EXECUTION COPY

AMENDED AND RESTATED MASTER TRUST AGREEMENT

Dated April 27, 2005
Between

CALIFORNIA INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK

And

J.P. Morgan Trust Company, National Association,
As Successor Trustee

Relating to

ENERGY EFFICIENCY MASTER TRUST REVENUE BONDS

MASTER TRUST AGREEMENT

TABLE OF CONTENTS

Page

ARTICLE I
DEFINITIONS; RULES OF CONSTRUCTION

Section 101. Definitions of Words and Terms....4
Section 102. Rules of Construction....4

ARTICLE II
ISSUANCE OF BONDS; SECURITY FOR BONDS

Section 201. Issuance of Bonds....5
Section 202. Conditions to Securing Bonds under the Master Trust Agreement....5
Section 203. Interest Payment Dates for Subsequent Series of Bonds....6
Section 204. Liability under Bonds....6

ARTICLE III
ESTABLISHMENT AND APPLICATION OF FUNDS AND ACCOUNTS

Section 301. Creation and Custody of Funds and Accounts....6
Section 302. Deposits to Master Reserve Account....7
Section 303. Withdrawals from Master Reserve Account....7
Section 304. Master Administrative Expense and Surplus Account....8
Section 305. Investments....8

ARTICLE IV
THE TRUSTEE

Section 401. Acceptance of the Trusts....8
Section 402. Fees, Charges and Expense of Trustee....11
Section 403. Records; Reporting Requirements....11
Section 404. Successor Trustee....11
Section 405. Resignation by Trustee....11
Section 406. Removal of Trustee....12
Section 407. Effective Date for Resignation or Removal....12
Section 408. Appointment of Successor Trustee....12
Section 409. Concerning Any Successor Trustee....12

ARTICLE V
MISCELLANEOUS

Section 501. Notices 13
Section 502. Amendments 14
Section 503. Severability 14
Section 504. Execution in Counterparts 14
Section 505. Governing Law 14

Exhibit A – Form of Series Certificate A-1
Exhibit B – Form of Bond Issuance Certificate B-1
Exhibit C – Form of Cash Flow Certificate C-1
Appendix A – Defined Terms ..... Appendix A-1

AMENDED AND RESTATED MASTER TRUST AGREEMENT

THIS AMENDED AND RESTATED MASTER TRUST AGREEMENT (the "Master Trust Agreement"), dated April 27, 2005, is entered into by and between the CALIFORNIA INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK, an entity within the Business, Transportation and Housing Agency of the State of California (the "Issuer") and successor to the California Consumer Power and Conservation Authority (the "Authority") and J.P. Morgan Trust Company, National Association, with its principal office located in San Francisco, California, as successor trustee (the "Trustee").

RECITALS

WHEREAS, the Issuer was established pursuant to the Bergeson-Peace Infrastructure and Economic Development Bank Act, constituting Division 1 of Title 6.7 of the California Government Code (commencing with Section 63000 thereof), as now in effect and as it may be amended or supplemented (the "Infrastructure Bank Act");

WHEREAS, the Authority, the California Energy Resources Conservation and Development Commission (the "Energy Commission") and the California State Treasurer (the "State Treasurer"), as trustee (the "Master Trustee"), entered into a certain Master Trust Agreement, dated as of April 1, 2003 (the "Original Master Trust Agreement") in connection with the issuance of the Series 2003A Bonds described below;

WHEREAS, since 1979, the Energy Commission has made energy efficiency loans, from the Energy Conservation Assistance Account created pursuant to the Energy Conservation Assistance Act of 1979, California Public Resources Code Division 15, Chapter 5.2 (Sections 25410-25421) (the "Energy Conservation Assistance Act"), to schools, hospitals and public care institutions and units of local government, and since 1986, the Energy Commission has made energy efficiency loans, from the Local Jurisdiction Energy Assistance Account created pursuant to California Public Resources Code Division 15, Chapter 5.4 (Sections 25440-25449.4) (the "Local Jurisdiction Energy Assistance Law") to local jurisdictions, (collectively, as applicable, the "Program"), which loans are repayable from energy savings and any other legally available sources;

WHEREAS, the Authority, pursuant to California Public Utilities Code Division 1.5 (Section 3300-3384) (the "Authority Act"), was authorized to finance energy efficiency loan programs administered by the Energy Commission and, on April 10, 2003, upon the request of the Energy Commission, issued its Energy Efficiency Master Trust Revenue Bonds, Series 2003A, dated as of April 1, 2003 (the "Series 2003A Bonds") in the principal amount of $28,005,000 to provide financing for the Program;

WHEREAS, the funding for the Authority was eliminated in late 2004, and on October 25, 2004, the Authority assigned to the Issuer its rights and responsibilities with respect to the 2003A Bonds;

WHEREAS, in connection with this assignment, the Authority, the Energy Commission and the Master Trustee executed a First Supplemental Master Trust Agreement, dated as of October 25, 2004, (the "First Supplemental Master Trust Agreement");

WHEREAS, the State Treasurer, as trustee under the 2003A Bond Indenture, dated April 1, 2003 between the Authority and the State Treasurer, as amended by the First Supplemental 2003A Bond Indenture, dated October 25, 2004, to reflect the assignment described above from the Authority to the Issuer, and as master trustee under the Original Master Trust Agreement, as amended by the First Supplemental Master Trust Agreement, to reflect the assignment from the Authority to the Issuer, was replaced by J.P. Morgan Trust Company, National Association, as successor trustee (the "Trustee"), on April 27, 2005;

WHEREAS, the Issuer, pursuant to the Infrastructure Bank Act, is authorized to provide additional funding for the Program, and the Energy Commission has requested that the Issuer issue a second series of revenue bonds to provide additional funding for the Program;

WHEREAS, the Issuer has authorized the issuance of a second Series of Bonds in the principal amount of $36,955,000 (the "2005A Bonds") for the purpose of providing additional funding for the Program;

WHEREAS, in order to secure repayment of the 2005A Bonds, the Energy Commission and the Issuer will enter into a certain 2005A Secured Loan Agreement, dated as of May 1, 2005 (the "2005A Secured Loan Agreement");

WHEREAS, in connection with the issuance of the 2005A Bonds, the Issuer and the Trustee will enter into a certain 2005A Bond Indenture, dated as of May 1, 2005 (the "2005A Bond Indenture");

WHEREAS, simultaneously with the execution of this Amended and Restated Master Trust Agreement, the Issuer and the Energy Commission will execute an Amended and Restated 2003A Secured Loan Agreement, dated April 27, 2005 (the "Amended and Restated 2003A Secured Loan Agreement"), and the Issuer and the Trustee will enter into an Amended and Restated 2003A Bond Indenture, dated April 27, 2005 (the "Amended and Restated 2003A Bond Indenture");

WHEREAS, the parties hereto wish to conform certain provisions of the Original Master Trust Agreement, as amended, to the Amended and Restated 2003A Secured Loan Agreement, and the Amended and Restated 2003A Bond Indenture and they wish to accommodate the appointment of the Trustee as successor trustee thereunder;

WHEREAS, pursuant to Section 503 of the Original Master Trust Agreement, as amended, the Issuer, the Energy Commission and the Trustee are authorized to amend the Original Master Trust Agreement without the consent of bondowners if: (i) in the sole judgment of the Trustee (which may be based on the opinion of counsel), the amendment does not materially adversely affect the interest of the bondholders of any Series of Bonds, and (ii) the Issuer, the Energy Commission and the Master Trustee receive written confirmation from the Rating Agency that the amendment will not result in the downgrade, qualification or withdrawal of its credit rating;

WHEREAS, Bond Counsel has provided its opinion to the Trustee that the provisions of this Amended and Restated Master Trust Agreement will not materially adversely affect the interests of the bondholders of any Series of Bonds;

WHEREAS, the Issuer, the Energy Commission and the Trustee have received written confirmation from the Rating Agency that the amendment will not result in the downgrade, qualification or withdrawal of its credit rating on any Series of Bonds;

WHEREAS, the Issuer and the Trustee deem it necessary and desirable to enter into this Master Trust Agreement to provide for certain funds and accounts as additional security for the Bonds; and

WHEREAS, all things necessary to make the Bonds, when authenticated by the Trustee for the related Series of Bonds and issued as provided herein and in the related Bond Indenture, the valid and binding obligations of the Issuer, and to constitute this Master Trust Agreement a valid and binding agreement, have been done and performed, and the execution and delivery of this Master Trust Agreement and the related Bond Indenture and the execution and issuance of the Bonds, subject to the terms of the related Bond Indenture, have in all respects been duly authorized.

NOW THEREFORE, the Issuer and the Trustee hereby agree as follows:

In consideration of the acceptance by the Trustee of the trusts and duties set forth in this Master Trust Agreement on behalf of the owners of each Series of Bonds issued from time to time and secured under this Master Trust Agreement; of the purchase and acceptance by the owners of each Series of Bonds issued from time to time and secured by this Master Trust Agreement; and in order to secure the payment of any and all Series of Bonds at any time issued by the Issuer and secured under this Master Trust Agreement, according to the tenor and effect thereof and the interest thereon, and the payment of all other sums, if any, from time to time due to the owners of all Series of Bonds issued by the Issuer and secured under this Master Trust Agreement and to the Trustee or its successors and assigns, or to others, according to the intent and meaning of all such Series of Bonds and this Master Trust Agreement, for the purpose of securing the performance and observance by the Issuer of all the covenants and conditions herein contained, the Issuer does hereby convey, transfer, assign, confirm and grant a security interest in, to the Trustee, and its successors or successors in trust, as Trustee for the benefit of the owners of all Series of Bonds issued by the Issuer and secured under this Master Trust Agreement, all right, title and interest of the Issuer in, and to each Secured Loan Agreement (excluding Issuer Retained Rights), including all Collateral pledged to the Trustee as security for Bonds issued under a Bond Indenture (the "Master Trust Estate");

IN TRUST NEVERTHELESS, upon the terms and trusts herein set forth, for the equal and proportionate benefit and protection of the owners of each Series of Bonds issued by the Issuer and secured by this Master Trust Agreement and, without privilege, preference, priority or distinction as to lien or otherwise, of any Series of Bonds over any other Series of Bonds by reason of priority in their issuance or of principal over interest or interest over principal;

PROVIDED, HOWEVER, that if the Issuer, its successors or assigns, shall well and truly pay, or cause to be paid, the principal of and interest on all the Series of Bonds issued by the Issuer and secured under this Master Trust Agreement, at the times and in the manner mentioned in the Bonds according to the true intent and meaning thereof, or shall provide for the payment thereof (as permitted and provided in a Bond Indenture), and shall pay or cause to be paid to the

Trustee all other sums of money due or to become due to it or the Issuer in accordance with the terms and provisions hereof, then upon such final payments, this Master Trust Agreement and the rights hereby granted to the Trustee hereunder by the Issuer, shall cease, determine and be void except for the rights of the Trustee and Issuer to fees, expenses and indemnification; otherwise, this Master Trust Agreement shall be and remain in full force and effect.

THIS MASTER TRUST AGREEMENT FURTHER WITNESSETH, and it is expressly declared, that the Master Trust Estate is to be dealt with and disposed of under, upon and subject to the terms, conditions, stipulations, covenants, agreements, trusts, uses and purposes as hereinafter expressed, and the Issuer has agreed and covenanted, and does hereby agree and covenant, with the Trustee and with the respective owners, from time to time, of the Series of Bonds secured under this Master Trust Agreement, or any part thereof, as follows:

ARTICLE I
DEFINITIONS; RULES OF CONSTRUCTION

Section 101. Definitions of Words and Terms. Unless a different meaning clearly appears from the context, all capitalized terms shall have the meanings set forth in Appendix A.

Section 102. Rules of Construction. For all purposes of this Master Trust Agreement, except as otherwise expressly provided or unless the context otherwise requires, the following rules of construction apply in construing the provisions of this Master Trust Agreement:

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

(b) Unless the context shall otherwise indicate, the words importing the singular number shall include the plural and vice versa, and words importing persons shall include firms, associations and corporations, including public bodies, as well as natural persons.

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

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

(e) All references in this instrument to designated "Articles," "Sections" and other subdivisions are to be the designated Articles, Sections and other subdivisions of this instrument as executed.

(f) The words "herein," "hereof" and "hereunder" and other words of similar import refer to this Master Trust Agreement as a whole and not to any particular Article, Section or other subdivision.

(g) The Article and section headings herein and in the Table of Contents are for convenience only and shall not affect the construction hereof.

(h) Whenever an item or items are listed after the word "including" or "include," such listing is not intended to be a listing that excludes items not listed.

(i) All approvals, notices, consents and other actions of the Energy Commission under this Master Trust Agreement (other than the approval of this Master Trust Agreement and any amendments hereto) shall be executed by an Energy Commission Representative or designee, such designation to be made by a written instrument delivered to the Issuer and the Trustee.

ARTICLE II
ISSUANCE OF BONDS; SECURITY FOR BONDS

Section 201. Issuance of Bonds. Subject to determination from time to time by the Issuer by resolutions of the Issuer and in Bond Indentures of the Issuer, and the issuance by the Energy Commission of a Series Certificate relating to such Series of Bonds (as set forth in Section 202), the Issuer may issue Series of Bonds which, except to any extent otherwise provided in the related Bond Indenture, shall be secured under this Master Trust Agreement. Each Series of Bonds shall bear the designations, be in the form, have the terms and provisions, be issued upon the conditions, be secured and in all other respects be as set forth in the related Bond Indenture.

Section 202. Conditions to Securing Bonds under the Master Trust Agreement.

(a) In order for any Series of Bonds issued after the date of this Master Trust Agreement to be secured by this Master Trust Agreement, prior to or simultaneously with the authentication and delivery of the Series of Bonds, the Trustee shall receive the following:

(1) an original executed counterpart of the Series Certificate, in substantially the form attached hereto as Exhibit A:

(A) stating that the Series of Bonds is entitled to the benefits of this Master Trust Agreement; and

(B) directing the Trustee as to the creation of any funds and accounts to be established for the Series of Bonds which are in addition to that required under Section 301(a).

(2) except with respect to the issuance of a series of refunding bonds, an original executed counterpart of a Bond Issuance Certificate for that Series of Bonds, substantially in the form attached hereto as Exhibit B.

(3) an original executed counterpart or a copy, certified by an Issuer Representative, of this Master Trust Agreement and of the related Bond Indenture, and an original executed counterpart or a copy, certified by an Issuer Representative and an Energy

Commission Representative, of the related Secured Loan Agreement which contains a covenant by the Energy Commission to provide to the Trustee and the Issuer, at least 2 Business Days prior to each Bond Payment Date and at other times as required by the applicable Secured Loan Agreement, a Cash Flow Certificate for that Series of Bonds, substantially in the form attached hereto as Exhibit C.

(b) The Trustee is not required to receive duplicate counterparts or copies pursuant to paragraph (a) if any of the items required by paragraph (a) have been received by the Trustee, whether under this Master Trust Agreement or under the related Bond Indenture.

Section 203. Interest Payment Dates for Subsequent Series of Bonds. The Issuer covenants that all Series of Bonds issued after the date of execution and delivery of this Master Trust Agreement will have Bond Payment Dates of March 1 and September 1 unless the Rating Agency shall consent in writing to other Bond Payment Dates.

Section 204. Liability under Bonds. Each Series of Bonds, and interest thereon, shall be limited obligations of the Issuer secured solely by the Collateral pledged under the related Bond Indenture. The Bonds do not constitute or create an indebtedness or liability of any Borrower, the State or any political subdivision thereof, other than the limited obligation of the Issuer, and shall not constitute a pledge of the faith and credit of the State of California or any political subdivision, but shall be payable solely from the funds provided for in the related Bond Indenture. Neither the faith and credit nor the taxing power of the State or any political subdivision thereof is pledged to the payment of the principal of or interest on the Bonds. No covenant, stipulation, obligation or agreement contained herein or in the Bonds shall be deemed to be a covenant, stipulation, obligation or agreement of any present or future trustee, officer, member, director, employee or agent of the Issuer or the Energy Commission in his or her individual capacity.

ARTICLE III
ESTABLISHMENT AND APPLICATION OF FUNDS AND ACCOUNTS

Section 301. Creation and Custody of Funds and Accounts.

(a) There is hereby created and ordered to be established and held by the Trustee a Master Reserve Account and a Master Administrative Expense and Surplus Account.

(b) Upon request by the Energy Commission or the Issuer, by a Supplemental Master Trust Agreement, Series Certificate or Officer's Certificate, the Trustee shall establish one or more subaccounts under the Master Reserve Account, Master Administrative Expense and Surplus Account and any other Accounts which may be established under this Master Trust Agreement. Each such subaccount created from time to time under this Master Trust Agreement shall have such further designations as the Trustee deems appropriate in order to properly account for all moneys subject to this Master Trust Agreement or as provided in an Officer's Certificate.

(c) As security for the payment of each Series of Bonds, the Issuer pledges and assigns to the Trustee the Master Reserve Account and all amounts from time to time on deposit

therein, for the equal and pro rata benefit of all Series of Bonds, in the manner and to the extent provided herein. The Master Administrative Expense and Surplus Account is not pledged as security for payment of the Bonds.

(d) The pledge and assignment effected by this Master Trust Agreement will be valid and binding from the date of execution and delivery of this Master Trust Agreement, the moneys so pledged and assigned and hereafter received by the Trustee will be subject to the lien of such pledge and assignment, and such lien will be a continuing, irrevocable and exclusive first lien and will be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the Trustee irrespective of whether a such parties have notice thereof.

Section 302. Deposits to Master Reserve Account. There shall be deposited into the Master Reserve Account transfers from the Surplus Repayments Accounts and the Reserve Accounts held by the Trustee under the Bond Indenture for each Series of Bonds Outstanding in accordance with the terms of such Bond Indentures. All amounts deposited to the Master Reserve Account, together with earnings thereon, shall be applied as provided in Section 303 of this Master Trust Agreement.

Section 303. Withdrawals from Master Reserve Account.

(a) Upon the Trustee's determination of a shortfall in the Debt Service Account for one or more Series of Bonds, the Trustee shall ascertain if the amounts in the Master Reserve Account are equal to or greater than the Cumulative Debt Service Deficiency.

(b) If amounts on deposit in the Master Reserve Account are less than the Cumulative Debt Service Deficiency, the Trustee shall determine the proportionate amount (based on the amount of Debt Service Deficiency with respect to each Series of Bonds) which will be available for payment of debt service on each Series of Bonds on the next Bond Payment Date. On the Business Day prior to any Bond Payment Date, the Trustee will deposit in the Debt Service Account for the related Series of Bonds such proportionate amount available for each Series to timely make the payment of principal and interest on that Series of Bonds on the next Bond Payment Date.

(c) If amounts on deposit in the Master Reserve Account are equal to or greater than the Cumulative Debt Service Deficiency, on the Business Day prior to any Bond Payment Date, the Trustee will deposit, in the Debt Service Account for the related Series of Bonds, the amount needed for each Series to timely make the payment of principal and interest on that Series of Bonds on the next Bond Payment Date.

(d) Within three (3) Business Days following each Bond Payment Date, the Trustee shall transfer into the Master Administrative Expense and Surplus Account, from amounts held in the Master Reserve Account, all amounts in excess of the Cumulative Deficiency.

(e) Investment earnings on funds on deposit in the Master Reserve Account shall be retained in the Master Reserve Account until amounts are transferred from the Master Reserve Account in accordance with sections (b), (c) and (d) hereof.

Section 304. Master Administrative Expense and Surplus Account. There shall be deposited into the Master Administrative Expense and Surplus Account amounts transferred from the Master Reserve Account in accordance with Section 303(d). On any Business Day after all such deposits have been made, and prior to the next Bond Payment Date, the Trustee shall pay, from the Master Administrative Expense and Surplus Account, first all Trustee Priority Administrative Expenses, then all Issuer Priority Administrative Expenses, and then all Subordinate Administrative Expenses promptly after receipt of a requisition therefor. Each such requisition shall be sufficient evidence to the Trustee of the facts stated therein, and the Trustee shall have no duty to confirm the accuracy of such facts. Any amounts remaining in the Master Administrative Expense and Surplus Account after all such payments have been made (or set aside for such purpose) may be released to the Energy Commission, free and clear of the lien created by this Master Trust Agreement, upon receipt of a requisition therefor executed by an Energy Commission Representative.

Section 305. Investments. Moneys held in accounts created under this Master Trust Agreement shall be invested, pursuant to written directions of the Energy Commission Representative, after consulting with an Issuer representative, in Permitted Investments maturing at such times and in such amounts as will make cash available for the purposes of such accounts as needed, subject to the restrictions, if any, set forth in the applicable Tax Agreement. If at any time the Energy Commission, after consulting with an Issuer Representative, has not directed the Trustee to make any such investment, such money shall be invested in Permitted Investments described in clause (r) of the definition thereof.

ARTICLE IV
THE TRUSTEE

Section 401. Acceptance of the Trusts. J.P. Morgan Trust Company, National Association, is hereby appointed as successor Trustee hereunder and hereby accepts the trusts upon it by this Master Trust Agreement, and agrees to perform such trusts, but only upon and subject to the following express terms and conditions, and no implied covenants or obligations shall be read into this Master Trust Agreement against the Trustee:

(a) The Trustee undertakes to perform such duties and only such duties as are specifically set forth in this Master Trust Agreement, and no implied covenants or obligations shall be read into this Master Trust Agreement against the Trustee; and in the absence of bad faith on its part, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Trustee and conforming to the requirements of this Master Trust Agreement; but in the case of any such certificates or opinions which by any provision hereof are specifically required to be furnished to the Trustee, the Trustee shall be under a duty to examine the same to determine whether or not they conform to the requirements of this Master Trust Agreement.

(b) If an event of default has occurred hereunder and is continuing, the Trustee shall exercise such of the rights and powers vested in it by this Master Trust Agreement, and use the same degree of care and skill in their exercise, as a prudent person would exercise or use under the circumstances. Prior to the occurrence of an event of default, the Trustee shall have no

liability for any action or omission in the performance of its duties hereunder, except in the case of negligence or willful misconduct on the part of the Trustee.

(c) The Trustee may execute any of the trusts or powers hereof and perform any of its duties by or through attorneys, agents, receivers, employees or such other professionals as may be reasonably necessary but shall not be answerable for the conduct of the same appointed with due care by it hereunder, and shall be entitled to act upon the opinion or advice of its counsel concerning all matters of trust hereof and the duties under this Master Trust Agreement and, subject to the restrictions of Section 402, may in all cases pay such reasonable compensation to all such attorneys, agents, receivers, employees and such other professionals as may reasonably be employed in connection with the trusts hereof. The Trustee may act upon an Opinion of Counsel, who may be an employee of the Trustee or Issuer, and shall not be responsible for any loss or damage resulting from any action or nonaction by it taken or omitted to be taken in good faith in reliance upon any such Opinion of Counsel.

(d) The Trustee shall not be responsible for any recital herein or in the Bonds or for the validity of the execution by the Issuer of this Master Trust Agreement or for any supplements hereto or instruments of further assurance, or for the sufficiency of the security for the Bonds under this Master Trust Agreement, and the Trustee shall not be bound to ascertain or inquire as to the performance or observance of any covenants, conditions or agreements on the part of the Issuer or the Energy Commission in connection with the matters referred to in this Master Trust Agreement except as hereinafter set forth, and the Trustee shall not be responsible or liable for any loss suffered in connection with any investment of funds made by it in accordance with Section 305.

(e) To the extent permitted by law, the Trustee may engage in or be interested in any financial or other transaction with the Issuer or the Energy Commission.

(f) The Trustee shall be protected in acting upon any notice, request, consent, certificate, order, affidavit, opinion or counsel, letter, telegram, facsimile or other paper or document believed in good faith by it to be genuine and correct and to have been signed or sent by the proper person or persons.

(g) As to the existence or non-existence of any fact or as to the sufficiency or validity of any instrument, paper or proceeding, the Trustee shall be entitled to rely on a certificate signed on behalf of the Issuer by an Issuer Representative or on behalf of the Energy Commission by an Energy Commission Representative, as sufficient evidence of the facts therein contained, and prior to the occurrence of a default of which the Trustee has been notified as provided in paragraph (h), or of which it is deemed to have notice under paragraph (h), the Trustee shall also be at liberty to accept a similar certificate to the effect that any particular dealing, transaction or action is necessary or expedient, but may at its discretion secure such further evidence deemed necessary or advisable, but shall in no case be bound to secure the same. The Trustee may accept a certificate of an Issuer Representative to the effect that a resolution in the form set forth has been adopted by the Issuer as conclusive evidence that such resolution has been duly adopted and is in full force and effect. The Trustee may accept a certificate of an Energy Commission Representative to the effect that a resolution in the form set forth has been adopted by the Energy

Commission as conclusive evidence that such resolution has been duly adopted and is in full force and effect.

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

(i) The Trustee shall not be required to take notice or be deemed to have notice of any default under this Master Trust Agreement except failure of the payments or deposits required to be made by Section 302 unless the Trustee shall be specifically notified in writing of such default by the Energy Commission or the Issuer; and all notices of other instruments required by this Master Trust Agreement to be delivered to the Trustee, must, in order to be effective, be delivered at the Principal Trust Office of the Trustee and, in the absence of such notice so delivered, the Trustee may conclusively assume there is no default except as aforesaid.

(j) At any and all reasonable times the Trustee, and its duly authorized agents, attorneys, experts, engineers, accountants and representatives, shall have the right, but shall not be required, to inspect all books, papers and records of the Energy Commission pertaining to the Secured Loan Agreements, the Bond Indentures and the Bonds, and to make copies thereof and take such memoranda therefrom and in regard thereto as may be desired.

(k) The Trustee shall not be required to give any bond or surety in respect of the execution of the trusts and powers under this Master Trust Agreement.

(l) Before taking any action under this Master Trust Agreement, other than any action under Article III, the Trustee may require that satisfactory indemnity, to the extent permitted by law, be furnished to it by the Energy Commission, for the reimbursement of all expenses which it may incur or advance and to protect it against all liability, except liability which is adjudicated to have resulted from the Trustee's negligence or willful misconduct, by reason of any action so taken.

(m) All moneys received by the Trustee, until used or applied or invested as provided in this Master Trust Agreement, will be held in trust in the manner and for the purposes for which they were received but need not be segregated from other funds except to the extent as may be required by this Master Trust Agreement or applicable law. Notwithstanding the foregoing, each account held by the Trustee hereunder shall be separately accounted for in the records of the Trustee.

(n) The Trustee shall not be considered in breach of or in default in its obligations hereunder or progress in respect thereto in the event of enforced delay ("unavoidable delay") in the performance of such obligations due to unforeseeable causes beyond its control and without its fault or negligence, including, but not limited to, acts of God or of the public enemy or terrorists, acts of a government, acts of the other party, fires, floods, epidemics, 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 or any similar event and/or occurrences beyond the control of the Trustee.

(o) The Trustee shall have no responsibility or liability with respect to any information, statements or recital in any offering memorandum or other disclosure material prepared or distributed with respect to the issuance of these Bonds.

(p) The obligations of the Issuer and the Energy Commission under **[Section 402]** shall survive the resignation or removal of the Trustee, the Paying Agent and the Registrar under this Master Trust Agreement and payment of the Bonds and discharge.

(q) No provision of this Master Trust Agreement shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of its rights or powers, if repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it in accordance with Section 401(l) hereof.

Section 402. Fees, Charges and Expense of Trustee. In accordance with the terms of this Master Trust Agreement, the Energy Commission shall pay to the Trustee and Issuer compensation for services rendered, indemnity furnished (to the extent permitted by law) and expenses incurred hereunder, as invoiced from time to time by the Trustee and Issuer.

Section 403. Records; Reporting Requirements.

(a) The Trustee's records related to activities performed under this Master Trust Agreement are subject to audit and inspection by the Issuer and the Energy Commission, and the Trustee will maintain financial transaction records in accordance with corporate trust industry standards.

(b) The Trustee will provide a report to the Energy Commission and the Issuer within 30 days following each Bond Payment Date and shall include a list of all financial transactions since the last such report (or in the case of the first Bond Payment Date, since the Date of Delivery of the first Series of Bonds). Each financial transaction register will identify for each Fund or Account, a date, description and amount for all financial transactions and starting and ending balances.

Section 404. Successor Trustee. Any corporation or association into which the Trustee may be merged or with which it may be consolidated or to which it may sell or transfer its trust business and assets as a whole or substantially as a whole, or any corporation or association resulting from any such merger, consolidation or transfer to which it is a party, ipso facto, so long as it complies with the requirements of Section 408(b) shall be and become successor Trustee under this Master Trust Agreement and vested with all of the title to the Master Trust Estate and all the trusts, powers, discretion, immunities, privileges and all other matters as was its predecessor, without the execution or filing of any instrument or any further act, deed or conveyance on the part of any of the parties hereto, anything herein to the contrary notwithstanding.

Section 405. Resignation by Trustee. The Trustee may at any time and for any reason resign and be discharged of the trusts created by this Master Trust Agreement by executing an instrument in writing resigning such trusts and specifying the date when such resignation shall take effect, and mailing the same to the Energy Commission and the Issuer not less than

forty-five (45) days before the date specified in such instrument when such resignation shall take effect, provided the Trustee shall also resign from its position as Trustee for each Series of Bonds. Subject to Section 407, such resignation shall take effect on the day specified in such instrument and notice, unless previously a successor Trustee shall be appointed in accordance with this Master Trust Agreement, in which event such resignation shall take effect immediately on the appointment of such successor Trustee. Upon the acceptance of the appointment of a successor Trustee, the resigning Trustee shall receive fees in an amount which represents the proportionate amount of such fees, based on the period of time from the date of the last payment of such fees to the effective date of the Trustee's resignation.

Section 406. Removal of Trustee. The Trustee may be removed at any time by the Issuer by an instrument or concurrent instruments in writing delivered to the Trustee and the Energy Commission.

Section 407. Effective Date for Resignation or Removal. No resignation or removal of the Trustee and no appointment of a successor Trustee shall become effective until the successor Trustee has accepted the appointment under Section 408.

Section 408. Appointment of Successor Trustee.

(a) In case the Trustee under this Master Trust Agreement shall resign or be removed or be dissolved, or shall be in the course of dissolution or liquidation, or otherwise become incapable of acting under this Master Trust Agreement, or in case it shall be taken under the control of any public officer or officers, or of a receiver appointed by a court, or no longer meets the requirements of subsection (b), a successor Trustee may be appointed by the Issuer, by an instrument executed and signed by an Issuer Representative.

(b) Every such Trustee appointed pursuant to the provisions of this Section shall be a trust company, corporation, association or bank in good standing within or without the State having, or being wholly owned by an entity having, a reported capital and surplus of not less than $50 million, if there be such an institution willing, qualified and able to accept the trusts under this Master Trust Agreement upon reasonable and customary terms.

(c) In the event that a successor Trustee has not been appointed within sixty (60) days, the resigning Trustee may petition a court of competent jurisdiction for the appointment of a successor Trustee.

Section 409. Concerning Any Successor Trustee. Every successor Trustee appointed under this Master Trust Agreement shall execute, acknowledge and deliver to its predecessor and also to the Issuer and the Energy Commission an instrument in writing accepting such appointment under this Master Trust Agreement, and thereupon such successor, without any further act, deed or conveyance, shall become fully vested with all of the estates, properties, rights, powers, and trusts of such predecessor under this Master Trust Agreement; and every predecessor Trustee shall deliver all securities, records and moneys held by it as Trustee under this Master Trust Agreement to its successor. Should any instrument in writing from the Issuer be required by any successor Trustee for more fully and certainly vesting in such successor the estates, properties, rights, powers and trusts hereby vested or intended to be vested in the

predecessor, any and all of such instruments in writing shall, on request, be executed, acknowledged and delivered by the Issuer.

ARTICLE V
MISCELLANEOUS

Section 501. Notices. Except as otherwise provided herein, it shall be sufficient service of any notice, request, complaint, demand, or other paper required by this Master Trust Agreement to be given to or filed with the Issuer, the Trustee, the Energy Commission or the Owners if the same shall be duly mailed by first-class mail, postage pre-paid, or sent by overnight delivery service, addressed as shown below, or at such other address as the applicable addressee may provide in writing to the other entities shown below from time to time:

(a) To the Issuer:

California Infrastructure and Economic
Development Bank
1001 I Street, 19th Floor
Sacramento, California 95814
Attn: Bond Manager

(b) To the Trustee:

J.P. Morgan Trust Company, National Association
560 Mission Street, 13th Floor
San Francisco, California 94105
Attn: Corporate Trust Administration

(c) To the Energy Commission:

California Energy Commission
1516 Ninth Street, MS 39
Sacramento, California 95814
Attention: Executive Director

(d) To the Rating Agency:

Moody's Investors Service
99 Church Street
New York, New York 10007
Attention: Rating Surveillance

Any of such addresses may be changed at any time upon written notice of such change sent by United States registered mail, postage prepaid, to the other parties by the party effecting the change.

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

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

Section 502. Amendments. This Master Trust Agreement may be amended by a written instrument executed by the Issuer and the Trustee, with the written consent of the Energy Commission, if: (i) in the sole judgment of the Trustee, the amendment does not materially adversely affect the interests of the Bondholders of any Series of Bonds, and (ii) the Issuer and the Trustee receive written confirmation from the Rating Agency that the amendment will not result in the downgrade, qualification or withdrawal of its credit rating on any Series of Bonds. In exercising its judgment, the Trustee may rely on the Opinion of Bond Counsel.

Section 503. Severability. If any provision of this Master Trust Agreement shall be held or deemed to be or shall, in fact, be inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions or in all jurisdictions, or in all cases because it conflicts with any other provision or provisions hereof or any constitution or statute or rule of public policy, or for any other reason, such circumstances shall not have the effect of rendering the provision in question inoperative or unenforceable in any other case or circumstance, or of rendering any other provision or provisions herein contained invalid, inoperative, or unenforceable to any extent whatever. The invalidity of any one or more phrases, sentences, clauses or Sections in this Master Trust Agreement shall not affect the remaining portion of this Master Trust Agreement or any part thereof.

Section 504. Execution in Counterparts. This Master Trust Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 505. Governing Law. This Master Trust Agreement is being executed with the intent that it shall be construed and enforced in accordance with the laws of the State of California, and any action filed hereunder shall be filed in Sacramento, California, unless waived by the Issuer.

IN WITNESS WHEREOF, the Issuer and the Trustee have caused this Amended and Restated Master Trust Agreement to be duly executed by their duly authorized officers, as of the day and year first above.

CALIFORNIA INFRASTRUCTURE AND
ECONOMIC DEVELOPMENT BANK

By: _____
Stanton C. Hazelroth, Executive Director

Attest:

_____
Blake Fowler, Secretary

J.P. Morgan Trust Company, National Association,
as Successor Trustee

By: _____
James V. Myers
Vice President

Agreed:

CALIFORNIA ENERGY RESOURCES
CONSERVATION AND
DEVELOPMENT COMMISSION

By: _____
Acting Executive Director

SF1 1403352

IN WITNESS WHEREOF, the Issuer and the Trustee have caused this Amended and Restated Master Trust Agreement to be duly executed by their duly authorized officers, as of the day and year first above.

CALIFORNIA INFRASTRUCTURE AND
ECONOMIC DEVELOPMENT BANK

By: _____
Stanton C. Hazelroth, Executive Director

Attest:

_____
Blake Fowler, Secretary

J.P. Morgan Trust Company, National Association,
as Successor Trustee

By: _____
James V. Myers
Vice President

Agreed:

CALIFORNIA ENERGY RESOURCES
CONSERVATION AND
DEVELOPMENT COMMISSION

By: _____
Acting Executive Director

IN WITNESS WHEREOF, the Issuer and the Trustee have caused this Amended and Restated Master Trust Agreement to be duly executed by their duly authorized officers, as of the day and year first above.

CALIFORNIA INFRASTRUCTURE AND
ECONOMIC DEVELOPMENT BANK

By: _____
Stanton C. Hazelroth, Executive Director

Attest:

_____
Blake Fowler, Secretary

J.P. Morgan Trust Company, National Association,
as Trustee

By: _____
James V. Myers
Vice President

Agreed:

CALIFORNIA ENERGY RESOURCES
CONSERVATION AND
DEVELOPMENT COMMISSION

By: _____
Acting Executive Director

EXHIBIT A

FORM OF SERIES CERTIFICATE

Relating to

$_____
ENERGY EFFICIENCY MASTER TRUST REVENUE BONDS
SERIES _____

Pursuant to Section 202 of the Amended and Restated Master Trust Agreement, dated April 27, 2005, between the California Infrastructure and Economic Development Bank ("Issuer"), and J.P. Morgan Trust Company, National Association, as successor Trustee, the Issuer and the Energy Commission hereby certify that the above-referenced issue is secured under the provisions of the Master Trust Agreement.

Dated this _____ day of 20__.

CALIFORNIA INFRASTRUCTURE AND
ECONOMIC DEVELOPMENT BANK

By: _____
Executive Director

CALIFORNIA ENERGY RESOURCES
CONSERVATION AND DEVELOPMENT
COMMISSION

By: _____
Energy Commission Representative

EXHIBIT B

FORM OF BOND ISSUANCE CERTIFICATE

Relating to Issuance of

$_____
ENERGY EFFICIENCY MASTER TRUST
REVENUE BONDS SERIES _____

Pursuant to Section 202 of the Amended and Restated Master Trust Agreement ("Master Trust Agreement"), dated April 27, 2005, between the California Infrastructure and Economic Development Bank ("Issuer") and J.P. Morgan Trust Company, National Association, as successor Trustee, the undersigned, a duly authorized Representative of the California Energy Resources Conservation and Development Commission ("Energy Commission Representative"), hereby certifies as follows. All capitalized terms not defined herein shall have the meanings shown in Appendix A to the Master Trust Agreement.

1. For each period ending on each Bond Payment Date (which shall be _____ and _____ of each year while the 20__ Bonds are outstanding), commencing with the period in which this certificate is delivered, the sum of expected: a) 20__ Program Loan Repayments (including amounts expected to remain on deposit in the 20__ Loan Repayment Account after a Bond Payment Date, to be applied to the payment of debt service on the immediately succeeding Bond Payment Date within the same Bond Year), b) earnings on amounts held in the 20__ Reserve Account, and c) amounts on deposit in the 20__ Surplus Repayments Account which are needed to satisfy the 110% coverage test for such period will be at least equal to 110% of the debt service payable on the 20__ Bonds, as shown in the schedule(s) attached hereto;

2. The Reserve Requirement for the 20__ Bonds is at least equal to maximum principal and interest due in any year for the Series 20__ Bonds, and the Reserve Requirement will be satisfied at closing;

3. No event of default in the payment of principal or interest on the Bonds currently exists with respect to any Series of Bonds; and

4. With regard to any pledged but not fully disbursed 20__ Program Loan amounts, the Energy Commission has encumbered an amount sufficient to complete the funding of all pledged 20__ Program Loans.

Dated this ___ day of ____, 20__.

CALIFORNIA ENERGY RESOURCES
CONSERVATION AND DEVELOPMENT
COMMISSION

By: _____
Energy Commission Representative

SCHEDULE I TO BOND ISSUANCE CERTIFICATE

Date[1]	Estimated Program Loan Repayments[2]	Estimated Earnings on 20__ Reserve Account	Estimated Amounts on Deposit in the 20__ Surplus Repayments Account	Series _____ Bond Debt Service	Debt Service Coverage

[1] Semiannual debt service payment dates are September 1 and March 1 of each year. Assumes that no interest is earned on pledged Program Loan Repayments between the receipt of scheduled loan repayments and the corresponding Bond Payment Date.

[2] Assumes that the Energy Commission has encumbered an amount sufficient to complete the funding of all pledged but not fully disbursed 20__A Program Loans.

EXHIBIT C

FORM OF CASH FLOW CERTIFICATE

Relating to

$_____
ENERGY EFFICIENCY MASTER TRUST REVENUE BONDS
SERIES 20__

Pursuant to [Section 4.5] of the 20__ Secured Loan Agreement ("Agreement") dated as of _____, 20__, between the California Infrastructure and Economic Development Bank ("Issuer") and the California Energy Resources Conservation and Development Commission ("Energy Commission"), the undersigned, a duly authorized Representative of the Energy Commission, hereby certifies as follows. All capitalized terms not defined herein shall have the meanings shown in Appendix A to the Agreement.

1. For each period ending on each Bond Payment Date, commencing with the period in which this certificate is delivered, the sum of expected: a) 20__ Program Loan Repayments (including amounts expected to remain on deposit in the 20__ Loan Repayment Account after a Bond Payment Date, to be applied to the payment of debt service on the immediately succeeding Bond Payment Date within the same Bond Year), b) earnings on amounts held in the 20__ Reserve Account, and c) amounts on deposit in the 20__ Surplus Repayments Account which are needed to satisfy the 110% coverage test for such period will be at least equal to 110% of the debt service payable on the 20__ Bonds, as shown in the schedule(s) attached hereto; and

2. The 20__ Reserve Requirement for the 20__ Bonds has been satisfied.

In determining expected Program Loan Repayments for purposes of this Cash Flow Certificate, no payments have been counted for any pledged Program Loan in payment default (as defined in the applicable 20__ Program Loan Agreement) at the time of calculation.

The Trustee is instructed to transfer the amount of $_____ from the 20__ Surplus Repayments Account for deposit into the Master Reserve Account held under the Master Trust Agreement.

Dated this ___ day of ____, 20__.

CALIFORNIA ENERGY RESOURCES
CONSERVATION AND DEVELOPMENT
COMMISSION

By: _____
Energy Commission Representative

SCHEDULE I TO CASH FLOW CERTIFICATE

Date[1]	Estimated Program Loan Repayments[2]	Estimated Earnings on 20__ Reserve Account	Estimated Amounts on Deposit in the 20__ Surplus Repayments Account	Series 20__ Bond Debt Service	Debt Service Coverage

[1] Semiannual debt service payment dates are September 1 and March 1 of each year. Assumes that no interest is earned on pledged Program Loan Repayments between the receipt of scheduled loan repayments and the corresponding Bond Payment Date.

[2] Assumes that the Energy Commission has encumbered an amount sufficient to complete the funding of all pledged but not fully disbursed 20__ Program Loans.

APPENDIX A
DEFINED TERMS IN MASTER TRUST AGREEMENT

"Authority" means the California Consumer Power and Conservation Financing Authority, an authority and public instrumentality of the State of California, or any legally authorized assignee thereof (including but not limited to the California Infrastructure and Economic Development Bank) or any board, agency, authority, political subdivision, governmental unit, department or officer succeeding to the principal functions thereof, as such functions pertain to this Bond financing, or to whom the powers conferred upon the Authority shall be given by law.

"**Bond**" or "**Bonds**" means any bond or bonds or all the bonds, as the case may be, of the Issuer, in one or more series, relating to the Program, issued and secured pursuant to one or more Bond Indentures and secured under the Master Trust Agreement.

"**Bond Counsel**" means Sidley Austin Brown & Wood LLP, San Francisco, California, or other counsel selected by the Issuer and nationally recognized as experienced in matters relating to bonds issued by states and their political subdivisions, the interest on which is exempt from inclusion in gross income for federal income tax.

"**Bond Indenture**," with respect to each Series of Bonds, means the Bond Indenture or other similar document between the Issuer and a Trustee, pursuant to which a Series of Bonds is issued and delivered.

"Bond Issuance Certificate" means, with respect to a Series of Bonds, an Officer's Certificate of the Energy Commission in substantially the form of Exhibit B to the Master Trust Agreement:

(A) certifying that, for each period ending on each Bond Payment Date (as defined in such certificate), commencing with the period in which such certificate is delivered, the sum of expected (i) Program Loan Repayments with respect to such Series of Bonds (including amounts expected to remain on deposit in the related Loan Repayment Account after a Bond Payment Date, to be applied to the payment of debt service on the immediately succeeding Bond Payment Date within the same Bond Year), ii) earnings on amounts held in the related Reserve Account, and iii) amounts on deposit in the related Surplus Repayments Account which are needed to satisfy the 110% coverage test for such period will be at least equal to 110% of the debt service payable on such Series of Bonds;

(B) stating that the Reserve Requirement for such Series of Bonds is at least equal to maximum principal and interest due in any year for such Series of Bonds and that the Reserve Requirement will be satisfied at closing;

(C) stating that no event of default in the payment of principal and interest on the Bonds currently exists with respect to any Series of Bonds; and

(D) stating that, with regard to any pledged but not fully disbursed Program Loan amounts for such Series of Bonds, the Energy Commission has encumbered an amount sufficient to complete the funding of all such pledged Program Loans.

"**Bond Payment Date**" means March 1 and September 1 of each year, commencing on the date specified in the related Bond Indenture, unless these dates are changed pursuant to the Master Trust Agreement.

"**Bond Year**" means the 12 month period to and including March 1 of any year.

"**Borrower**" means any eligible school, hospital, public care institution, unit of local government or other person or entity eligible under the Program which has an executed Program Loan Agreement and whose participation in the Program does not adversely affect the exclusion from federal income tax of interest on the Bonds.

"**Business Day**" means a day other than (a) a Saturday, Sunday, State holiday or legal holiday, or (b) a day on which banks located in Ohio or Texas, or in any city in which the Principal Trust Office of the Trustee is located, are required or authorized by law to remain closed.

"**Cash Flow Certificate**" means, with respect to a Series of Bonds, an Officer's Certificate of the Energy Commission in substantially the form of Exhibit C to the Master Trust Agreement, (a) certifying that, for each period ending on each Bond Payment Date, commencing with the period in which such certificate is delivered, the sum of expected: (i) 20__ Program Loan Repayments (including amounts expected to remain on deposit in the 20__ Loan Repayment Account after a Bond Payment Date, to be applied to the payment of debt service on the immediately succeeding Bond Payment Date within the same Bond Year), (ii) earnings on amounts held in the 20__ Reserve Account, and (iii) amounts on deposit in the 20__ Surplus Repayments Account which are needed to satisfy the 110% coverage test for such period will be at least equal to 110% of the debt service payable on the 20__ Bonds and (b) stating that the 20__ Reserve Requirement for the 20__ Bonds has been satisfied. In determining expected Program Loan Repayments for purposes of such 20__ Cash Flow Certificate, payments for any pledged Program Loan in payment default at the time of calculation are to be disregarded.

"**Collateral**" means a) Loan Repayments and all other amounts arising from the Program Loans (except for Energy Commission Retained Rights) and b) funds and accounts pledged to the payment of a Secured Loan.

"**Cumulative Debt Service Deficiency**" means, as of the date of determination, the cumulative amount of all Debt Service Deficiencies, as such amounts are determined by the Trustee.

"**Cumulative Deficiency**" means, as of the date of determination, the cumulative amount of all Cumulative Debt Service Deficiencies and Cumulative Reserve Deficiencies, as such amounts are determined by the Trustee.

"**Cumulative Reserve Deficiency**" means, as of the date of determination, the cumulative amount of all Reserve Deficiencies, as such amounts are determined by the Trustee.

"**Date of Delivery**" means the date any Series of Bonds are purchased and delivered to the Original Purchaser.

"**Debt Service Account**" means the account by that name established in the custody of the Trustee by a Bond Indenture.

"**Debt Service Deficiency**" means, as of the date of determination, and with respect to any Series of Bonds, the amount, if any by which the debt service then due or coming due on the next Bond Payment Date for such Bonds exceeds the amount on deposit in the Debt Service Account.

"**Energy Commission**" means the California Energy Resources Conservation and Development Commission, a commission of the State of California, or any board, agency, authority, political subdivision, governmental unit, department or officer succeeding to the principal functions thereof, as such functions pertain to this Bond financing, or to whom the powers conferred upon the Energy Commission by the Energy Conservation Assistance Act shall be given by law.

"**Energy Commission Representative**" means (a) the Chair or Vice Chair of the Energy Commission, or its Executive Director or Chief Deputy Director, (b) such other person or persons at the time designated to act on behalf of the Energy Commission in matters relating to the Master Trust Agreement and/or any Secured Loan Agreement as evidenced by a written certificate furnished by the Energy Commission to the Trustee, containing the specimen signature of such person or persons and signed on behalf of the Energy Commission by its Chair, Vice Chair, Executive Director or Chief Deputy Director or (c) any other duly authorized person of the Energy Commission whose authority to execute any particular instrument or take a particular action under the Master Trust Agreement and/or any Secured Loan Agreement shall be evidenced to the satisfaction of the Trustee or the Issuer, as applicable.

"**Energy Conservation Assistance Account**" means the account created pursuant to the Energy Conservation Assistance Act for the purpose of providing grants and loans for energy efficiency projects in accordance with the Energy Conservation Assistance Act.

"**Energy Conservation Assistance Act**" means the Energy Conservation Assistance Act of 1979, California Public Resource Code Division 15, Chapter 5.2 (Sections 25410-25421), as amended from time to time.

"**Infrastructure Bank Act**" means the Bergeson-Peace Infrastructure and Economic Development Bank Act, constituting Division 1 of Title 6.7 (commencing at Section 63000) of the California Government Code, as now in effect and as it may from time to time hereafter be amended and supplemented.

"**Issuer**" means, prior to October 25, 2004, the California Consumer Power and Conservation Financing Authority, and on and after October 25, 2004, the California Infrastructure and Economic Development Bank, a public instrumentality of the State of California, or any successor or assignee.

"**Issuer Priority Administrative Expenses**" means, with respect to any Series of Bonds, amounts payable in the event the Issuer employs attorneys or incurs other fees, including reasonable counsel fees, charges or expenses for the collection of required payments or the enforcement of the related Bond Indenture or Secured Loan Agreement or the enforcement of the Master Trust Agreement, as well as the costs to indemnify (to the extent permitted by law) and hold harmless the Issuer and its respective members, directors, officers, employees, and agents from and against all such costs, expenses and charges, provided that such costs of enforcement shall be payable solely from pledged Collateral for the applicable Series of Bonds.

"**Issuer Representative**" means (a) the Executive Director of the Chair of the Issuer or the Chair's Designee, or (b) such other person or persons at the time designated to act on behalf of the Chair or Executive Director of the Issuer in matters relating to the Energy Commission and the Master Trust Agreement and/or any Bond Indenture as evidenced by a written certificate furnished by the Issuer to the Trustee, containing the specimen signature of such person or persons and signed on behalf of the Issuer by its Chair or its Executive Director.

"**Loan Repayment Account**" means the Loan Repayment Account by that name established in the custody of the Trustee by a Bond Indenture.

"**Local Jurisdiction Energy Assistance Account**" means the account created pursuant to the Local Jurisdiction Energy Assistance Law for the purpose of providing loans to local jurisdictions for energy efficiency projects in accordance with the Local Jurisdiction Energy Assistance Legislation.

"**Local Jurisdiction Energy Assistance Law**" means California Public Resources Code Division 15, Chapter 5.4 (Sections 25440-25449.4), as amended from time to time.

"**Master Administrative Expense and Surplus Account**" means the account by that name established in the custody of the Trustee by the Master Trust Agreement.

"**Master Reserve Account**" means the account by that name established in the custody of the Trustee by the Master Trust Agreement.

"**Master Trust Agreement**" means the Amended and Restated Master Trust Agreement, dated April 27, 2005 by and between the Issuer and J.P. Morgan Trust Company, National Association, as successor Trustee, as may be amended from time to time, and which provides additional security for any issue or series of Bonds pursuant to a Series Certificate executed by an Issuer Representative and an Energy Commission Representative.

"**Master Trust Estate**" means the trust estate described herein.

"**Officer's Certificate**" means a written certificate of the Issuer signed by an Issuer Representative, or of the Energy Commission, signed by an Energy Commission Representative, or of any Borrower signed by an authorized Borrower representative, which certificate shall be deemed to constitute a representation of, and shall be binding upon, the Issuer, the Energy Commission or any Borrower, respectively, with respect to matters set forth therein, and which certificate in each instance, including the scope, form, substance and other aspects thereof, is acceptable to the Trustee.

"**Opinion of Bond Counsel**" means a written opinion of Bond Counsel addressed to the Issuer and the Trustee, as applicable.

"**Opinion of Counsel**" means a written opinion of any legal counsel having expertise in the matters covered in such opinion and acceptable to the Issuer and the Trustee, and who may be an employee of or counsel to the Issuer or the Trustee.

"**Outstanding**" means when used with respect to Bonds, as of the date of determination, all Bonds theretofore authenticated and delivered under the Bond Indenture, except:

(a) Bonds theretofore cancelled by the Trustee or delivered to the Trustee for cancellation as provided in the Bond Indenture;

(b) Bonds for whose payment or redemption money or Government Obligations in the necessary amount has been deposited with the Trustee in trust for the Owners of such Bonds as provided in the Bond Indenture, provided that, if such Bonds are to be redeemed, notice of such redemption has been duly given pursuant to the Bond Indenture or provision therefor satisfactory to the Trustee has been made;

(c) Bonds in exchange for or in lieu of which other Bonds have been authenticated and delivered under the Bond Indenture; and

(d) Bonds alleged to have been destroyed, lost or stolen which have been paid as provided in the Bond Indenture.

"**Owner**" means, with respect to a Series of Bonds, any bondholder, holder or beneficial owner of any Outstanding Bond as provided in the related Bond Indenture.

"**Permitted Investments**" means any of the following, if and to the extent the same are at the time legal for investment of funds held under the Master Trust Agreement and any Bond Indenture, or any other investments permitted by law:

(a) Bonds or interest-bearing notes or obligations of the United States, or those for which the faith and credit of the United States are pledged for the payment of principal and interest.

(b) Bonds or interest-bearing notes on obligations that are guaranteed as to principal and interest by a federal agency of the United States.

(c) Bonds and notes of the State, or those for which the faith and credit of the State are pledged for the payment of principal and interest, provided that the ratings of such bonds and notes of the State are rated within the top three rating categories, ignoring modifiers, by S&P, Moody's and Fitch, if rated by Fitch.

(d) Bonds or warrants, including, but not limited to, revenue warrants, of any county, city, metropolitan water district, State water district, State water storage district, irrigation district in the state, municipal utility district, or school district of the State, provided

that the ratings of such bonds or warrants are rated within the top three rating categories, ignoring modifiers, by S&P, Moody's and Fitch, if rated by Fitch.

(e) Bonds, consolidated bonds, collateral trust debentures, consolidated debentures, or other obligations issued by federal land banks or federal intermediate credit banks established under the Federal Farm Loan Act, as amended, in debentures and consolidated debentures issued by the Central Bank for Cooperatives and banks for cooperatives established under the Farm Credit Act of 1933, as amended, in bonds or debentures of the Federal Home Loan Bank Board established under the Federal Home Loan Bank Act, in stock, bonds, debentures and other obligations of the Federal National Mortgage Association established under the National Housing Act as amended, and in the bonds of any federal home loan bank established under that act, obligations of the Federal Home Loan Mortgage Corporation, in bonds, notes, and other obligations issued by the Tennessee Valley Authority under the Tennessee Valley Authority Act as amended, and bonds, notes, and other obligations guaranteed by the Commodity Credit Corporation for the export of California agricultural products under the Commodity Credit Corporation Charter Act as amended.

(f) Commercial paper which at the time of investment is "prime" quality as defined by a nationally recognized organization that rates these securities. Eligible paper is further limited to issuing corporations or trusts approved by the State of California Pooled Money Investment Board that meet the conditions in either subparagraph (A) or subparagraph (B):

(A) Both of the following:

(i) Organized and operating within the United States.

(ii) Having total assets in excess of five hundred million dollars ($500,000,000).

(B) Both of the following:

(i) Organized within the United States as a special purpose corporation or trust.

(ii) Having program wide credit enhancements including, but not limited to, overcollateralization, letters of credit, or surety bond.

Purchases of eligible commercial paper may not exceed 180 days' maturity, represent more than 10 percent of the outstanding paper of an issuing corporation or trust, nor exceed 30 percent of the resources of an investment program. At the request of the State of California Pooled Money Investment Board, the investment shall be secured by the Issuer by depositing with the State Treasurer securities authorized by California Government Code Section 53651 having a market value at least 10 percent in excess of the amount of the state's investment.

(g) Bills of exchange or time drafts drawn on and accepted by a commercial bank, otherwise known as bankers acceptances, which are eligible for purchase by the Federal Reserve System.

(h) Negotiable certificates of deposits issued by a federally or state-chartered bank or savings and loan association, a state-licensed branch of a foreign bank, or a federally or state-chartered credit union, which may include the Trustee and its affiliates. For the purposes of this definition, negotiable certificates of deposits do not come within the provisions of Chapter 4 (commencing with Section 16500) and Chapter 4.5 (commencing with Section 16600) of the California Government Code.

(i) The portion of bank loans and obligations guaranteed by the United States Small Business Administration or the United States Farmers Home Administration.

(j) Bank loans and obligations guaranteed by the Export-Import Bank of the United States.

(k) Student loan notes insured under the Guaranteed Student Loan Program established pursuant to the Higher Education Act of 1965, as amended (20 U.S.C. Sec. 1001 and following) and eligible for resale to the Student Loan Marketing Association established pursuant to Section 133 of the Education Amendments of 1972, as amended (20 U.S.C. Sec. 1087-2).

(l) Obligations issued, assumed, or guaranteed by the International Bank for Reconstruction and Development, the Inter-American Development Bank, the Asian Development Bank, the African Development Bank, the International Finance Corporation, or the Government Development Bank of Puerto Rico.

(m) Bonds, debentures, and notes issued by corporations organized and operating within the United States. Securities eligible for investment under this subdivision (m) shall be within the top three ratings of a nationally recognized rating service.

(n) The California State Surplus Money Investment Fund established pursuant to California Government Code Section 16470, as amended from time to time.

(o) Repurchase agreements with entities rated in top three rating categories, ignoring modifiers, by S&P, Moody's and Fitch, if rated by Fitch.

(p) Investments or other contractual arrangements with corporations, financial institutions or national associations within the United States, provided that the senior long-term debt of such corporations, institutions or associations or any guarantor of the debt of such corporations, institutions, or associations ("providers"), is rated within the top two rating categories, ignoring modifiers, by S&P, Moody's and Fitch, if rated by Fitch; or such investments or other contractual arrangements are collateralized by Permitted Investments of the type and in the amounts consistent with maintaining the then-current ratings on the 2005A Bonds by each of the Rating Agencies, but in all events the senior long-term debt of such providers shall be rated in the top three rating categories, ignoring modifiers, by S&P, Moody's and Fitch, if rated by Fitch.

(q) Forward purchase agreements providing for the purchase of obligations described in (a) through (d) above with corporations, financial institutions or national associations within the United States rated in the top three rating categories, ignoring modifiers, by S&P, Moody's and Fitch, if rated by Fitch.

(r) Money market funds, including funds for which the Trustee, its parent holding company, if any, or any affiliates or subsidiaries of the Trustee or such holding company provide investment advisory or other management services for which it may receive a fee, rated in the top three rating categories, ignoring modifiers, by S&P, Moody's and Fitch, if rated by Fitch.

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

"Principal Trust Office" means the principal office of the Trustee, which is currently located in San Francisco, California except that, with respect to presentation of Bonds for payment or for registration of transfer and exchange, such term shall mean the office or agency of the Trustee at which, at any particular time, its corporate trust agency business shall be conducted.

"**Priority Administrative Expenses**" means, with respect to any Series of Bonds, all Trustee Priority Administrative Expenses and all Issuer Priority Administrative Expenses.

"**Program**" means the energy efficiency loan program established and administered by the Energy Commission to make funds available to Borrowers for Projects pursuant to the Energy Conservation Assistance Act or the Local Jurisdiction Energy Assistance Law, as applicable.

"**Program Loan or Program Loans**" means any loan or loans made by the Energy Commission to Borrowers under the Program in accordance with a Program Loan Agreement with each Borrower.

"**Program Loan Agreement**" means any agreement evidencing a Program Loan or Program Loans, made by the Energy Commission to any Borrower, together with all extensions, renewals, modifications or replacements thereof.

"**Program Loan Repayment**" means each semi-annual amount to be paid by a Borrower in repayment of a Program Loan pursuant to its respective Program Loan Agreement.

"**Rating Agency**" means any nationally recognized rating agency providing a rating on any Series of Bonds.

"**Reserve Account**" means the account by that name established in the custody of the Trustee by a Bond Indenture.

"**Reserve Deficiency**" means, as of the date of determination, and with respect to any Series of Bonds, the amount, if any, by which the Reserve Requirement for such Bonds exceeds the amount on deposit in the Reserve Account for such Bonds.

"**Reserve Requirement,**" means the requirement so established under any Bond Indenture with respect to any Reserve Account for any Series of Bonds.

"**Secured Loan**" means a loan made by the Issuer to the Energy Commission under a Secured Loan Agreement.

"**Secured Loan Agreement**" means a Secured Loan Agreement between the Issuer and the Energy Commission relating to repayment of a Series of Bonds, as amended and supplemented from time to time.

"**Series Certificate**" means with respect to any Series of Bonds, a certificate, in substantially the form attached as Exhibit A to the Master Trust Agreement, delivered by an Issuer Representative and an Energy Commission Representative stating that such Series of Bonds is entitled to the benefits of the Master Trust Agreement.

"**Series of Bonds**" or words of similar meaning means the Series of Bonds authorized by a Bond Indenture and secured under the Master Trust Agreement.

"**State**" means the State of California.

"**State Treasurer**" means the Treasurer of the State of California.

"**Subordinate Administrative Expenses**" means:

(a) Issuer Fees and Costs. The reasonable fees and costs incurred by the Issuer, including but not limited to Issuer staff costs and costs of the State Attorney General and any other attorney or consultant representing the Issuer in connection with the Master Trust Agreement, any applicable Secured Loan Agreement, Bond Indenture, Tax Agreement or Series of Bonds, including any and all expenses incurred in connection with the authorization, issuance, sale and delivery of any such Bonds, or in connection with any litigation or other proceeding (other than costs of litigation to enforce the bond financing documents as described in the definition of "Issuer Priority Administrative Expenses" above) which may at any time be instituted involving the Master Trust Agreement, any applicable Secured Loan Agreement, Bond Indenture, Tax Agreement or Series of Bonds, or any of the other documents contemplated thereby, or in connection with the inspection of the Energy Commission's books, records, accounts or other information related to the Program Loans or otherwise in connection with the administration of any applicable Secured Loan Agreement; and

(b) *Energy Commission Fees and Costs.* All reasonable administrative and legal fees and costs of the Energy Commission incurred in connection with the administration and compliance with a Secured Loan Agreement, Bond Indenture, Master Trust Agreement, Bonds and Program Loans, including without limitation, fees and costs of rebate analysts and fees and costs related to books, records and audits of transactions relating to Program Loans and any amounts required to implement the Program, to enforce the Program Loans (including all

pledged Collateral) and take all appropriate actions to secure payments thereunder, and to make new Program Loans from the ECA Account with Bond proceeds.

"**Supplemental Master Trust Agreement**" means any trust agreement supplementary to or amendatory of the Master Trust Agreement duly executed and delivered in accordance with the provisions of the Master Trust Agreement.

"**Surplus Repayments Account**" means the account by that name established in the custody of the Trustee by a Bond Indenture.

"**Tax Agreement**" means the Tax Certificate and Agreement relating to the any Series of Bonds, between the Issuer and the Energy Commission.

"**Trust Estate**" means the trust estate described in the granting clauses of a Bond Indenture.

"**Trustee**" means J.P. Morgan Trust Company, National Association, as successor trustee under the Master Trust Agreement and as trustee under any Bond Indenture, or its assign or successor appointed pursuant to the Master Trust Agreement or the applicable Bond Indenture.

"**Trustee Priority Administrative Expenses**" means, with respect to any Series of Bonds:

(a) *Trustee Fees and Trustee's Professional Fees.* All reasonable fees, charges and expenses of the Trustee and any authenticating agents, paying agents, registrars, dissemination agents, counsel, accountants, or other Persons employed by the Trustee under the related Bond Indenture or attributable to the related Series of Bonds under the Master Trust Agreement;

(b) *Costs of Enforcement.* Amounts payable in the event the Trustee employs attorneys or incurs other fees, including reasonable counsel fees, charges or expenses for the collection of required payments or the enforcement of the related Bond Indenture or Secured Loan Agreement or the Master Trust Agreement, provided that such costs of enforcement shall be payable solely from pledged Collateral for the applicable Series of Bonds;

(c) *Indemnification of Trustee, Bond Registrar and Paying Agent.* Amounts payable (to the extent permitted by law and solely from pledged Collateral for the applicable Series of Bonds) with regard to indemnifying the Trustee, the Bond Registrar and any Paying Agent and their respective officers, directors, members, employees, attorneys and agents for, and to hold them harmless against, any loss, liability or expense including legal fees and expenses incurred without negligence or willful default on their part arising out of or in connection with the acceptance or administration of the trusts imposed by the related Bond Indenture or Secured Loan Agreement or the Master Trust Agreement, including performance of their duties, including the costs and expenses of defending themselves against any claims or liability in connection with the exercise or performance of any of their powers of duties thereunder; and

(d) *Advances By Trustee.* The amount of all advances of funds made by the Trustee under the provisions of the related Bond Indenture, with interest thereon at the prime rate announced from time to time by the Trustee.

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