.

SECTION 2.03. Payment Dates of Certificates; Medium, Method and Place of Payment. The Certificates shall evidence principal and have the Certificate Payment Dates as shown below, provided that the principal shall not exceed the total amount of the Advances. The interest evidenced and represented by the Certificates shall be payable on January 1 and July 1 of each year (each, an "Interest Payment Date"), commencing on January 1, 2012 and continuing to and including the Certificate Payment Date or on prepayment prior thereto, and shall evidence and represent the sum of the portions of the Installment Payments designated as interest components coming due on the Interest Payment Dates during the interest period immediately preceding each of the Interest Payment Dates. Interest represented hereby shall be payable at the rate of interest of _____% per annum, calculated on the basis of a 365-day year, with one-half of the annual interest payable on each Interest Payment Date. Each Certificate Number shall represent a principal amount of \$1,000.

Maturity Date
(July 1)

Certificate
Numbers

Total
Principal

Maturity Date
(July 1)

Certificate
Numbers

Total
Principal

The principal of and premium, if any, evidenced and represented by the Certificates shall be payable in lawful money of the United States of America to the Owner thereof. The interest represented by the Certificates shall be payable in like lawful money to the person whose name appears on the Certificate registration books of the Trustee as the Owner thereof as of the close of business on the fifteenth day of the month immediately preceding the Interest Payment Date, whether or not such day is a Business Day, such interest to be paid by check mailed by first class mail on the date such interest is due to such Owner at such address as appears on such registration books; provided however, if the Owner is the United States or an agency or department thereof, payment shall be transmitted in accordance with instructions provided by such entity.

SECTION 2.04. Form of Certificates. The Certificates and the form of the assignment to appear thereon shall be initially delivered in the form of one Master Certificate substantially the form set forth in Exhibit A hereto, with necessary or appropriate insertions, omissions and variations as permitted or required hereby.

SECTION 2.05. Execution of Certificates. The Certificates shall be executed by the Corporation by the manual signature of an authorized signatory of the Corporation.

SECTION 2.06. Transfer of Certificates. The Certificates may be transferred to a Qualified Institutional Buyer (as such term is defined by Rule 144A of the Securities Act of 1933) or other persons with the consent of the City and the Corporation, by the Owner thereof in person or by his attorney duly authorized in writing, at the Principal Corporate Trust Office on the books required to be kept by the Trustee pursuant to the provisions of Section 2.07, upon surrender of such Certificates for cancellation accompanied in the case of transfer by delivery of a duly executed written instrument of transfer in the form appearing on

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

Whenever any Certificate or Certificates shall be surrendered for transfer, the Trustee shall execute and deliver a new Certificate or Certificates of the same Certificate Payment Date representing the same principal amount. The Trustee shall require the payment by any Owner requesting such transfer of any tax or other governmental charge required to be paid with respect to such transfer.

The Trustee shall not be required to transfer any Certificate after the last day of the month next preceding each Interest Payment Date or during the period designated by the Trustee for selection of Certificates for prepayment, and the Trustee shall not be required to transfer any Certificate selected for prepayment in whole or in part from and after the date of mailing the notice of prepayment of such Certificate or such part thereof.

SECTION 2.07. Certificate Registration Books. The Trustee will keep at its Principal Corporate Trust Office sufficient books for the registration and transfer of the Certificates, which books shall be available for inspection by the Corporation, the City or any Owner or his agent duly authorized in writing upon reasonable prior notice during regular business hours and under reasonable conditions; and upon presentation for such purpose the Trustee shall, under such reasonable regulations as it may prescribe, register or transfer the Certificates on such books as hereinabove provided.

SECTION 2.08. Certificates Mutilated, Lost, Destroyed or Stolen. If any Certificate shall become mutilated, the Trustee, at the expense of the Owner thereof, shall execute and deliver a new Certificate of like tenor, Certificate Payment Date and number in exchange and substitution for the Certificate so mutilated, but only upon surrender to the Trustee of the Certificate so mutilated. Every mutilated Certificate so surrendered to the Trustee shall be cancelled by it. If any Certificate shall be lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the Trustee, and if such evidence is satisfactory to the Trustee (without liability to the Trustee for such determination) and indemnity satisfactory to the Trustee shall be given, the Trustee, at the expense of the Owner thereof, shall execute and deliver a new Certificate of like tenor and Certificate Payment Date, numbered as the Trustee shall determine, in lieu of and in substitution for the Certificate so lost, destroyed or stolen. The Trustee may require payment of a sum not exceeding the actual cost of preparing each new Certificate executed and delivered by it under this Section and of the expenses which may be incurred by it under this Section. Any Certificate executed and delivered under the provisions of this Section in lieu of any Certificate alleged to be lost, destroyed or stolen shall be equally and proportionately entitled to the benefits hereof with all other Certificates executed and delivered hereunder, and the Trustee shall not be required to treat both the original Certificate and any replacement Certificate as being Outstanding for the purpose of determining the amount of Certificates which may be executed and delivered hereunder or for the purpose of determining any percentage of Certificates Outstanding hereunder, but both the original and replacement

Certificate shall be treated as one and the same. Notwithstanding any other provision of this Section, in lieu of executing and delivering a new Certificate for a Certificate which has been lost, destroyed or stolen and which has matured, the Trustee may make payment of the principal and interest evidenced and represented by such Certificate to the Owner thereof.

SECTION 2.09. Destruction of Cancelled Certificates. Whenever in this Trust Agreement provision is made for the surrender to or cancellation by the Trustee of any Certificates, the Trustee shall cancel and destroy such Certificates and deliver a certificate of such cancellation and destruction to the City; provided, however, that if destruction of such Certificates is requested by the City, the City agrees to reimburse the Trustee for costs incurred in connection with the microfilming or other permanent record relating thereto.

ARTICLE III

PROCEEDS OF CERTIFICATES

SECTION 3.01. Delivery of Certificates. The Corporation is hereby authorized to execute and deliver the Certificates to the Purchaser upon receipt of a Written Request of the Corporation and upon receipt of the proceeds of sale thereof.

SECTION 3.02. Application of Proceeds of Certificates; Advances.

(a) The Initial Advance and subsequent Advances received by the City shall be disbursed in accordance with Section 3.03. Upon receipt of a Request of the City described in (b) below, the Purchaser shall fund the purchase price of the Certificates from time to time by paying Advances to the Trustee, which the Trustee and shall be deposited into the Project Reimbursement Fund in accordance with Section 3.03(a) of this Trust Agreement. The Trustee shall note the amount and date of such Advance in its records and on the Certificate of Advances attached to the Master Certificate and acknowledged thereon by the Trustee. Such amounts shall constitute the "Advanced Amount", and shall begin to accrue interest, only upon disbursement by the Purchaser to the Trustee for deposit in the Project Reimbursement Fund. The Trustee shall note on the Certificate of Advances attached to the Master Certificate the date and amount of each disbursement by the Purchaser. Notwithstanding anything herein to the contrary, the aggregate Advances funded by the Purchaser may not exceed \$3,750,000 (and the Trustee shall make no notation on the Certificate of Advances attached to the Master Certificate evidencing a principal amount of the Certificates exceeding such amount).

(b) The City and Corporation hereby authorize and direct the Advances by the Purchaser of the remaining purchase price of the Certificates to be deposited with the Trustee in the Project Reimbursement Fund in accordance with this Trust Agreement to or upon the order of the City from time to time upon receipt by the Purchaser of a written Request of the City, accompanied by the documentation of expenditure for the Project, and a determination of the Purchaser that the conditions to disbursement have been satisfied or waived.

SECTION 3.03. Deposit to Funds. Upon receipt of the Initial Advance and Advances from time to time:

(1) The City Treasurer shall deposit the amount of \$_____ of the Initial Advance in the Costs of Delivery Fund (which fund is hereby established and maintained). All money in the Costs of Delivery Fund shall be used and withdrawn to pay the Costs of Delivery of the Certificates. On _____, or upon the earlier determination of the City Treasurer, any remaining balance in the Costs of Delivery Fund shall be transferred to the Revenue Fund.

(2) The City Treasurer shall deposit the remaining amount of the Initial Advance in the amount of \$_____ and all Advances received after the Closing Date in a Project Reimbursement Fund (which fund is hereby established and maintained), to be used to reimburse the City for certain costs relating to the Project. Such reimbursements shall be evidenced by a journal entry and certificate of the City Treasurer identifying the costs to be reimbursed.

ARTICLE IV

PREPAYMENT OF CERTIFICATES

SECTION 4.01. Terms of Prepayment. (a) The Certificates are subject to prepayment on any date prior to their respective Certificate Payment Dates, as a whole, or in part by lot within each Certificate Payment Date in the manner specified in Section 6.6(c) of the Installment Purchase Agreement.

(b) The Certificates are subject to prepayment prior to their stated Certificate Payment Dates, as a whole or in part on any date, at the option of the City, from moneys derived from optional prepayments of Installment Payments by the City or from any other source of available funds, at a prepayment price equal to the principal amount of Certificates called for prepayment, plus accrued interest with respect thereto to the date fixed for prepayment without a prepayment premium.

(c) The Certificates are subject to mandatory sinking fund prepayment of principal, without premium, from Installment Payments made by the City pursuant to Section 4.2 of the Installment Purchase Agreement as set forth in Exhibit B hereto:

SECTION 4.02. Selection of Certificates for Prepayment. Whenever less than all the Outstanding Certificates payable on any one Certificate Payment Date are to be prepaid on any one date, the Trustee shall select the Certificates of such Certificate Payment Date to be prepaid from the Outstanding Certificates payable on such Certificate Payment Date starting with the highest Certificate numbers first (the latest Certificate Payment Date), and the Trustee shall promptly notify the Corporation and the City in writing of the numbers of the Certificates so selected for prepayment on such date.

SECTION 4.03. Notice of Prepayment. Notice of prepayment shall be mailed, first class postage prepaid, to the Purchaser and to the respective Owners of any Certificates designated for prepayment at their addresses appearing on the books required to be kept by the Trustee pursuant to the provisions of Section 2.07 not less than thirty (30) days prior to the date fixed for prepayment. Each notice of prepayment shall state the date fixed for prepayment, the prepayment price and shall designate the serial numbers of the Certificates to be

prepaid by giving the individual number of each Certificate or by stating that all Certificates between two stated numbers, both inclusive, have been called for prepayment, and shall require that such Certificates be then surrendered for prepayment; and shall also state that the interest represented by the Certificates designated for prepayment shall cease to accrue from and after such date fixed for prepayment and that on such date there will become due and payable on each of the Certificates designated for prepayment the prepayment price represented thereby. Such notice shall, in addition to setting forth the above information, in the case of each Certificate called for prepayment in part only state the amount of the principal amount represented thereby which is to be prepaid. Any notice mailed as provided herein shall be conclusively presumed to have been given, whether or not such Owner receives the notice.

In case of the prepayment as permitted herein of all the Certificates then Outstanding, or of all the Certificates of any one Certificate Payment Date then Outstanding, notice of prepayment shall be given by mailing as hereinabove provided, except that the notice of prepayment need not specify the serial numbers of the Certificates to be prepaid.

The Trustee shall give notice of prepayment of any Certificates to be prepaid upon receipt of a Written Request of the City. At the direction of the City, such notice may be conditional upon the subsequent receipt of moneys or other event as described in such notice.

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

SECTION 4.05. Effect of Prepayment. If notice of prepayment has been duly given as aforesaid and moneys for the payment of the prepayment price on the Certificates to be prepaid are held by the Trustee, then on the prepayment date designated in such notice the Certificates so called for prepayment shall become payable at the prepayment price specified in such notice; and from and after the date so designated interest represented by the Certificates so called for prepayment shall cease to accrue, such Certificates shall cease to be entitled to any benefit or security hereunder and the Owners of such Certificates shall have no rights in respect thereof except to receive payment of the prepayment price represented thereby. The Trustee shall, upon surrender for payment of any of the Certificates to be prepaid, pay such Certificates at the prepayment price thereof.

All Certificates prepaid pursuant to the provisions of this Article shall be cancelled by the Trustee and shall not be redelivered.

ARTICLE V

SECURITY; CREATION OF FUNDS

SECTION 5.01. Pledge of Revenues; Assignment of Installment Payments; Performance Under Installment Purchase Agreement. All the Revenues and all money in the Revenue Fund and in the funds or accounts so specified and provided for herein are hereby irrevocably pledged by the Corporation to the punctual payment of the interest and principal

represented by the Certificates, and the Revenues and such other money shall not be used for any other purpose while any of the Certificates remain Outstanding; subject to the provisions hereof permitting the application thereof for the purposes and on the conditions and terms set forth herein. This pledge shall constitute a first and exclusive lien on the Revenues and such other money for the payment of the Certificates in accordance with the terms hereof.

The Corporation hereby irrevocably transfers, assigns and sets over to the Trustee without recourse all of the Installment Payments and any and all rights and privileges it has under the Installment Purchase Agreement including, without limitation, the right to collect and receive directly all of the Installment Payments and the right to hold and enforce any security interest, subject only to the provisions of this Trust Agreement and the Installment Purchase Agreement, but excluding the Corporation's rights to indemnification and payment of fees and expenses by the City under Sections 4.2 and 10.11 of the Installment Purchase Agreement. Any Installment Payments collected or received by the Corporation as the agent of the Trustee, and shall forthwith be paid by the Corporation to the Trustee. Subject to the provisions hereof, the Trustee also shall take all steps, actions and proceedings required to be taken as provided in any opinion of nationally recognized bond counsel delivered to it necessary to maintain in force for the benefit of the Owners of the Certificates the Trustee's rights in and priority to the security granted to it for the payment of the Certificates including but not limited to: the Trustee's rights as assignee of the Installment Payments, interest and other income and all other rights as assignee of the Installment Payments, interest and other income and all other rights to security for the Certificates which the Trustee may receive in the future.

The Corporation covenants and agrees with the Owners of the Certificates to perform all obligations and duties imposed on it under the Installment Purchase Agreement and, together with the Trustee (subject to the provisions hereof), to enforce such Installment Purchase Agreement against the other party thereto in accordance with its terms. The Corporation will in all respects promptly and faithfully keep, perform and comply with all the terms, provisions, covenants, conditions and agreements of the Installment Purchase Agreement to be kept, performed and complied with by it. The Corporation agrees not to do or permit anything to be done, or omit or refrain from doing anything, in any case where any such act done or permitted to be done, or any such omission of or refraining from action, would or might be a ground for cancellation or termination of the Installment Purchase Agreement. The Trustee shall promptly notify the City if the Installment Payments are not received in full by the applicable Installment Payment Date.

SECTION 5.02. Revenue Fund; Receipt and Deposit of Revenues. There is hereby established a special fund to be known as the "Revenue Fund," which fund shall be held by the Trustee. Beginning on the date the Certificates become Outstanding and continuing until no Certificates are Outstanding, the Trustee shall deposit all Installment Payments and Special Payments as and when received by it in the Revenue Fund and the Corporation agrees and covenants that all Revenues deposited by it in the Revenue Fund will be accounted for through and held in trust in the Revenue Fund, and the Trustee shall have no beneficial right or interest in such Revenues, except only as provided herein, and all such Revenues shall be disbursed, allocated and applied solely to the uses and purposes herein set forth, and shall be accounted for separately and apart from all other money, funds, accounts or other resources of the Trustee.

The Trustee shall deposit the Installment Payments and Special Payments into the Revenue Fund. Moneys on deposit in the Revenue Fund prior to an Installment Payment Date may be credited to the Installment Payments due on such Installment Payment Date.

SECTION 5.03. Establishment and Maintenance of Funds for Use of Money in the Revenue Fund. Amounts in the Revenue Fund shall be transferred by the Trustee for deposit in the following respective funds (each of which is hereby created and each of which the Trustee or the City hereby covenants and agrees to cause to be maintained so long as any Certificates are Outstanding) at the following times and in the following order of priority (the Trustee shall not withdraw from the Revenue Fund an amount in excess of the debt service scheduled to be paid by the Installment Payments deposited therein) and the moneys in each of such funds shall be applied, used and withdrawn only for the purposes and uses hereinafter authorized, and if there shall be insufficient money in any such fund, payments from such fund shall be made in the manner specified in Section 7.09.

- (1) Interest Fund;
- (2) Sinking Fund;
- (3) Reserve Fund; and
- (4) Depreciation Reserve.

(a) Interest Fund. The Trustee shall transfer from the Revenue Fund and deposit in the Interest Fund for receipt before January 1 and July 1 of each year, beginning on January 1, 2012, an amount of money from the Revenue Fund which is equal to the aggregate amount of the interest becoming due and payable on all Outstanding Certificates on such Interest Payment Date. No deposit need be made into the Interest Fund if the amount contained therein is at least equal to the amount of the interest becoming due and payable on all Outstanding Certificates on such Interest Payment Date. All money in the Interest Fund shall be used and withdrawn by the Trustee solely for the purpose of paying the interest on the Outstanding Certificates; provided that any earnings on deposit in the Interest Fund after payment of interest on Certificates on an Interest Payment Date shall be transferred to the Revenue Fund.

(b) Sinking Fund. The Trustee shall deposit in the Sinking Fund before January 1 and July 1 of each year (and on such other dates as provided in a Supplemental Trust Agreement), an amount of money from the Revenue Fund equal to the Sinking Fund Installments payable on such Sinking Fund Payment Date. All money in the Sinking Fund shall be used by the Trustee to redeem or purchase the Certificates in accordance with Article IV hereof; provided that any earnings on deposit in the Sinking Fund after payment of Sinking Fund Installments of the Certificates on a Sinking Fund Payment Date shall be transferred to the Revenue Fund.

(c) Reserve Fund. On June 30 of each year, beginning on June 30, 2012, the Trustee shall allocate the Special Payment to the Reserve Fund to the extent the amount on deposit in the Reserve Fund is less than the Reserve Fund Requirement. The Reserve Fund shall remain funded at the Reserve Fund Requirement so long as any Certificates are Outstanding.

In the event of a withdrawal of amounts from the Reserve Fund to make payments to the Interest Fund or Sinking Fund, the Trustee shall deposit in the Reserve Fund any available moneys from the Revenue Fund necessary to restore the amount in the Reserve Fund to the Reserve Fund Requirement from the Installment Payments made for such purpose by the City to restore said amounts.

All money in (or available to) the Reserve Fund shall be used and withdrawn by the City solely for the purpose of replenishing the Interest Fund or the Sinking Fund (in such order) in the event of any deficiency at any time in any of the Installment Payments relating to the Reserve Fund.

Earnings on amounts in the Reserve Fund in excess of the Reserve Fund Requirements shall be transferred to the Revenue Fund on June 30 of each year.

(d) Depreciation Reserve. In order to comply with the requirements of the Letter of Conditions dated August 10, 2009, issued by the Purchaser in connection with its purchase of the Certificates, the City shall establish and maintain a separate fund (the "Depreciation Reserve") as a depreciation reserve for short-lived assets of the Enterprise.

The City shall deposit \$_____ into the Depreciation Reserve not later than June 30 of each year starting with fiscal year ending June 30, 2012 and continuing for as long as any of the Certificates remain outstanding.

The City may withdraw amounts on deposit in the Depreciation Reserve from time to time to pay for timely replacement of "short-lived assets" of the System, which for purposes of this Section shall mean any component or assets of the System, including without limitation pumps, paint and small equipment, that will need to be repaired or replaced over a one to fifteen-year period, the cost of which is not included within the definition of Operation and Maintenance Costs.

Notwithstanding the foregoing, before each June 30 the City shall evaluate the status and condition of short-lived assets of the System and, if such evaluation suggests that a lesser or greater deposit is required in order to provide for the timely replacement of any short-lived assets, the City may decrease the amount of the annual deposit into the Depreciation Reserve if a lesser amount is indicated, but shall increase the amount of the annual deposit in to the Depreciation Reserve if a greater amount is indicated.

Upon the redemption in full of all outstanding Certificates, the City shall close the Depreciation Reserve and the balance therein shall be released to the City and used for any legally permissible purpose of the System.

SECTION 5.04. Investments. Moneys in the Revenue Fund, the Cost of Delivery Fund and the Reserve Fund or any other account maintained under this Trust Agreement shall be invested in Permitted Investments which will, as nearly as practicable, mature on or before the dates when such moneys are anticipated to be needed for disbursement hereunder or under the Installment Payment Agreement.

For purposes of determining the amount in any fund hereunder, all Permitted Investments credited to such fund shall be valued at the lesser of cost or market value (exclusive of accrued interest after the first interest payments following purchase); provided, however, that Permitted Investments credited to the Reserve Fund shall be valued at cost. With respect to all funds and accounts, valuation shall occur semiannually on or before such Certificate Payment Date.

ARTICLE VI

COVENANTS

SECTION 6.01. Compliance with or Amendment of the Installment Purchase Agreement. The Corporation and the City will faithfully comply with, keep, observe and perform all the agreements, conditions, covenants and terms contained in the Installment Purchase Agreement required to be complied with, kept, observed and performed by it and will enforce the Installment Purchase Agreement against the other party thereto in accordance with their terms.

The Corporation and the City will not alter, amend or modify the Installment Purchase Agreement without the prior written consent of the Trustee, which consent of the Trustee shall be given only (i) if the Trustee receives an Opinion of Counsel and a Certificate of the City, upon which it may conclusively rely that such alterations, amendments or modifications are not materially adverse to the interests of the Owners, or (ii) such amendments add to the covenants and agreements of any party, other covenants to be observed, or to surrender any right or power therein reserved to the City, or (iii) such amendments cure, correct or supplement any ambiguous or defective provision contained therein, (iv) such amendments resolve questions arising thereunder, as the parties thereto may deem necessary or desirable and which, based upon an Opinion of Counsel and a Certificate of the City (upon which the Trustee may conclusively rely), the Trustee acknowledges do not materially adversely affect the interests of the Owners of the Certificates, or (v) for any purpose with the written consent of the majority of the holders in aggregate principal amount of the Certificates.

SECTION 6.02. Observance of Laws and Regulations. The Corporation and the City will faithfully comply with, keep, observe and perform all valid and lawful obligations or regulations now or hereafter imposed on them by contract, or prescribed by any law of the United States of America or of the State of California, or by any officer, board or commission having jurisdiction or control, as a condition of the continued enjoyment of each and every franchise, right or privilege now owned or hereafter acquired by them, including their right to exist and carry on their respective businesses, to the end that such franchises, rights and privileges shall be maintained and preserved and shall not become abandoned, forfeited or in any manner impaired.

SECTION 6.03. Against Encumbrances. The Corporation will not mortgage or otherwise encumber, pledge or place any charge upon any of the Revenues except as provided herein.

SECTION 6.04. Prosecution and Defense of Suits. The City will defend against every action, suit or other proceeding at any time brought against the Trustee or any Owner upon any claim arising out of the receipt, deposit or disbursement of any of the Installment Payments or involving the rights of the Trustee or any Owner hereunder; provided, however, that the Trustee or any Owner at its or his election may appear in and defend any such action, suit or other proceeding. The City will indemnify and hold harmless the Trustee and the Owners against any and all liability claimed or asserted by any person arising out of any such receipt, deposit or disbursement, and will indemnify and hold harmless the Owners and the Trustee against any attorneys' fees or other expenses which any of them may incur in connection with any litigation or otherwise in connection with the foregoing to which any of them may become a party in order to enforce their rights hereunder or under the Certificates, provided that with respect to any such liability or expense suffered by Owners, such litigation shall be concluded favorably to such Owners' contentions therein.

SECTION 6.05. Further Assurances. Whenever and so often as requested to do so by the Trustee or any Owner, the Corporation and the City will promptly execute and deliver or cause to be executed and delivered all such other and further assurances, documents or instruments and promptly do or cause to be done all such other and further things as may be necessary or reasonably required in order to further and more fully vest in the Trustee and the Owners all advantages, benefits, interests, powers, privileges and rights conferred or intended to be conferred upon them hereby or by the Installment Purchase Agreement.

SECTION 6.06. Tax Covenants. The City covenants that it will comply with the provisions of the Tax Certificate, which is incorporated herein as if fully set forth herein. This covenant shall survive payment in full of the Certificates.

ARTICLE VII

DEFAULT AND LIMITATIONS OF LIABILITY

SECTION 7.01. Action on Default. If an Event of Default (as that term is defined in Section 8.1 of the Installment Purchase Agreement) occurs, then such Event of Default shall constitute a default hereunder, and in each and every such case during the continuance of such Event of Default the Trustee or the Owners of not less than a majority in aggregate principal amount represented by the Certificates at the time Outstanding shall be entitled, upon notice in writing to the City, to exercise the remedies provided to the Trustee herein and the Corporation in the Installment Purchase Agreement.

SECTION 7.02. Other Remedies of the Trustee. The Trustee shall have the right --

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

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

(c) by suit in equity upon the happening of any default hereunder to require the Corporation and the City and any members, directors, officers and employees thereof to account as the trustee of an express trust.

SECTION 7.03. Non-Waiver. A waiver of any default or breach of duty or contract by the Trustee shall not affect any subsequent default or breach of duty or contract or impair any rights or remedies on any such subsequent default or breach of duty or contract. No delay or omission by the Trustee to exercise any right or remedy accruing upon any default or breach of duty or contract shall impair any such right or remedy or shall be construed to be a waiver of any such default or breach of duty or contract or an acquiescence therein, and every right or remedy conferred upon the Trustee by law or by this Article may be enforced and exercised from time to time and as often as shall be deemed expedient by the Trustee.

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

SECTION 7.04. Remedies Not Exclusive. No remedy herein conferred upon or reserved to the Trustee is intended to be exclusive of any other remedy, and each such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing in law or in equity or by statute or otherwise and may be exercised without exhausting and without regard to any other remedy conferred by any law.

SECTION 7.05. No Liability by the Corporation to the Owners. Except as expressly provided herein, the Corporation shall not have any obligation or liability to the Owners with respect to the payment when due of the Installment Payments by the City, or with respect to the performance by the City of the other agreements and covenants required to be performed by it contained in the Installment Purchase Agreement or herein, or with respect to the performance by the Trustee of any right or obligation required to be performed by it contained herein.

SECTION 7.06. No Liability by the City to the Owners. Except for the payment when due of the Installment Payments and the performance of the other agreements and covenants required to be performed by it contained in the Installment Purchase Agreement or herein, the City shall not have any obligation or liability to the Owners with respect to the Trust Agreement or the preparation, execution, delivery or transfer of the Certificates or the disbursement of the Installment Payments by the Trustee to the Owners, or with respect to the performance by the Trustee of any right or obligation required to be performed by it contained herein.

SECTION 7.07. No Liability by the Trustee to the Owners. Except as expressly provided herein, the Trustee shall not have any obligation or liability to the Owners with respect to the payment when due of the Installment Payments by the City, or with respect to

the performance by the City or the Corporation of other agreements and covenants required to be performed by either of them contained in the Installment Purchase Agreement or herein.

SECTION 7.08. Trustee May Enforce Claims Without Possession of Certificates. All rights of action and claims under this Trust Agreement or the Certificates may be prosecuted and enforced by the Trustee without the possession of any of the Certificates or the production thereof in any proceeding relating thereto, and any such proceeding instituted by the Trustee shall be brought in its own name as trustee of an express trust, and 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, be for the ratable benefit of the Owners of the Certificates in respect of which such judgment has been recovered.

SECTION 7.09. Application of Money Collected. Any money collected by the Trustee pursuant to this Article shall be applied in the following order, at the date or dates fixed by the Trustee:

FIRST, Costs and Expenses: to the payment of the costs and expenses of the Trustee and of the Owners in declaring such Event of Default and exercising their rights and remedies under this Article VII, including reasonable compensation and disbursements to its or their agents, attorneys and counsel;

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

THIRD, Principal: to the payment to the persons entitled thereto of the unpaid principal represented by any Certificates which shall have become due, whether on the Certificate Payment Date or by call for prepayment, in the order of their due dates, with interest on the overdue principal and interest represented by the Certificates at a rate equal to the rate paid with respect to the Certificates and, if the amount available shall not be sufficient to pay in full all the amounts due with respect to the Certificates on any date, together with such interest, then to the payment thereof ratably, according to the amounts of principal due on such date to the persons entitled thereto, without any discrimination or preference.

SECTION 7.10. Owners' Direction of Proceedings. The Owners of not less than a majority in aggregate principal amount represented by the Certificates at the time Outstanding shall have the right, by an instrument or concurrent instruments in writing executed and delivered to the Trustee, and upon indemnification of the Trustee to its reasonable satisfaction, to direct the method of conducting all remedial proceedings taken by the Trustee hereunder, provided that such direction shall be otherwise in accordance with law and the provisions of this Trust Agreement. The Trustee shall have no liability with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of such Owners.

SECTION 7.11. Limitations on Suits. No Owner of any Certificate shall have any right to institute any proceeding, judicial or otherwise, with respect to this Trust

Agreement, or for the appointment of a receiver or trustee, or for any other remedy hereunder, unless

1. such Owner has previously given written notice to the Trustee of a continuing Event of Default;
2. the Owners of not less than a majority in principal amount of the Outstanding Certificates shall have made written request to the Trustee to institute proceedings in respect of such Event of Default in its own name as Trustee hereunder;
3. such Owner or Owners have offered to the Trustee reasonable indemnity against the costs, expenses and liabilities to be incurred in compliance with such request; and
4. the Trustee for 60 days after its receipt of such notice, request and offer of indemnity has failed to institute any such proceeding;

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

ARTICLE VIII

THE TRUSTEE

SECTION 8.01. Employment of the Trustee. The City Treasurer shall initially serve as Trustee hereunder and shall hold and administer the funds held under this Trust Agreement as provided in Sections 5.02, 5.03, 5.04 and 5.05 hereof, receive, deposit and disburse the Installment Payments, prepare, execute, deliver and transfer the Certificates and perform the other functions contained herein, all in the manner provided herein and subject to the conditions and terms hereof. If at any time an Event of Defaults occurs and is ongoing, the Corporation, with the consent of the Purchaser, shall appoint a bank or trust company to serve as Trustee hereunder and the City Treasurer shall not serve as Trustee. By executing and delivering the Trust Agreement (or an acknowledgement of its duties hereunder in the case of a successor Trustee), the Trustee accepts the appointment and employment hereinabove referred to and accepts the rights and obligations of the Trustee provided herein, as well as the obligations of Trustee set forth in the Installment Purchase Agreement, subject to the conditions and terms hereof. The Installment Purchase Agreement is hereby incorporated herein by reference.

SECTION 8.02. Duties, Removal and Resignation of the Trustee. So long as no Event of Default has occurred and is continuing and with the written consent of the Purchaser, the Corporation and the City, or the Owners of a majority in aggregate principal amount represented by the Certificates at the time Outstanding, may by an instrument in writing remove the Trustee and any successor thereto and may appoint a successor Trustee, but any successor Trustee hereunder shall be a trust company or bank in good standing located in or incorporated under the laws of the State of California, duly authorized to exercise trust powers

and subject to examination by federal or state authority, having a reported capital and surplus of not less than \$75,000,000; provided further, notwithstanding anything to the contrary herein, no removal, resignation or termination of the Trustee shall take effect until a successor shall be appointed. If such bank or trust company publishes a report of condition at least annually, pursuant to law or to the requirements of any supervising or examining Corporation above referred to, then for the purposes of this Section the combined capital and surplus of such bank or trust company shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published.

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

The Trustee may at any time resign by giving prior written notice of such resignation to the Corporation, the City and the Owners, which notice to the Owners shall be mailed, first class postage prepaid. Upon receiving such notice of resignation, the Corporation and the City shall promptly appoint a successor Trustee by an instrument in writing; provided, however, that in the event the Corporation and the City do not appoint a successor Trustee within thirty (30) days following receipt of such notice of resignation, the resigning Trustee may petition the appropriate court having jurisdiction to appoint a successor Trustee. Any resignation or removal of a Trustee and appointment of a successor Trustee shall become effective only upon acceptance of appointment by the successor Trustee.

SECTION 8.03. Compensation of Trustee Bank. The Corporation shall from time to time, subject to any agreement then in effect with any Trustee Bank, which may at any time be substituted as Trustee as provided in Section 8.02 above, pay such Trustee Bank compensation for its services and reimburse the Trustee Bank for all its advances and expenditures hereunder, including but not limited to advances to and fees and expenses of accountants, agents, appraisers, consultants, counsel or other experts employed by it in the exercise and performance of its rights and obligations hereunder; provided, further, that such Trustee Bank shall have a lien for such compensation or reimbursement against any moneys held by it in any of the funds established hereunder or under the Installment Purchase Agreement (except that such compensation or reimbursement shall be made first from the from interest and income received from the investment of moneys on deposit in the Reserve Fund created under the Installment Purchase Agreement so long as the moneys on deposit therein are equal to the Reserve Fund Requirement (as that term is defined in the Installment Purchase Agreement)). Such Trustee Bank may take whatever legal actions are lawfully available to it directly against the Corporation or the City. This Section 8.03 is not applicable where the City Treasurer serves as Trustee under this Trust Agreement.

SECTION 8.04. Protection of the Trustee. The Trustee has no obligation or liability to the Owners to make payment of principal, premium, if any, or interest pertaining to the Certificates except from Installment Payments. No provision of this Trust Agreement shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in

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

All moneys received by the Trustee or any paying agent shall, until used or applied or invested as herein provided, be held in trust for the purposes for which they were received but need not be segregated from other funds except to the extent required by law. The Trustee shall be under no liability for interest on any money received by it hereunder except as otherwise agreed in this Trust Agreement.

The Trustee shall have no duty to see to the payment or discharge of any tax, assessment or other governmental charge or any line of any kind owing with respect to, assessed or levied against, the Property or any part thereof.

SECTION 8.05. Force Majeure. From the effective date of this Trust Agreement, the Trustee, or any successor in interest, shall not be considered in breach of or in default in its obligations with respect to any obligations created hereunder or progress in respect thereto, in the event of enforced delay ("unavoidable delay") in the performance of such obligations due to unforeseeable causes beyond its control and without its fault or negligence, including, but not limited to, acts of God, or of the public enemy, acts of a government, acts of the other party, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, earthquakes, explosion, mob violence, riot, inability to procure or general sabotage or rationing of labor, equipment, facilities, sources of energy, material or supplies in the open market, litigation or arbitration involving a party or others relating to zoning or other governmental action or inaction pertaining to the project, malicious mischief, condemnation, and unusually severe weather or delays of suppliers or subcontractors due to such causes or any similar event and/or occurrences beyond the control of the Trustee.

ARTICLE IX

AMENDMENT OF OR SUPPLEMENT TO TRUST AGREEMENT

SECTION 9.01. Amendment or Supplement. The Trust Agreement and the rights and obligations of the Corporation and the City and the Owners and the Trustee hereunder may be amended or supplemented at any time by an amendment hereof or supplement hereto which shall become binding when the written consents of the Owners of a majority in aggregate principal amount of the Certificates then Outstanding, exclusive of Certificates disqualified as provided in Section 9.02, are filed with the Trustee. No such amendment or supplement shall (1) change the fixed Certificate Payment Date of any Certificate or reduce the rate of interest represented thereby or extend the time of payment of such interest or reduce the amount of principal represented thereby without the prior written consent of the Owner of the Certificate so affected, or (2) reduce the percentage of Owners whose consent is required for the execution of any amendment hereof or supplement hereto, or (3) modify any of the rights or obligations of the Trustee without its prior written consent thereto, or (4) amend this Section 9.01 without the prior written consent of the Owners of all Certificates then Outstanding.

The Trust Agreement and the rights and obligations of the Corporation and the City and the Owners and the Trustee hereunder may also be amended or supplemented at any time by an amendment hereof or supplement hereto which shall become binding upon execution without the written consents of any Owners, but only to the extent permitted by law and after receipt of an approving Opinion of Counsel and only for any one or more of the following purposes --

(a) to add to the agreements, conditions, covenants and terms required by the Corporation or the City to be observed or performed herein other agreements, conditions, covenants and terms thereafter to be observed or performed by the Corporation or the City, or to surrender any right or power reserved herein to or conferred herein on the Corporation or the City, and which in either case shall not materially adversely affect the interests of the Owners; or

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

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

(d) to make any modifications or changes necessary or appropriate in the Opinion of Counsel to preserve or protect the exclusion from gross income of interest represented by the Certificates for federal income tax purposes;

(e) to provide for book-entry provisions of The Depository Trust Company or a similar securities depository; or

(f) to provide for any Trustee Bank and related procedures.

SECTION 9.02. Disqualified Certificates. Certificates owned or held by or for the account of the City (but excluding Certificates held in any pension or retirement fund of the City) shall not be deemed Outstanding for the purpose of any consent or other action or any calculation of Outstanding Certificates provided in this Article, and shall not be entitled to consent to or take any other action provided in this Article or Section 7.01 hereof, and the Trustee may adopt appropriate regulations to require each Owner, before his consent provided for herein shall be deemed effective, to reveal if the Certificates as to which such consent is given are disqualified as provided in this Section.

SECTION 9.03. Endorsement or Replacement of Certificates After Amendment or Supplement. After the effective date of any action taken as hereinabove provided, the Trustee may (but shall not be required to) determine that the Certificates may bear

a notation by endorsement in form approved by the Trustee as to such action, and in that case upon demand of the Owner of any Outstanding Certificate and presentation of such Certificate for such purpose at the Principal Corporate Trust Office a suitable notation as to such action shall be made on such Certificate. If the Trustee shall so determine, new Certificates so modified as in the opinion of the Trustee shall be necessary to conform to such action shall be prepared, and in that case upon demand of the Owner of any Outstanding Certificates such new Certificates shall be exchanged at the Principal Corporate Trust Office without cost to each Owner for Certificates then Outstanding upon surrender of such Outstanding Certificates.

SECTION 9.04. Amendment by Mutual Consent. The provisions of this Article shall not prevent any Owner from accepting any amendment as to the particular Certificates owned by him, provided that due notation thereof is made on such Certificates.

ARTICLE X

DISCHARGE

SECTION 10.01. Discharge of Certificates and Trust Agreement. (a) If the City shall pay or cause to be paid or there shall otherwise be paid to the Owners of all Outstanding Certificates the interest and principal and premium, if any, represented thereby at the times and in the manner stipulated herein and therein, then such Owners shall cease to be entitled to the pledge of and lien on the Installment Payments as provided herein, and all agreements and covenants of the Corporation, the City and the Trustee to such Owners hereunder shall thereupon cease, terminate and become void and shall be discharged and satisfied except only as provided in subsection (b) below, provided further, however, that the provisions of Section 10.02 shall apply in all events.

(b) After the payment of all the interest and principal represented by all Outstanding Certificates as provided in this Section, the Trustee shall execute and deliver to the Corporation and the City all such instruments as may be necessary or desirable to evidence the discharge and satisfaction of the Trust Agreement, and the Trustee shall pay over or deliver to the City all moneys or securities held by it pursuant hereto which are not required for the payment of the interest and principal and premium, if any, evidenced and represented by such Certificates and any unpaid fees and expenses of the Trustee.

ARTICLE XI

MISCELLANEOUS

SECTION 11.01. Benefits of Trust Agreement Limited to Parties. Nothing in this Trust Agreement expressed or implied is intended or shall be construed to confer upon, or to give or grant to, any person or entity, other than the City, Corporation, the Trustee and the registered owners of the Certificates, any right, remedy or claim under or by reason of this Trust Agreement or any covenant, condition or stipulation hereof, and all covenants, stipulations, promises and agreements in this Trust Agreement contained by and on behalf of the City shall be for the sole and exclusive benefit of the City, Corporation, the Trustee and the registered owners of the Certificates.

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

SECTION 11.03. Execution of Documents by Owners. Any declaration, request or other instrument which is permitted or required herein to be executed by Owners may be in one or more instruments of similar tenor and may be executed by Owners in person or by their attorneys appointed in writing. The fact and date of the execution by any Owner or his attorney of any declaration, request or other instrument or of any writing appointing such attorney may be proved by the certificate of any notary public or other officer authorized to take acknowledgments of deeds to be recorded in the state or territory in which he purports to act that the person signing such declaration, request or other instrument or writing acknowledged to him the execution thereof, or by an affidavit of a witness of such execution duly sworn to before such notary public or other officer, or by such other proof as the Trustee may accept which it may deem sufficient.

The ownership of any Certificates and the amount, payment date, number and date of owning the same may be proved by the books required to be kept by the Trustee pursuant to the provisions of Section 2.07.

Any declaration, request or other instrument in writing of the Owner of any Certificate shall bind all future Owners of such Certificate with respect to anything done or suffered to be done by the Corporation or the City or the Trustee in good faith and in accordance therewith.

SECTION 11.04. Waiver of Personal Liability. No member of the City Council, officer or employee of the City shall be individually or personally liable for the payment of the interest or principal represented by the Certificates, but nothing contained herein shall relieve any member of the City Council, officer or employee of the City from the performance of any official duty provided by any applicable provisions of law or by the Installment Purchase Agreement or hereby.

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

SECTION 11.06. Content of Certificates. Every Certificate of the City or of the Corporation with respect to compliance with any agreement, condition, covenant or term contained herein shall include (a) a statement that the person or persons making or giving such certificate have read such agreement, condition, covenant or term and the definitions herein relating thereto; (b) a brief statement as to the nature and scope of the examination or investigation upon which the statements contained in such certificate are based; (c) a statement

that, in the opinion of the signers, they have made or caused to be made such examination or investigation as is necessary to enable them to express an informed opinion as to whether or not such agreement, condition, covenant or term has been complied with; and (d) a statement as to whether, in the opinion of the signers, such agreement, condition, covenant or term has been complied with.

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

SECTION 11.07. Funds. Any fund required to be established and maintained herein by the Trustee may be established and maintained in the accounting records of the Trustee either as an account or a fund, and may, for the purposes of such accounting records, any audits thereof and any reports or statements with respect thereto, be treated either as an account or a fund; but all such records with respect to all such funds shall at all times be maintained in accordance with current industry standards and with due regard for the protection of the security of the Certificates and the rights of the Owners.

The Trustee may commingle any of the moneys held by it hereunder for investment purposes only; provided, however, that the Trustee shall account separately for the moneys in each fund or account established pursuant to this Trust Agreement or the Installment Purchase Agreement.

SECTION 11.08. Article and Section Headings, Gender and References. The headings or titles of the several Articles and Sections hereof and the table of contents appended hereto shall be solely for convenience of reference and shall not affect the meaning, construction or effect hereof, and words of any gender shall be deemed and construed to include all genders. All references herein to "Articles," "Sections" and other subdivisions or clauses are to the corresponding Articles, Sections, subdivisions or clauses hereof; and the words "hereby," "herein," "hereof," "hereto," "herewith," "hereunder" and other words of similar import refer to this Trust Agreement as a whole and not to any particular Article, Section, subdivision or clause thereof.

SECTION 11.09. Partial Invalidity. If any one or more of the agreements, conditions, covenants or terms required herein to be observed or performed by or on the part of the Corporation, the City or the Trustee shall be contrary to law, then such agreement or agreements, such condition or conditions, such covenant or covenants or such term or terms shall be null and void and shall be deemed separable from the remaining agreements, conditions, covenants and terms hereof and shall in no way affect the validity hereof or of the Certificates, and the Owners shall retain all the benefit, protection and security afforded to them under any

applicable provisions of law. The Corporation, the City and the Trustee hereby declare that they would have executed this Trust Agreement, and each and every other Article, Section, paragraph, subdivision, sentence, clause and phrase hereof and would have authorized the execution and delivery of the Certificates pursuant hereto irrespective of the fact that any one or more Articles, Sections, paragraphs, subdivisions, sentences, clauses or phrases hereof or the application thereof to any person or circumstance may be held to be unconstitutional, unenforceable or invalid.

SECTION 11.10. California Law. This Trust Agreement shall be construed and governed in accordance with the laws of the State of California.

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

If to the City: City of Calistoga
 1232 Washington Street
 Calistoga, California 94515
 Attention: City Manager

If to the Corporation: Calistoga Public Facilities Corporation
 c/o City of Calistoga
 1232 Washington Street
 Calistoga, California 94515
 Attn: Secretary

If to the Trustee: City of Calistoga
 1232 Washington Street
 Calistoga, California 94515
 Attention: City Treasurer

SECTION 11.12. Non-Business Days. When any action is provided herein to be done on a day named or within a time period named, and the day or the last day of the period falls on a day other than a Business Day, it may be performed on the next succeeding Business Day with effect as though performed on the appointed day or within the specified period.

SECTION 11.13. Effective Date. This Trust Agreement shall become effective upon its execution and delivery.

SECTION 11.14. Execution in Counterparts. This Trust Agreement may be executed in several counterparts, each of which shall be deemed an original, and all of which shall constitute but one and the same instrument.

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

CITY TREASURER OF THE CITY OF
CALISTOGA, as Trustee

By _____
City Treasurer

CALISTOGA PUBLIC FACILITIES
CORPORATION

By _____
Authorized Officer

CITY OF CALISTOGA

By _____
Authorized Officer

EXHIBIT A

[FORM OF MASTER CERTIFICATE OF PARTICIPATION]

MASTER CERTIFICATE

No. R-1

\$3,750,000

2011 CERTIFICATE OF PARTICIPATION
(USDA WATER LOAN)

Evidencing the Proportionate Interest of the Owner Hereof
in Installment Payments to be Made
by the

CITY OF CALISTOGA

to the

CALISTOGA PUBLIC FACILITIES CORPORATION

Interest Rate
_____ %

Dated Date
[Closing Date]

REGISTERED OWNER: UNITED STATES OF AMERICA, ACTING THROUGH
RURAL UTILITIES SERVICE, UNITED STATES
DEPARTMENT OF AGRICULTURE

PRINCIPAL SUM NOT TO EXCEED:

THIS IS TO CERTIFY that the registered owner named above, as the registered owner of this Master Certificate (the "Master Certificate") representing certain Certificates of Participation (the "Certificates"), is the owner of a proportionate interest in the rights to receive certain Installment Payments made by the City of Calistoga to the Calistoga Public Facilities Corporation (as those terms defined in the Trust Agreement hereinafter mentioned) under and pursuant to that certain Installment Purchase Agreement (the "Installment Purchase Agreement") dated [Closing Date], by and between the Calistoga Public Facilities Corporation (the "Corporation"), a nonprofit corporation duly organized and existing under and by virtue of the laws of the State of California, and the City of Calistoga (the "City"), a municipal corporation of the State of California duly organized and existing under and by virtue of the Constitution and laws of the State of California, all of which rights to receive such Installment Payments having been assigned without recourse by the Corporation to the Certificates.

This Master Certificate evidences the Certificates maturing on the dates below.
Each Certificate Number shall represent a principal amount of \$1,000.

Maturity Date <u>(July 1)</u>	Certificate <u>Numbers</u>	Total <u>Principal</u>
----------------------------------	-------------------------------	---------------------------

The registered owner of this Master Certificate is entitled to receive, subject to the terms of the Installment Payment Agreement and any right of prepayment prior thereto hereinafter provided for, on the certificate payment dates set forth above (the "Certificate Payment Dates"), the principal sum specified above coming due on the Certificate Payment Date, and on each January 1 and July 1 commencing January 1, 2012 (each, an "Interest Payment Date"), the registered owner of this Certificate is entitled to receive interest on such Certificate Payment Date or the date of prepayment prior thereto. Such interest components is the result of the multiplication of the aforesaid portion of the Installment Payments designated as principal components as shown and endorsed on the attached Certificate of Advances of Payments from the United States of America, by the interest rate per annum stated above calculated on the basis of a 365-day year, with one-half of the annual interest rate payable on each Interest Payment Date. The interest is payable to the person whose name appears on the certificate registration books of the Trustee as the registered owner hereof as of the close of business on the fifteenth day of the month immediately preceding the Interest Payment Date, whether or not such day is a business day, such interest to be paid by check mailed by first class mail on the date such interest is due to such registered owner at his address as it appears on such registration books. All such amounts are payable in lawful money of the United States of America.

This Master Certificate evidences ownership of the duly authorized certificates of participation entitled, "2011 Certificates of Participation (USDA Water Loan)," and has been executed by the Trustee pursuant to the terms of a Trust Agreement (together with any supplements or amendments thereto, the "Trust Agreement") by and among the Trustee, the Corporation and the City, dated [Closing Date]. Copies of the Trust Agreement are on file at the Principal Corporate Trust Office, and reference is hereby made to the Trust Agreement and to any and all amendments thereof and supplements thereto for a description of the agreements, conditions, covenants and terms securing the Certificates, for the nature, extent and manner of enforcement of such agreements, conditions, covenants and terms, for the rights and remedies of the registered owners of the Certificates with respect thereto and for the other agreements, conditions, covenants and terms upon which the Certificates are executed and delivered thereunder, to which agreements, conditions, covenants and terms the owner hereof, by acceptance hereof, hereby consents.

To the extent and in the manner permitted by the terms of the Trust Agreement and the Installment Purchase Agreement, the provisions of the Trust Agreement may be amended or supplemented by the parties thereto.

This Certificate is transferable only to a Qualified Institutional Buyer (as such term is defined by Rule 144A of the Securities Act of 1933) or other persons with the consent of the City and the Corporation, by the Owner thereof in person or by his attorney duly authorized in writing, at the Principal Corporate Trust Office, but only in the manner, subject to the limitations and upon payment of the charges provided in the Trust Agreement, and upon surrender of this Certificate for cancellation accompanied by delivery of a duly executed written instrument of transfer in the form appearing hereon. Upon such transfer, a new Certificate or Certificates of the same Certificate Payment Date representing the same principal amount will be issued to the transferee in exchange herefor.

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

The Certificates are authorized to be maintained as a Master Certificate in the minimum denomination equal to the Outstanding aggregate principal amount evidenced by the Certificates.

The Certificates are subject to mandatory and optional prepayment as provided in the Trust Agreement.

As provided in the Trust Agreement, notice of prepayment hereof shall be mailed, first class postage prepaid, not less than thirty (30) days before the prepayment date, to the registered owner of this Certificate at its address as it appears on the registration books maintained by the Trustee. If this Certificate is called for prepayment and payment is duly provided herefor as specified in the Trust Agreement, interest represented hereby shall cease to accrue from and after the date fixed for prepayment.

The Certificates each evidence and represent a proportionate interest in the Installment Payments in an amount equal to the aggregate principal amount of Certificates originally executed and delivered by the Trustee pursuant to the Trust Agreement and enjoy the benefits of a security interest in the moneys held in the funds established pursuant to the Trust Agreement, subject to the provisions of the Trust Agreement permitting the disbursement thereof for or to the purposes and on the conditions and terms set forth therein. The Certificates are equally secured by a pledge of, and charge and lien upon, the Revenues, and the Revenues constitute a trust fund for the security and payment of the interest on and principal of and redemption premiums, if any, on the Certificates. The obligation of the City to make the Installment Payments and the Special Payments is a special obligation of the City, and does not constitute a debt of the City or of the State of California or of any municipal corporation thereof within the meaning of any constitutional or statutory debt limitation or restriction.

The Trustee has no obligation or liability to the Certificate owners for the payment of the interest or principal represented by the Certificates, but rather the Trustee's sole obligations are to administer, for the benefit of the City and the Corporation and the Certificate owners, the various funds established under the Trust Agreement and the Lease. The Corporation has no obligation or liability whatsoever to the Certificate owners.

The City has certified to the Trustee that all acts, conditions and things required by the statutes of the State of California and the Trust Agreement to exist, to have happened and to have been performed precedent to and in connection with the execution and delivery of this Certificate do exist, have happened and have been performed in regular and due time, form and manner as required by law, and that the Trustee is duly authorized to execute and deliver this Master Certificate. This is to further certify that the amount of this Master Certificate, together

with all other Certificates executed and delivered under the Trust Agreement, is not in excess of the amount of Certificates authorized to be executed and delivered thereunder.

IN WITNESS WHEREOF, this Master Certificate has been dated as of the date set forth above and has been executed by the manual signature of an authorized signatory of the Corporation.

Date of Execution: [Closing Date]

CALISTOGA PUBLIC FACILITIES
CORPORATION

By _____
Authorized Officer

CERTIFICATE OF ADVANCES OF PAYMENT FROM THE
UNITED STATES OF AMERICA, acting through Rural Utilities
Service, United States Department of Agriculture

The following Advances have been paid to and received by the City in the amount and on the date(s) set forth below, as evidenced by the Trustee's signature set forth below.

<u>Date of Advance</u>	<u>Amount of Advance</u>	<u>Signature of Trustee</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

FORM OF ASSIGNMENT

For value received, the undersigned do(es) hereby sell, assign and transfer unto _____ the within Certificate and do(es) hereby irrevocably constitute and appoint _____ attorney to transfer such Certificate on the Certificate register of the Trustee, with full power of substitution in the premises.

Dated: _____

By _____
Authorized Signatory

Note: The signature(s) to this Assignment must correspond with the name(s) as written on the face of the within Certificate in every particular, without alteration or enlargement or any change whatsoever.

Signature Guarantee:

Signature(s) must be guaranteed by
an eligible guarantor institution.

EXHIBIT B
DEBT SERVICE SCHEDULE