
MASTER INDENTURE OF TRUST

by and between

VILLAGE OF TAOS SKI VALLEY
TAX INCREMENT DEVELOPMENT DISTRICT

and

BOKF, NA, as Trustee

Relating to Village of Taos Ski Valley Tax Increment Development District
Tax Increment Revenue Bonds

Dated as of February 1, 2018

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MASTER INDENTURE OF TRUST

THIS MASTER INDENTURE OF TRUST, dated as of February 1, 2018 (the "Master Indenture"), by and between THE VILLAGE OF TAOS SKI VALLEY TAX INCREMENT DEVELOPMENT DISTRICT, constituting a political subdivision of the State of New Mexico, separate and apart from the Village of Taos Ski Valley, the County of Taos and the State of New Mexico (the "District"), and BOKF, NA, a national banking association duly organized, existing and authorized to accept and execute trusts of the character herein set out under and by virtue of the laws of the United States, with its principal corporate trust office in Albuquerque, New Mexico (the "Trustee").

RECITALS

Capitalized terms not defined in the following recitals have the meanings assigned in Section 101 unless the context clearly requires otherwise.

WHEREAS, pursuant to Resolution No. 2015-272 and Amended and Restated Resolution No. 2015-275 (together, the "Formation Resolution"), the Village of Taos Ski Valley (the "Village") pursuant to the Tax Increment for Development Act, Sections 5-15-1 through 5-15-28 NMSA 1978 (the "Act"), approved a tax increment development plan (the "TIDD Plan") and the formation of a Tax Increment Development District as described in the TIDD Plan (the "District"), to be governed by a board of appointed directors (the "Governing Body"); and

WHEREAS, pursuant to a formation and bond election duly noticed, called and conducted by the Village and held on January 30, 2015, the District was approved by a majority of the votes cast at the election, as set forth in the Certificate of Canvass dated February 3, 2015; and

WHEREAS, the District is a political subdivision of the State of New Mexico (the "State"), separate and apart from the Village, the County of Taos, New Mexico (the "County") and the State; and

WHEREAS, pursuant to Section 5-15-15(B) NMSA 1978 and the Formation Resolution, the Village has dedicated 75% of the Village's local option gross receipts tax increment revenue and State-shared gross receipts tax increment revenue generated within the District (collectively, the "Village Gross Receipts Tax Increment Revenue") for the financing, construction, acquisition and dedication of Public Infrastructure, as identified in the TIDD Plan; and

WHEREAS, pursuant to 2015 Laws of New Mexico, Chapter 83, Section 1, and following presentation by the New Mexico Finance Authority ("NMFA") of the proposed issuance of bonds secured by state gross receipts tax increment generated within the District as provided in Section 5-15-21(A) and (B) NMSA 1978, the Legislature of the State authorized the issuance of bonds for such Public Infrastructure in an amount not to exceed \$44,000,000 in net proceeds (as adjusted for inflation), secured by tax increments authorized pursuant to the Act, including 50% of the State gross receipts tax increment revenue generated within the District, as approved by the State Board of Finance by resolution dated January 30, 2015; and

WHEREAS, pursuant to Section 5-15-17(A) NMSA 1978 and the Formation Resolution, the Village has dedicated 75% of the Village operational *ad valorem* property tax increment revenue generated within the District; and

WHEREAS, pursuant to Section 5-15-17A NMSA 1978 the County has dedicated 35% of the County operational *ad valorem* property tax increment revenue generated within the District; and

WHEREAS, the District has duly authorized the execution and delivery of this Master Indenture to provide for the issuance from time to time of Senior Lien Bonds, Subordinate Lien Bonds, and Junior Subordinate Lien Bonds for the purposes of financing Public Infrastructure, of paying at maturity and redeeming prior to maturity outstanding Bonds of the District, and for such other purposes as provided in this Master Indenture; and

WHEREAS, in accordance with the authorization and direction of the District, on the date of the execution and delivery of this Master Indenture and a Series Indenture the District may issue Senior Lien Bonds and Subordinate Lien Bonds, each as a separate Series, in accordance with this Master Indenture; and

WHEREAS, the execution and delivery of this Master Indenture has been duly authorized by a resolution adopted by the Governing Body of the District.

NOW, THEREFORE, THIS MASTER INDENTURE WITNESSETH:

NOW, THEREFORE, the District, in consideration of the premises and the acceptance by the Trustee of the trusts hereby created and of the purchase and acceptance of the Bonds by the Owners thereof, of the execution and delivery of any Credit Enhancement Facility by any Credit Facility Provider, and of the execution and delivery of any Liquidity Facility by any Liquidity Facility Provider and the District, and in order to secure the payment of the principal of, premium, if any, and interest on the Bonds according to their tenor and effect, and the performance and observance by the District of all the covenants expressed or implied herein and in the Bonds, does hereby, on the terms herein provided and subject to the provisions hereof permitting the application of amounts held hereunder and the exercise of rights in connection with certain properties, pledge and assign unto, and grant a security interest to, the Trustee, and its respective successors in trust and their respective assigns, forever, for the securing of the performance of the obligations of the District set forth below, all right, title and interest of the District, now or hereafter acquired, in and to the Trust Estate, as provided in this Master Indenture;

TO HAVE AND TO HOLD the same (in accordance with and subject to the provisions of this Master Indenture), whether now owned or hereafter acquired, unto the Trustee and its respective successors in trust and assigns forever;

IN TRUST NEVERTHELESS, upon the terms and trust herein set forth (i) for the equal and proportionate benefit, security and protection of all present and future Owners of Senior Lien

Obligations, without privilege, priority or distinction as to the lien or otherwise of any of the Senior Lien Obligations over any of the other, (ii) for the equal and proportionate benefit, security and protection of all present and future Owners of Subordinate Lien Obligations, without privilege, priority or distinction as to the lien or otherwise of any of the Subordinate Lien Obligations over any of the other, but subordinate to the Senior Lien Obligations on the terms described herein, and (iii) for the equal and proportionate benefit, security and protection of all present and future Owners of any Junior Subordinate Lien Obligations, without privilege, priority or distinction as to the lien or otherwise of any of Junior Subordinate Lien Obligations over any of the other except as may be provided in the Series Indentures authorizing the issuance of such Junior Subordinate Lien Obligations, but subordinate to the Senior Lien Obligations and the Subordinate Lien Obligations on the terms described herein;

PROVIDED, HOWEVER, that if the District, its successors or assigns, shall pay, or cause to be paid, the principal of, premium, if any, and interest and any other amounts due on the Obligations due or to become due thereon, at the times and in the manner stated in the Obligations according to the true intent and meaning thereof, or shall provide, as permitted hereby, for the payment thereof by depositing with the Trustee the entire amount due or to become due thereon (or such amount as will, with investment income thereon, equal such entire amount as provided in Section 1101), and shall keep, perform and observe all the covenants and conditions pursuant to the terms of this Master Indenture to be kept, performed and observed by it, and shall pay or cause to be paid to the Trustee, any Credit Facility Provider and any Liquidity Facility Provider all sums of money due or to become due in accordance with the terms and provisions therefor as provided herein, this Master Indenture and the rights hereby granted shall cease, terminate and be void but solely in connection with such Obligations; otherwise this Master Indenture shall be and remain in full force and effect.

THIS MASTER INDENTURE OF TRUST FURTHER WITNESSETH, and it is expressly declared, that all Obligations issued and secured hereunder are to be issued, authenticated and delivered and all said property, rights and interest, including, without limitation, the amounts and property hereby assigned and pledged, are to be administered and disposed of, under, upon and subject to the terms and conditions, stipulations, covenants, agreements, trusts, uses and purposes expressed below, and the District has agreed and covenanted, and does hereby agree and covenant, with the Trustee and with the respective Owners from time to time of the Obligations, or any part thereof and with any Credit Facility Provider and any Liquidity Facility Provider, as follows:

ARTICLE I

DEFINITIONS AND GENERAL PROVISIONS

Section 101. Meaning of Words and Terms. In this Master Indenture, the following words and phrases shall have the following meanings, and capitalized terms defined in the foregoing recitals shall have the same meanings, unless the context requires otherwise:

"Accountant's Certificate" means an opinion signed by a certified public accountant or firm of such accountants duly licensed to practice and practicing as such under the laws of the State, selected by the District, who is independent and not under the domination of the District, who does not have any substantial interest, direct or indirect, in the District, but who may be regularly retained to make annual or other audits of the books or records of the District.

"Acquisition Fund" means the Fund so designated which is created by Section 501.

"Act" means, collectively, Sections 5-15-1 through 5-15-28, NMSA 1978, 2015 Laws of New Mexico, Chapter 83, Section 1, Sections 6-18-1 et seq., NMSA 1978 as amended and supplemented, the Formation Resolution, the County Dedication Resolution and the State Dedication Resolution.

"Additional Bonds" means bonds, debentures or other obligations issued by the District pursuant to the Act in a combined principal amount, together with tax increment development district revenue bonds previously issued by the District, not to exceed the Maximum Principal Amount, which are payable from Tax Increment Revenue.

"Administrative Expenses" means the expenses of the District incurred in connection with their ongoing operation, administration and compliance with federal, state and local laws and regulations, including, without limitation, reasonable charges of the Village for services rendered to the District by Village personnel and financial, accounting, auditing, legal, and other similar costs.

"Amended and Restated Master Development Agreement" means the Amended and Restated Master Development Agreement (Amending and Restating the Master Development Agreement dated as of July 14, 2015) among the Village, the District and Taos Ski Valley, Inc., and any amendments and supplements thereto.

"Authorized Denominations" means, with respect to a Series, the denominations of principal amount authorized for such Series in the applicable Series Indenture.

"Authorized Officer" means, with respect to the Governing Body of the District, the Chair, the Vice Chair, the Secretary, or other person designated in writing by any of the above-listed officers to the Trustee, which writing may limit the functions which such other person may undertake as an Authorized Officer hereunder.

"Bond" or "Bonds" means Senior Lien Bonds, Subordinate Lien Bonds or Junior Subordinate Lien Bonds issued under and at any time Outstanding pursuant to this Master Indenture.

"Bond Counsel" means nationally recognized bond counsel in the field of law relating to municipal, state and public agency financing, satisfactory to the Trustee, and listed in the list of municipal bond attorneys, as published semiannually by The Bond Buyer, or any successor publication.

"Business Day" means a day of the year on which (i) banks located in the City of Albuquerque, New Mexico, (ii) the office of the Trustee located at the address specified in Section 1106 is located or (iii) the office of a Liquidity Facility Provider is located, are not required or authorized to remain closed, and on which The New York Stock Exchange is not closed.

"Code" means the Internal Revenue Code of 1986, as amended, with respect to a Series, to the date of initial issuance of such Series, and the regulations thereunder.

"Confirmation" means a letter from each Rating Agency then rating a Series confirming that the action proposed to be taken by the District will not, in and of itself, result in a lowering, suspension or withdrawal of the ratings then applicable to any Bonds.

"Construction Cost Index" means the index of construction costs applicable to the Albuquerque region published in ENR.com by the McGraw-Hill Companies (or, in the event such index is no longer published at the applicable time, such other index of construction costs as the District and the Village Administrator or successor in function determine is acceptable for purposes of the Amended and Restated Master Development Agreement and the Formation Resolution).

"Costs of Issuance" means all items of expense, directly or indirectly payable or reimbursable by or to the District and related to the authorization, sale and issuance of Bonds, including but not limited to costs incurred by the District in connection therewith, underwriters' compensation on such Obligations, initial fees and expenses due to any Credit Facility Provider or Liquidity Facility Provider, printing costs, costs of preparation and reproduction of documents, filing fees, initial fees and charges of the Trustee and other private parties performing services for the District under this Master Indenture in connection with the issuance or payment of Obligations, any initial credit enhancement fees, legal fees and charges, fees and disbursements of underwriters, consultants and professionals, costs of credit ratings, fees and charges for preparation and execution of Obligations, financing charges, accrued interest with respect to the initial investment of proceeds of Obligations, other costs incurred by the District in anticipation of the issuance of Obligations, and any other cost, charge or fee in connection with the issuance of the Obligations.

"Counsel" means a person, or firm of which such a person is a member, authorized in any state to practice law.

"County" means the County of Taos, New Mexico.

"County Dedication Resolution" means Resolution No. 2015-11 of the Board of County Commissioners adopted on February 17, 2015 whereby the County has dedicated 35% of the County operational *ad valorem* property tax increment revenue generated within the District.

"County Property Tax Increment Revenue" means 35% of the County's operational *ad valorem* property taxes collected within the District in excess of the base County operational *ad valorem* property taxes (as referred to in Section 5-15-3(B) NMSA 1978) collected within the District, as provided in the County Dedication Resolution; provided that, pursuant to Section 5-15-17C NMSA 1978, if there is a general reassessment of the taxable property valuations in the County, the base operational *ad valorem* property taxes collected within the District shall be proportionately adjusted in accordance with such general reassessment.

"Credit Enhancement Facility" means an insurance policy insuring, or a letter of credit or surety bond providing a direct or indirect source of funds for, the timely payment of principal of and interest on the Bonds of a Series or any portion thereof, as shall be designated pursuant to a Series Indenture with respect to such Series.

"Credit Facility Provider" means a commercial bank or other Person providing a Credit Enhancement Facility pursuant to any Series Indenture with respect to a Series.

"Debt Service" means, with respect to any particular Fiscal Year and any particular Series, an amount equal to the sum of all interest payable on such Bonds and any Principal Installment in respect of such Bonds which shall be due and payable at any time from the second day of such Fiscal Year to the first day of the ensuing Fiscal Year, inclusive.

"Debt Service Fund" means the Fund so designated which is created by Section 501.

"Debt Service Requirements" means, for any period, the sum of: (i) the amount required to pay the interest, or to make reimbursements for payments of interest, becoming due on the applicable Obligations during such period; *plus* (ii) the amount required to pay the principal or accreted value, or to make reimbursements for the payment of principal or accreted value, becoming due on the applicable Obligations during that period, whether at maturity, an accretion term date, or upon mandatory sinking fund redemption dates, subject to the following limitations:

(a) No payments required by Obligations which may occur because of the exercise of an option by the District, or which may otherwise become due by reason of any other circumstance or contingency, which constitute other than regularly scheduled payments of principal, accreted value, interest, or other regularly scheduled payments on Obligations shall be included in any computation of Debt Service Requirements for any computation period prior to the maturity or otherwise certain due dates thereof.

(b) Unless, at the time of computation of Debt Service Requirements, Repayment Obligations are owed to, or Obligations are owned or held by, a Credit Facility

Provider, a Liquidity Facility Provider or Reserve Alternative Instrument Provider, pursuant to the provisions of the related instruments, the computation of interest for the purposes of this definition shall be made without considering the interest rate payable pursuant to a Credit Facility, Liquidity Facility or Reserve Alternative Instrument.

(c) For the purpose of the definition of Debt Service Requirements, the accreted value of capital appreciation bonds shall be included in the calculation of interest and principal only for the applicable year during which the accreted value becomes payable.

(d) In the computation of Debt Service Requirements relating to the issuance of additional Obligations in Section 206, there shall be deducted from that computation amounts and investments which are irrevocably committed to make designated payments on Obligations included as part of the computation during the applicable period, including, without limitation: (i) money on deposit in any debt service account, (ii) amounts on deposit in an escrow account for the purpose of paying debt service on Obligations, (iii) amounts deposited to the credit of an account for the payment of capitalized interest on Obligations included as part of the computation, and (iv) money on deposit in an Account of the Debt Service Reserve Fund which may be used for payment of the final principal maturity of the Obligations secured by such Account in the Debt Service Reserve Fund.

(e) To determine Debt Service Requirements for Obligations with a variable interest rate, prospective computations of variable interest rates on Obligations shall be made on the assumption that the applicable Obligations bear interest at a fixed annual rate equal to the average of the USD-SIFMA Index during the five (5) year period next preceding a date which is no more than 60 days prior to the date of the issuance of the additional Obligations, as certified by the financial advisor to the District or an investment banker designated by the District from time to time.

(f) The purchase or tender price of Obligations resulting from the optional or mandatory tender or presentment for purchase of those Obligations shall not be included in any computation of Debt Service Requirements.

"Debt Service Reserve Fund" means the Fund so designated which is created by Section 501.

"Debt Service Reserve Requirement" means, as of any particular date of calculation, the amount, if any, established for a Series of Outstanding Senior Lien Bonds, Subordinate Lien Bonds or Junior Subordinate Lien Bonds in the applicable Series Indentures. The Debt Service Reserve Requirement may be composed of cash, Investment Securities or Reserve Alternative Instruments or any combination of the foregoing, as the District may from time to time determine.

"Defaulted Interest" has the meaning set forth in Section 301.

"Department" means the Taxation and Revenue Department of the State.

"District" means the Village of Taos Ski Valley Tax Increment Development District, which includes the parcels depicted in the map and legal descriptions attached to this Master Indenture as Exhibit C, as may be adjusted or supplemented from time to time as provided by the Amended and Restated Master Development Agreement and the Act.

"District Certificate," "District Order" or "District Request" mean, respectively, a written certificate, order or request signed in the name of the District by an Authorized Officer and delivered to the Trustee, which certificate, order or request shall recite and certify that it is in compliance with this Master Indenture.

"Draw-down Bond" means an Obligation issued hereunder in a principal amount not to exceed the Maximum Principal Amount pursuant to which advances are made by the purchaser of the Draw-down Bond at the request of Taos Ski Valley, Inc. and the District and are repaid in 30 days or less, with interest, by the District from Pledged Revenues. A Draw-down Bond may be a Senior Lien Bond, Subordinate Lien Bond or Junior Subordinate Lien Bond, as shall be specified in the Series Indenture pursuant to which a Draw-down Bond is issued.

"Event of Default" means any of the events of default described in Section 801.

"Fiscal Year" means the period from July 1 in any calendar year to June 30 in the following calendar year, both inclusive, or such other fiscal year of the District as may be established from time to time.

"Formation Resolution" has the meaning assigned to such term in the Recitals hereof.

"Fund" or "Funds" means one or more of the special trust funds which are created pursuant to this Master Indenture.

"Governing Body" means the governing body of the District.

"Governmental Obligations" means direct obligations of, or obligations the payment of the principal of and interest on which are unconditionally guaranteed by, the United States of America.

"Gross Receipts Tax Account" means the account so established within the Revenue Fund by Section 501.

"Indenture" means this Master Indenture and the Series Indenture or Indentures entered into by the District in accordance with the terms of the Master Indenture.

"Independent Consultant" means a person retained by or on behalf of the District to perform the analysis contemplated in Section 206 of this Master Indenture or any Series Indenture, which person shall not be an employee of the District and shall be qualified by the District in analyzing and projecting gross receipts tax revenue and *ad valorem* property tax revenue based on economic conditions and trends.

"Interest Payment Date" means any date upon which interest on the Bonds of any Series shall be payable as specified in the applicable Series Indenture.

"Investment Securities" means the following, to the extent permitted by New Mexico law:

(a) Governmental Obligations;

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

(i) *Farmers Home Administration (FMHA) Certificates of Ownership;*

(ii) *Federal Housing Administration (FHA) Debentures;*

(iii) *General Services Administration Participation certificates;*

(iv) *Government National Mortgage Association (GNMA or "Ginnie Mae")*

GNMA-guaranteed mortgage-backed bonds

GNMA-guaranteed pass-through obligations (participation certificates);

(v) *U.S. Maritime Administration Guaranteed Title XI financing;*

(vi) *U.S. Department of Housing and Urban Development (HUD) Project Notes Local Authority Bonds*

(viii) *Tennessee Valley Authority (TVA) Debentures;*

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

(i) *Federal Home Loan Bank System Senior debt obligations (Consolidated debt obligations);*

(ii) *Federal Home Loan Mortgage Corporation (FHLMC or "Freddie Mac") rated "AAA" by Standard & Poor's and "Aaa" by Moody's Participation Certificates (Mortgage-backed securities) Senior debt obligations;*

(iii) *Federal National Mortgage Association (FNMA or "Fannie Mae") rated "AAA" by S&P and "Aaa" by Moody's;*

Mortgage-backed securities and senior debt obligations (excluded are stripped mortgage securities which are valued greater than par on the portion of unpaid principal);

(iv) *Student Loan Market Association* (SLMA or Sallie Mae) Senior debt obligations;

(v) *Resolution Funding Corp.* (REFCORP) Only the interest component of REFCORP strips which have been stripped by request of the Federal Reserve Bank of New York in book-entry form are acceptable;

(vi) *Farm Credit System* Consolidated system-wide bonds and notes;

(d) Money market funds registered under the Federal Investment Company Act of 1940, whose shares are registered under the Federal Securities Act of 1933, and having a rating by S&P of "AAAm-G," "AAAm" or "Aam" or by Moody's of "Aaa", including funds from which the Trustee or its affiliates receive fees for investment advisory or other services to such funds;

(e) Certificates of deposit ("CD") secured at all times by collateral described in (a) and/or (b) above. CD's must have a one-year or less maturity. Such certificates must be issued by commercial banks, savings and loan associations or mutual savings banks whose short-term obligations are rated "A-1+" or better by S&P, and "Prime-1" or better by Moody's. The collateral must be held by a third party and the third party must have a perfected first security interest in the collateral;

(f) Certificates of deposit, savings accounts, deposit accounts or money market deposits which are fully insured by FDIC, including BID and SAIF;

(g) Commercial paper rated "Prime-1" or better by Moody's and "A-1+" or better by S&P and which matures not more than 270 days after the date of purchase;

(h) Bonds or notes issued by any municipality which are rated by Moody's and S&P in the highest long-term rating category assigned by such agencies;

(i) Federal funds or bankers' acceptances with a maximum term of one year of any bank which has an unsecured, uninsured and unguaranteed obligation rating of "Prime-1" or better by Moody's and "A-1+" or better by S&P;

(j) Repurchase agreements (excluding term repurchase agreements) involving the purchase and sale of securities described in parts (a) and (b) of this definition, the par value of which is collateralized by a perfected first pledge of, or security interest in, or the payments of which are unconditionally guaranteed by, securities described in parts (a) and (b), of this definition, which collateral is held by the Trustee, or for the benefit of the Trustee, by a party other than the provider of the repurchase agreement, with a collateral value of at least 102% of the par value of such repurchase agreement or 102% of the market value thereof, valued at

intervals of no less than monthly and which collateral is not subject to any other pledge or security interest;

(k) Investment contracts with providers, the long term, unsecured debt obligations of which are rated in one of the top two Rating Categories by a Rating Agency, the par value of which is collateralized by a perfected first pledge of, or security interest in, or the payments of which are unconditionally guaranteed by, securities described in parts (a) and (b) of this definition, which collateral is held by the Trustee, or for the benefit of the Trustee, by a party other than the provider of the guaranteed investment contract with a collateral value of at least 102% of the par value of such guaranteed investment contract or 102% of the market value thereof, valued at intervals of no less than monthly and which collateral is not subject to any other pledge or security interest;

(l) Forward supply or forward delivery agreements with providers the long term unsecured debt obligations of which are rated in one of the top two Rating Categories by a Rating Agency, for delivery at specified future dates and at specified prices of the securities described in parts (a), (b), (c) or (g) of this definition; and

(m) The State Treasurer's short-term investment fund created pursuant to Section 6-10-10.1, NMSA 1978, maintained and invested by the State Treasurer.

"Junior Subordinate Lien Bonds" means Bonds issued by the District with a lien (but not an exclusive lien) on Pledged Revenues subordinate to the lien thereon of the Senior Lien Bonds and Subordinate Lien Bonds of the District and so designated in the applicable Series Indenture authorizing such Junior Subordinate Lien Bonds.

"Junior Subordinate Lien Interest Account" means the account so established within the Debt Service Fund for Junior Subordinate Lien Bonds of the District by Section 501.

"Junior Subordinate Lien Obligations" means Bonds or other obligations issued with a lien on Pledged Revenues on parity with the lien thereon of Junior Subordinate Lien Bonds.

"Junior Subordinate Lien Principal Account" means the account so established within the Debt Service Fund for Junior Subordinate Lien Bonds of the District by Section 501.

"Liquidity Facility" means a standby bond purchase agreement, letter of credit or other agreement providing liquidity with respect to any Series or portion thereof for the District's obligation to repurchase Bonds subject to remarketing which have not been remarketed, as shall be designated pursuant to a Series Indenture with respect to such Series.

"Liquidity Facility Provider" means a commercial bank or other Person providing a Liquidity Facility pursuant to any Series Indenture with respect to a Series.

"Mandatory Sinking Fund Installment" means the principal amount of Bonds of all Series which, pursuant to the applicable Series Indentures, the District is unconditionally required (except as provided in Section 505) to redeem on any particular date (such that failure to redeem such principal amount is, regardless of the availability of moneys therefor, an Event of Default).

"Master Indenture" means this Master Indenture of Trust as supplemented or amended by each Series Indenture entered into in accordance with the terms hereof.

"Maximum Principal Amount" means the maximum principal amount of Bonds secured by Pledged Revenues that may be issued by the District which result in the maximum amount of "net proceeds, as adjusted for inflation" permitted by law as calculated pursuant to Section 203.

"Moody's" means Moody's Investors Service Inc., or any successor thereto; provided, that if such Rating Agency shall no longer have outstanding any rating assigned to any of the Bonds, any provision herein referring to Moody's shall be of no further force and effect.

"Municipal Gross Receipts Tax" means the following local option gross receipts taxes imposed or, in the case of the tax described in (e) of this definition, received by the Village pursuant to Section 7-19D-9 NMSA 1978 and the ordinances of the Village enacting such taxes;

(a) the general purposes municipal gross receipts tax referenced in §5-15-15(B)(1) NMSA 1978;

(b) the municipal environmental services gross receipts tax referenced in §5-15-15(B)(2) NMSA 1978;

(c) the municipal infrastructure gross receipts tax referenced in §5-15-15(B)(3) NMSA 1978;

(d) the municipal capital outlay gross receipts tax referenced in §5-15-15(B)(4) NMSA 1978; and

(e) the State-shared gross receipts taxes distributed to the Village pursuant to §7-1-6.4 NMSA 1978, as provided in §5-15-15(B)(6) NMSA 1978.

"Obligations" means, collectively, the Senior Lien Obligations, the Subordinate Lien Obligations, the Junior Subordinate Lien Obligations, and obligations issued with a lien on Pledged Revenues subordinate to Junior Subordinate Lien Obligations.

"Outstanding," when used with reference to any Bonds, means, as of any date, all unpaid Principal Installments of the Bonds theretofore or then being authenticated and delivered under this Master Indenture except:

(a) any Bonds cancelled by, or delivered for cancellation to, the Trustee because of payment at maturity or redemption or purchase prior to maturity;

(b) Bonds (or portions thereof) deemed paid in accordance with the provisions of Section 1101; and

(c) Bonds in lieu of or in substitution for which other Bonds shall have been authenticated and delivered pursuant to Article III.

"Owner" means, with respect to a Bond, the registered owner of such Bond unless the context otherwise requires.

"Participant" means a broker-dealer, bank or other financial institution from time to time for which the Securities Depository effects book-entry transfers and pledges of securities deposited with the Securities Depository.

"Paying Agent" means, initially, the Trustee, or, at the election of the District, any other bank with trust powers or trust company so designated pursuant to Section 902, and its successor or successors hereafter appointed, as paying agent for any Series.

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

"Pledged Revenues" means any or all of the following revenues, as may be designated in a Series Indenture: Village Gross Receipts Tax Increment Revenue, Village Property Tax Increment Revenue, County Property Tax Increment Revenue and State Gross Receipts Tax Increment Revenue, as defined in this Section 101, as subject to the provisions of Section 202 of this Master Indenture, and as designated in a Series Indenture.

"Principal Installment" means, as of the date of calculation and with respect to any Series Outstanding, (i) the principal amount of Bonds of such Series due on a certain future date (whether at a stated maturity date or a date fixed for redemption prior to a stated maturity date) for which no Mandatory Sinking Fund Installments have been established, or (ii) the unsatisfied balance (determined as provided in Section 505) of any Mandatory Sinking Fund Installments in a principal amount equal to said unsatisfied balance of such Mandatory Sinking Fund Installments, or (iii) if such future dates coincide as to different Bonds of such Series, the sum of such principal amount of Bonds and of such unsatisfied balance of Mandatory Sinking Fund Installments due on such future date, plus such applicable redemption premiums, if any.

"Principal Installment Date" means any date upon which any Principal Installment on Bonds of any Series shall be due and payable pursuant to the applicable Series Indenture.

"Property Tax Account" means the account so established within the Revenue Fund by Section 501.

"Public Infrastructure" means, collectively, the public infrastructure improvements described in the Tax Increment Development Plan.

"Rating Agency" or "Rating Agencies" means Moody's or S&P or any other generally recognized rating agency to the extent any such agency has been requested in writing by the

District to issue a rating on any of the Bonds of the District and such agency has issued and continues to apply a rating on such Bonds at the time in question.

"Rating Category" means a generic securities rating category assigned by a Rating Agency, without regard, in the case of a long-term rating category, to any refinement or gradation of such long-term rating category by a numerical modifier or otherwise.

"Rebate Fund" means the Fund so designated which is created by Section 501.

"Redemption Date" means, when used with respect to any Bonds to be redeemed, the date fixed for such redemption by or pursuant to this Master Indenture and the applicable Series Indenture.

"Redemption Price" means the total of principal, premium (if any) and interest due on any Bond redeemed pursuant to any applicable redemption provision of this Master Indenture and the applicable Series Indenture.

"Refunding Bonds" means all Bonds, whether issued in one or more Series, authenticated and delivered pursuant to Section 207 of this Master Indenture.

"Regular Record Date" means, except to the extent otherwise provided in the Series Indenture providing details with respect to any Series, the 15th day (whether or not a Business Day) preceding any Interest Payment Date on the Bonds.

"Repayment Obligations" means the obligations of the District to repay a Credit Facility Provider, a Liquidity Facility Provider or the provider of a Reserve Alternative Instrument for amounts advanced by any such provider with respect to the principal of or interest on or the purchase price of Obligations issued hereunder.

"Reserve Alternative Instrument" means any policy of insurance, surety bond, letter of credit or other financial instrument issued to the District, the proceeds of which shall be used to prevent deficiencies in the payment of the principal of or interest on Obligations issued hereunder resulting from insufficient amounts being on deposit in the Debt Service Account for that Series of Obligations to make the payment of principal of and interest on that series as the same become due. Each Reserve Account Insurance Policy shall comply with the terms set forth herein. If the Reserve Account Insurance Policy is in the form of a surety bond, the surety bond must be from an insurance company experienced in insuring municipal bonds whose policies of insurance would not in and of itself adversely affect the rating on Obligations by Moody's or by S&P in effect at the time such policy is initially deposited in or credited to the reserve account of the applicable Series of Obligations.

"Revenue Fund" means the Fund so designated which is created by Section 501.

"S&P" means Standard & Poor's Global Ratings, or any successor thereto; provided, that if such Rating Agency shall no longer have outstanding any rating assigned to any of the Bonds, any provision herein referring to S&P shall be of no further force and effect.

"Securities Depository" means The Depository Trust Company, New York, New York, and its successors and assigns, or any additional or other securities depository designated in a Series Indenture, or (i) if the then Securities Depository resigns from its functions as depository of the Bonds, or (ii) if the District discontinues use of the Securities Depository pursuant to Section 308, then any other securities depository which agrees to follow the procedures required to be followed by a securities depository in connection with the Bonds and which is selected by the District with the consent of the Trustee.

"Senior Lien Bonds" means Bonds issued by the District with a first lien (but not an exclusive first lien) on Pledged Revenues on parity with the lien thereon of the Senior Lien Bonds of the District and so designated in the applicable Series Indenture authorizing such Senior Lien Bonds.

"Senior Lien Interest Account" means the account so established within the Debt Service Fund for Senior Lien Bonds of the District by Section 501.

"Senior Lien Obligations" means Bonds or other obligations issued with a lien on Pledged Revenues on parity with the lien thereon of Senior Lien Bonds.

"Senior Lien Principal Account" means the account so established within the Debt Service Fund for Senior Lien Bonds of the District by Section 501.

"Series" means all Bonds of a designated series or subseries authenticated and delivered on original issuance authorized by a given Series Indenture, and any Bonds thereafter authenticated and delivered in lieu of or in substitution for (but not to refund) such Bonds as herein provided, regardless of variations in maturity, interest rate, Mandatory Sinking Fund Installments, or other provisions.

"Series Indenture" or "Supplemental Indenture" means any indenture of the District authorizing the issuance of a Series in accordance with the terms and provisions hereof, executed and delivered in accordance with Section 203.

"Special Record Date" for the payment of any Defaulted Interest on Bonds means a date fixed by the Trustee pursuant to Section 301.

"State" means the State of New Mexico.

"State Dedication Resolution" means the resolution adopted by the State Board of Finance on January 30, 2015 dedicating 50% of the State Gross Receipts Tax increment to the District.

"State Gross Receipts Tax Increment Revenue" means 50% of the portion of State gross receipts taxes collected within the District in excess of the base State gross receipts taxes (as referred to in Section 5-15-3(A) NMSA 1978) currently imposed pursuant to the Gross Receipts and Compensating Tax Act, Section 7-9-1 NMSA 1978, but excluding that portion distributed to

municipalities pursuant to Sections 7-1-6.4 and 7-1-6.46 NMSA 1978 or to counties pursuant to Section 7-1-6.47 NMSA 1978, and as collected for the duration of the existence of the District and distributed to the District in the same manner as distributions are made under the provisions of the State Tax Administration Act; provided that such percentage of the State gross receipts taxes collected within the District may be reduced by the State pursuant to Section 6 of the State Dedication Resolution.

"Subordinate Lien Bonds" means Bonds issued by the District with a lien (but not an exclusive lien) on Pledged Revenues subordinate to the lien thereon of Senior Lien Bonds and so designated in the applicable Series Indenture authorizing such Subordinate Lien Bonds.

"Subordinate Lien Interest Account" means the account so established within the Debt Service Fund for Subordinate Lien Bonds of the District by Section 501.

"Subordinate Lien Obligations" means Bonds or other obligations issued with a lien on Pledged Revenues on parity with the lien thereon of Subordinate Lien Bonds.

"Subordinate Lien Principal Account" means the account so established within the Debt Service Fund for Subordinate Lien Bonds of the District by Section 501.

"Tax Certificate" means, with respect to a Series the interest on which is intended to be excluded from the gross income of the Owners thereof for federal income tax purposes, the certificate of the District concerning certain federal tax matters furnished by the District in connection with the initial issuance and delivery of such Series.

"Tax Increment Development Plan" means the tax increment development plan approved with respect to the District, a copy of which is attached to and made a part of this Master Indenture as Exhibit B, as supplemented and amended.

"Tax Increment for Development Act" means Sections 5-15-1 through 5-15-28 NMSA 1978, as amended or supplemented from time to time.

"Tax Increment Revenue" means the duly dedicated portions of (i) the Village Gross Receipts Tax Increment Revenue, (ii) the Village Property Tax Increment Revenue, (iii) the County Property Tax Increment Revenue and (iv) the State Gross Receipts Tax Increment Revenue, as may be supplemented by future dedications by taxing authorities.

"Taxing Entity" means a taxing entity as defined in Section 5-15-3(Z) NMSA 1978.

"Treasurer" means the co-treasurers of the District, or either of them, to the extent in any instance that each co-treasurer is authorized to act without the consent of the other co-treasurer.

"Trust Estate" means all rights, title, interest and privileges of the District to:

- (a) Pledged Revenues; and

(b) (i) any Credit Enhancement Facility and any Liquidity Facility with respect to the District; (ii) the proceeds of the sale of the District's Bonds, and all other moneys in all Funds and Accounts established on behalf of the District under this Master Indenture (other than amounts in the Rebate Fund owing to the United States), including the investments, if any, thereof, and earnings, if any, thereon (other than as stated in Section 507) until applied in accordance with the terms of this Master Indenture; and (iii) the money, Investment Securities and funds and all other rights of every name and nature from time to time hereafter by delivery or by writing of any kind pledged, assigned or transferred as and for additional security hereunder; and

(c) any additional revenues or moneys that may be duly and lawfully dedicated by a Taxing Entity to the District in the future.

"Trustee" means BOKF, NA and the successor or successors of such bank or trust company and any other corporation which may at any time be substituted in its place pursuant to Article IX.

"USD-SIFMA Index" means the USD-SIFMA Municipal Swap Index, as released to the subscribers thereof.

"Value" means, as of any date of computation, the value of the Trust Estate or Investment Securities calculated by or on behalf of the District as to (a) below and otherwise by the Trustee, as follows:

(a) with respect to any funds of the District held under this Master Indenture and on deposit in any commercial bank or as to any certificates of deposit or banker's acceptances, the amount thereof plus accrued but unpaid interest;

(b) as to investments the bid and asked prices of which are published on a regular basis in *The Wall Street Journal* (or, if not there, in *The New York Times*), the average of the bid and asked prices for such investments so published on such date of calculation or most recently prior to such date of calculation;

(c) as to investments (other than investment contracts and repurchase agreements) the bid and asked prices of which are not published on a regular basis in *The Wall Street Journal* or *The New York Times*, (i) the lower of the bid prices at such date of calculation for such investments by any two nationally recognized government securities dealers (selected by the Trustee in its absolute discretion) at the time making a market in such investments, or (ii) the bid price published by a nationally recognized pricing service;

(d) as to an investment contract, an amount equal to the principal amount plus any accrued interest required to be remitted to the Trustee (without regard to notice requirements of seven days or less) pursuant to the terms of such investment contract;

(e) as to a repurchase agreement, an amount equal to the unpaid repurchase price thereof plus any accrued interest thereon as of such date; and

(f) with respect to any investment not specified above, the value thereof established by prior agreement by the District, the Trustee and the Rating Agencies.

"Village Gross Receipts Tax Increment Revenue" means 75% of the portion of Municipal Gross Receipts Taxes collected within the District in excess of the base Municipal Gross Receipts Taxes (as referred to in Section 5-15-3(A) NMSA 1978) as collected for the duration of the existence of the District and distributed to the District after any deductions for administrative fees, in the same manner as distributions are made under the provisions of the State Tax Administration Act; provided that proceeds of the Bonds shall be used to pay the costs of Public Infrastructure which is consistent with the purposes set forth in the statutes authorizing those municipal local option gross receipts taxes in proportion that the pledge of such Village Gross Receipts Tax Increment Revenue bears to the other Pledged Revenues, pursuant to Section 5-15-15(D) NMSA 1978, as further provided in the Series Indenture for a Series secured by such Village Gross Receipts Tax Revenue.

"Village Property Tax Increment Revenue" means 75% of the Village's operational *ad valorem* property taxes collected within the District in excess of the base Village operational *ad valorem* property taxes (as referred to in Section 5-15-3(B) NMSA 1978) collected within the District, as provided in the Formation Resolution; provided that, pursuant to Section 5-15-17C NMSA 1978, if there is a general reassessment of the taxable property valuations in the County, the base operational *ad valorem* property taxes collected within the District shall be proportionally adjusted in accordance with such general reassessment.

Section 102. Interpretation. In this Master Indenture, unless the context otherwise requires:

(a) the terms "herein," "hereunder," "hereby," "hereto," "hereof" and any similar terms, refer to this Master Indenture as a whole and not to any particular article, section or subdivision hereof and, when the context so requires, refer to any Series Indenture; and the term "heretofore" means before the date of execution of this instrument, the term "now" means at the date of execution of this instrument and the term "hereafter" means after the date of execution of this instrument;

(b) words of the masculine gender include correlative words of the feminine and neutral genders and words importing the singular number include the plural number and vice versa;

(c) the captions or headings of this Master Indenture, and the table of contents appended to copies hereof, are for convenience only and in no way define, limit or describe the scope or intent of any provisions, articles or sections of this Master Indenture;

(d) if at any time there shall be one Person or two or more affiliated Persons who shall be the Owner of all of the Outstanding Bonds and this Master Indenture shall require the consent of the Trustee for a particular purpose, then the consent of that Person or affiliated Persons shall be required in lieu of the consent of the Trustee for that purpose, unless that Person shall have been notified and shall not have consented within a reasonable period of time; and

(e) references herein to provisions of the Code, including the regulations thereunder, include references to any successors to such provisions, as such provisions may be renumbered pursuant to any federal tax law hereafter enacted.

Section 103. Computations. Unless the facts shall then be otherwise, all computations required for the purposes of this Master Indenture shall be made on the assumption that (i) all Obligations shall be paid as and when the same become due and (ii) all credits required by this Master Indenture to be made to any Fund or Account shall be made in the amounts and at the times required.

Section 104. Exclusion of Bonds Held by or for the District. In determining whether the Owners of the requisite principal amount of Outstanding Bonds have given any request, demand, authorization, direction, notice, consent or waiver hereunder, Bonds owned by or for the District shall be disregarded and deemed not to be Outstanding, except that, in determining whether the Trustee shall be protected in relying upon any such request, demand, authorization, direction, notice, consent or waiver, only Bonds which the Trustee knows to be so owned shall be disregarded.

Section 105. Certificates and Opinions. In any case where several matters are required to be certified by, or covered by an opinion of, any specified Person, it is not necessary that all such matters be certified by, or covered by the opinion of, only one such Person, or that they be so certified or covered by only one document, but one such Person may certify or give an opinion with respect to some matters and one or more other such Persons as to other matters, and any such Person may certify or give an opinion as to such matters in one or several documents.

Any certificate or opinion of an officer of the District may be based, insofar as it relates to factual matters relating to the District or to legal matters, upon a certificate or opinion of, or representations by Counsel, or insofar as it relates to the Funds and Accounts, upon a certificate or opinion of, or representations by, the Trustee, unless such officer knows, or in the exercise of reasonable care should know, that the certificate or opinion or representations with respect to the matters upon which his certificate or opinion is based are erroneous. Any such certificate or opinion of Counsel may be based, insofar as it relates to factual matters, upon a certificate or opinion of, or representations by, an officer or officers of the District stating that the information with respect to such factual matters is in the possession of the District, unless such Counsel knows, or in the exercise of reasonable care should know, that the certificate or opinion or representations with respect to such matters are erroneous.

When any Person is required to make, give or execute two or more applications, requests, consents, certificates, statements, opinions or other instruments under this Master Indenture, such instruments may, but need not, be consolidated and form one instrument.

Any opinion of Counsel may be qualified by reference to the constitutional powers of the United States of America, the police and sovereign powers of the State, judicial discretion and bankruptcy, insolvency, reorganization, moratorium and other laws affecting creditors' rights or municipal corporations and similar matters.

(End of Article 1)

ARTICLE II

AUTHORIZATION AND ISSUANCE OF BONDS

Section 201. Issuance of Bonds to Finance Public Infrastructure. For the purpose of providing funds to finance Public Infrastructure described in and contemplated by the Tax Increment Development Plan, including providing for refunding all or any part of a prior Series or other obligations of the District, Bonds of the District may be issued under and secured by this Master Indenture, subject to the provisions of this Article II. The principal of, the interest on and the redemption premium, if any, on such Bonds shall be payable solely from the moneys and revenues pledged by this Master Indenture and the applicable Series Indenture for their payment, and all of the covenants, agreements and conditions of this Master Indenture shall be for the benefit and security of all present and future owners, without preference, priority or distinction as to lien or otherwise, except as otherwise provided herein or in a Series Indenture, of any one Senior Lien Bond over another, or any one Subordinate Lien Bond over another or any one Junior Subordinate Lien Bond over another; provided, that the Senior Lien Bonds, Subordinate Lien Bonds and Junior Subordinate Lien Bonds shall have the priority with respect to each other as stated in this Master Indenture.

The District has ascertained and it is hereby determined and declared that the execution and delivery of this Master Indenture is necessary to carry out the powers and duties expressly provided by the Act, that each and every act, matter, thing or course of conduct as to which provision is made herein is necessary or convenient in order to carry out and effectuate the purposes of the District in accordance with the Act and to carry out powers expressly given in the Act, and that each and every covenant or agreement herein contained and made is necessary, useful or convenient in order to better secure the Owners, and are contracts or agreements necessary, useful and convenient to carry out and effectuate the purposes of the District under the Act.

Section 202. Limitation on Issuance and Obligation of Bonds; Pledge. No Bonds may be issued under the provisions of this Master Indenture except in accordance with the provisions of this Article II. The Bonds of the District shall be special obligations of the District payable solely from the moneys and revenues pledged therefor pursuant to this Master Indenture. The Bonds are not a general obligation, debt or liability of the State, the Village or the County, none of the State, the Village or the County shall be liable on the Bonds and none of the State, the Village or the County have pledged their full faith and credit to the Bonds. The principal of, interest on and any payment requirement related to the Obligations and the Repayment Obligations shall not constitute or give rise to a pecuniary liability on the part of the members, directors or officers of the District. No breach of any pledge, obligation or agreement of the District shall impose a pecuniary liability or charge upon the general credit or taxing power of the State, the Village or the County, or any political subdivision of the State other than the District, and each Bond shall include a statement to that effect. The Owners of the Bonds shall have no recourse to the taxing power of the Village or to any Village property, funds or resources, other than the Village Gross Receipts Tax Increment Revenue and the Village Property Tax Increment Revenue dedicated to the District. No recourse shall be had for the payment of the principal or interest of the Bonds or for any claim based thereon, or otherwise,

against any individual officer or other agent of the State, past, present or future, either directly or indirectly or otherwise, whether by virtue of any constitution, statute, or rule of law, or by the enforcement of any penalty, or otherwise, all such liability, if any, being by acceptance by the Owners of the Bonds and as a part of the consideration of their issuance specially waived and released.

In the event that Tax Increment Revenues decline by any act of the State to reduce the amount of state shared gross receipts taxes distributed to the Village pursuant to Section 7-1-6.4 NMSA 1978, as provided in Section 5-15-15(B)(6) NMSA 1978, then the Village shall have neither liability as to decreases in the Tax Increment Revenues caused by any such State action nor obligation to dedicate additional Tax Increment Revenue to the District.

Section 5-15-16(B) NMSA 1978 provides that a district may pledge irrevocably any or all of a gross receipts tax increment received by the district to the payment of the interest on and principal of the gross receipts tax increment bonds for any of the purposes authorized in the Tax Increment for Development Act. A law that imposes or authorizes the imposition of a municipal or county gross receipts tax or that affects the municipal or county gross receipts tax shall not be repealed, amended or otherwise directly or indirectly modified in any manner to adversely impair any outstanding gross receipts increment bonds that may be secured by a pledge of any municipal or county gross receipts tax increment, unless those outstanding bonds have been discharged in full or provision has been fully made for those bonds.

Section 5-15-23 NMSA 1978 provides that, if the provisions set forth in the Tax Increment for Development Act, impair the ability of a municipality, county or other public body to meet its principal or interest payment obligations for revenue bonds or general obligation bonds outstanding prior to the effective date of the Tax Increment for Development Act that are secured by the pledge of all or part of the municipality, county or other public body's gross receipts tax or property tax revenue, then the amount otherwise payable to the district pursuant to the Tax Increment for Development Act shall be paid instead to the municipality, county or public body in an amount sufficient to meet any required payment, and Pledged Revenues shall not be construed to include such amounts.

The District hereby pledges and agrees with the Owners that the District will not limit or alter its powers to fulfill the terms of any agreements made in this Master Indenture or in the Bonds or in any way impair the rights and remedies of the Owners so long as the Bonds are Outstanding and until all costs and expenses in connection with any action or proceeding by or on behalf of the Owners are fully met and discharged.

The Obligations, including the principal thereof and interest thereon, except as otherwise provided in this Master Indenture or a Series Indenture, shall be secured hereunder by the foregoing pledge of the Trust Estate. The revenues, Investment Securities and other moneys herein pledged shall immediately be subject to the lien of such pledge without any physical delivery or further act, and the lien of such pledge shall be valid and binding against all parties having claims of any kind in tort, contract or otherwise against the District, irrespective of whether such parties have notice of such lien. Such pledge and the Obligations shall constitute a prior and paramount lien and charge on the Trust Estate (subject only to the valid exercise of the

constitutional powers of the United States of America, valid bankruptcy, insolvency, reorganization, moratorium and other laws affecting creditors' rights or municipal corporations, and to the provisions of this Master Indenture permitting the application of the revenues, Investment Securities and other moneys for the purposes and on the terms and conditions hereof), over and ahead of any claims (whether in tort, contract or otherwise, irrespective of whether the parties possessing such claims have notice of the foregoing pledges or charges), encumbrances or obligations of any nature hereafter arising or incurred, and over and ahead of all other indebtedness payable from or secured by such revenues which may hereafter be created or incurred. The pledge of the Pledged Revenues, Investment Securities and other moneys made herein and hereby shall be valid and binding and shall be deemed continuously perfected for all purposes from the time of the delivery of and payment for the Bonds, and the revenues, Investment Securities and other moneys shall thereupon be immediately subject to the lien, pledge and charge hereof upon receipt thereof by the District, or the Trustee or any agent thereof, without any physical delivery or segregation thereof or further act.

The initial purchasers of any Bonds, any associate thereof and any subsequent Owner of any Bond shall in no manner be responsible for the application or disposal by the Trustee or by the District or by any of its officers, agents and employees of the money derived from the sale of the Bonds or of any other money herein designated. The validity of the Bonds shall neither be dependent upon nor affected by the validity or regularity of any proceedings or contracts relating to the formation of the District or the use and application of the proceeds of the Bonds.

The pledge of the Pledged Revenues, Investment Securities and other moneys made hereby includes the pledge of any contract or any evidence of indebtedness or other rights of the District to receive any of the same, whether now existing or hereafter coming into existence, and whether now or hereafter acquired, and the proceeds thereof. **THE PLEDGED REVENUES ARE NOT PLEDGED AS SECURITY FOR BONDS OF OR OBLIGATIONS OF ANY DISTRICT OTHER THAN THE DISTRICT.**

Section 203. Authorization for Bonds in Series.

(a) From time to time as authorized by this Master Indenture and subject to the terms, limitations and conditions established in this Master Indenture, the District may authorize the issuance of a Series of Senior Lien Bonds, Subordinate Lien Bonds, or Junior Subordinate Lien Bonds, including one or more Draw-down Bonds, upon execution and delivery of a Series Indenture (which Series Indenture shall not require the approval of the Owner of any of the Outstanding Bonds), and the Bonds of any such Series may be issued and delivered upon compliance with the provisions of this Article II. Except as otherwise stated in an applicable Series Indenture, the Bonds of each such additional Series shall be designated "Village of Taos Ski Valley Tax Increment Development District Tax Increment Revenue [Refunding] Bonds, Series _____" (inserting identification of the particular Series including by year of issue and by number and/or alphabetic and/or other reference and inserting reference to "Taxable," as applicable, and "Senior", "Subordinate," "Junior Subordinate," "Draw-down" or other designation, as applicable). Bonds of any such additional Series may be authorized to be issued in such forms as may be provided in the applicable Series Indenture. All such Bonds may have endorsed thereon such legends or text as may be necessary or appropriate to conform to any

applicable rules and regulations of any governmental authority or any usage or requirement of law with respect thereto, or as may be authorized by the District and approved by the Trustee.

Pursuant to 2015 Laws of New Mexico, Chapter 83, Section 1 the amount of Bonds may not exceed \$44,000,000 "in net proceeds, as adjusted for inflation" (the "Statutory Limitation").

For the purposes of this Master Indenture and the Statutory Limitation, "net proceeds" shall mean the proceeds of the Bonds received by the District less any amount of such proceeds (i) expended on Costs of Issuance, (ii) deposited in the Debt Service Fund as capitalized or accrued interest and (iii) deposited in the Debt Service Reserve Fund. The Trustee shall, while any Bonds are Outstanding under the Master Indenture, maintain a record of such "net proceeds" of the Bonds, showing the amount of proceeds of the Bonds received by the District, the amount of proceeds of the Bonds expended on Cost of Issuance, the amount of proceeds of the Bonds deposited in the Debt Service Fund and the amount of proceeds of the Bonds deposited the Debt Service Reserve Fund. In December of each year, and more frequently if requested by the District in writing, the Trustee shall furnish the District a current copy of such record.

For the purposes of this Master Indenture and the Statutory Limitation, the term "as adjusted for inflation" shall mean the net proceeds of the Bonds theretofore issued as adjusted in accordance with the Construction Cost Index, with the Construction Cost Index in effect on May 1, 2015 being the base for such calculation. If at any time the District requests the Trustee to authenticate Bonds in an amount which, together with all Bonds theretofore authenticated by the Trustee, would exceed \$44,000,000 in net proceeds without regard to any adjustment for inflation, the Trustee shall calculate such inflation adjustment to determine the amount, if any, by which the \$44,000,000 limitation is increased. For the purposes of this calculation, Refunding Bonds shall be taken in account only in a principal amount which exceeds the principal amount of the Bonds refunded thereby. In no event shall the Trustee authenticate Bonds or accept any advance under a Draw-down Bond in a principal amount which would exceed the Statutory Limitation.

The District covenants that it shall not issue any bonds or incur any other indebtedness or request any advances under a Draw-down Bond secured by the tax increments pursuant to the Act, whether under this Master Indenture or any other documents, in a principal amount that would cause the Statutory Limitation to be exceeded.

(b) Each Series Indenture authorizing the issuance of a Series shall specify and determine:

(1) the authorized principal amount of such Series or, if the Series is a Draw-down Bond, the maximum principal amount;

(2) the purpose for which such Series is being issued, which shall be to provide funds for the purposes authorized by and consistent with each of the Act, the Tax Increment Development Plan and this Master Indenture, including one or more of the following:

(i) funding of Public Infrastructure, including the payment of temporary indebtedness incurred by the District to obtain funds for such purposes; (ii) the making of deposits in amounts, if any, required or permitted by this Master Indenture to be paid into any Fund or Account from the proceeds of such Series, including deposits for the payment of Costs of Issuance; or (iii) the refunding of Bonds issued hereunder or other bonds of the District;

(3) the specific Tax Increment Revenues pledged as security for the Bonds and the following:

(AA) If Village Gross Receipts Tax Increment Revenues are pledged, the purposes specified by statute for use of such revenue and that proceeds of the Bonds secured by such revenues shall be used consistently with such purposes, in proportion that the pledge of such Village Gross Receipts Tax Increment Revenues bears to the other pledged Tax Increment Revenues, as provided by Section 5-15-15(D) NMSA 1978;

(BB) If State Gross Receipts Tax Increment Revenues are pledged, that the Legislature has authorized in Section 5-15B-1 NMSA 1978 that State Gross Receipts Tax Increment Revenue may be used to secure Gross Receipts Tax Increment Bonds of the District for the Public Infrastructure, of which the specific Public Infrastructure being financed with proceeds of those Bonds is a part;

(4) the title and designation of, the manner of numbering and lettering, and the denomination or denominations of the Bonds of such Series, including the designation of such Bonds as Senior Lien Bonds, Subordinate Lien Bonds, Junior Subordinate Lien Bonds, including Draw-down Bonds (including the applicable designation of lien priority on Pledged Revenues of such Draw-down Bonds) and whether the interest on such Bonds is intended to be includable in or excluded from gross income for federal income tax purposes;

(5) the Principal Installment Dates and the amounts thereof and the dated date of the Bonds of such Series; provided, that the Principal Installment Date shall be the same date during the calendar year for all Series other than Series maturing in less than 30 days and secured by a lien on Pledged Revenues subordinate to the lien thereon of all other Outstanding Bonds, and except as may otherwise be provided in a Series Indenture for a Draw-down Bond;

(6) the interest rate or rates, or the manner of determining such rate or rates, of the Bonds of such Series and the Interest Payment Dates of such Bonds; provided, that the Interest Payment Date shall be the same date during the calendar year for all Series the interest on which is payable semi-annually, and except as may otherwise be provided in a Series Indenture for a Draw-down Bond;

(7) the Redemption Price or Redemption Prices and the Redemption Date or Redemption Dates and other terms of redemption (if any) applicable to any of the Bonds of such Series;

(8) any additional Paying Agent or Paying Agents appointed by such Series Indenture for such Bonds as provided in Section 902;

(9) the amount and date of each Mandatory Sinking Fund Installment, if any;

(10) the form of the Bonds of such Series;

(11) designation of the Credit Enhancement Facility and Credit Facility Provider, Liquidity Facility and Liquidity Facility Provider and/or any Reserve Alternative Instrument, if applicable, and the manner of securing any Repayment Obligations and such additional provisions as may be required in connection with any Credit Enhancement Facility, Liquidity Facility and/or Reserve Alternative Instrument;

(12) the establishment of a Debt Service Reserve Requirement, if any, for such Series and if established, the creation of an Account in the Debt Service Reserve Fund for such Series; and

(13) any other provisions deemed advisable by the District, not in conflict with or in substitution for the provisions of this Master Indenture.

(c) A Series Indenture authorizing the issuance of a Draw-down Bond shall specify and determine:

(1) the maximum principal amount of the Draw-down Bond;

(2) provisions for requesting and making advances against the Maximum Principal Amount of the Draw-down Bond;

(3) the interest rate or rates, or the manner of determining the interest rate or rates, and the Interest Payment Dates applicable to the Draw-down Bond; and

(4) provisions for repayment of the principal amounts of advances made and the interest thereon, including the Principal Installment Date or Dates.

Section 204. Issuance and Delivery of Bonds. After authorization by a Series Indenture, Bonds of a Series may be executed by or on behalf of the District in accordance with Section 302 and delivered to the Trustee for authentication, and upon compliance by the District with the special requirements, if any, set forth in such Series Indenture and with the requirements of Sections 205, 206 and 207, the Trustee shall thereupon authenticate and deliver such Bonds to or upon District Order.

Section 205. Conditions Precedent to Authentication and Delivery of Bonds. Except as provided by Sections 304 and 306, the Trustee shall authenticate and deliver to or upon District Order any Bonds authorized to be issued pursuant to this Master Indenture only upon receipt by the Trustee of:

(a) an executed copy of the Series Indenture authorizing the Series;

(b) a District Order as to the delivery of such Bonds, identifying whether the Bonds of such Series are Senior Lien Bonds, Subordinate Lien Bonds, Junior Subordinate Lien Bonds and whether the Bonds of such Series are Draw-down Bonds (including the applicable designation of lien priority on Pledged Revenues of such Draw-down Bonds) and otherwise describing such Bonds to be authenticated and delivered, designating the purchaser or purchasers to whom such Bonds are to be delivered, and stating the purchase price of such Bonds or, in the case of Draw-down Bonds, the maximum principal amount thereof;

(c) a District Order directing the deposit into an Account of the Debt Service Reserve Fund of so much (if any) of (i) the proceeds of the Bonds to be issued, upon their issuance, sale and delivery, (ii) a Reserve Alternative Instrument or (iii) such other funds of the District, so that the amount then held by the Trustee in such Account (together with the available amount of any Reserve Alternative Instrument therein) is equal to the Debt Service Reserve Requirement, if any, with respect to such Bonds;

(d) a District Certificate stating that the District is not in default in the performance of any of the covenants, conditions, agreements or provisions contained in this Master Indenture or any Series Indenture; and

(e) the amount of the proceeds of the Series to be deposited in any Fund or Account and such further documents, moneys and Investment Securities as are required hereby or by the applicable Series Indenture.

Section 206. Additional Bonds Payable from Pledged Revenues.

(a) No provision of this Master Indenture shall be construed to prevent the issuance by the District of additional Senior Lien Bonds, Subordinate Lien Bonds, Junior Subordinate Lien Bonds or Draw-down Bonds subsequent to the issuance of the first Series of Bonds hereunder, or to prevent the issuance of bonds or other obligations refunding all or a part of any Outstanding Bonds. However, before any Additional Bonds are issued (excluding Refunding Bonds or refunding obligations issued pursuant to Section 207, and subject to the provisions of Subsection (e) of this Section 206) and the requirements in the Amended and Restated Master Development Agreement applicable to financing of District infrastructure:

(1) The District shall then be current in all accumulations required to be made pursuant to Section 503 with respect to its outstanding Obligations; and

(2) The Trustee shall have received the certification or report described in either (AA) or (BB) below:

(AA) a written certificate or opinion of the chief financial officer or officers of the District or an Independent Accountant that the Pledged Revenues received by or credited to the District in any twelve consecutive calendar months out of the eighteen calendar

months immediately preceding the date of proposed issuance of the Additional Bonds shall have been sufficient, taking into account capitalized interest for the Outstanding Bonds and the Additional Bonds proposed to be issued, to pay an amount representing at least all of the following:

(1) one hundred twenty five percent (125%) of the maximum combined Debt Service Requirements coming due in any subsequent Fiscal Year on (A) then Outstanding Senior Lien Bonds of the District, and (B) the Senior Lien Bonds proposed to be issued;

(2) one hundred ten percent (110%) of the maximum combined Debt Service Requirements coming due in any subsequent Fiscal Year on (A) then Outstanding Subordinate Lien Bonds of the District, and (B) the Subordinate Lien Bonds proposed to be issued; and

(3) one hundred percent (100%) of the maximum combined Debt Service Requirements coming due in any subsequent Fiscal Year on (A) then Outstanding Junior Subordinate Lien Bonds of the District, and (B) the Junior Subordinate Lien Bonds proposed to be issued; or

(BB) a report of an Independent Consultant to the effect that, for each of the three full Fiscal Years immediately following the issuance of the proposed Bonds (the "Projected Period"), based on assumptions considered reasonable by the Independent Consultant, taking into account capitalized interest for the Outstanding Bonds and the Additional Bonds proposed to be issued, that the projected Pledged Revenues received by or credited to the District for the Projected Period will be sufficient to represent at least all of the following:

(1) one hundred thirty five percent (135%) of the maximum combined Debt Service Requirements coming due in any subsequent Fiscal Year on (A) then Outstanding Senior Lien Bonds of the District, and (B) the Senior Lien Bonds proposed to be issued,

(2) one hundred twenty percent (120%) of the maximum combined Debt Service Requirements coming due in any subsequent Fiscal Year on (A) then Outstanding Subordinate Lien Bonds of the District, and (B) the Subordinate Lien Bonds proposed to be issued, and

(3) one hundred ten percent (110%) of the maximum combined Debt Service Requirements coming due in any subsequent Fiscal Year on (A) then Outstanding Junior Subordinate Lien Bonds of the District, and (B) the Junior Subordinate Lien Bonds proposed to be issued.

(b) A written certificate or opinion by the chief financial officer or officers of the District or an Independent Consultant that the Pledged Revenues are sufficient to cover the amounts required by paragraph (a)(2)(AA) above shall be required and shall be conclusively presumed to be accurate in determining the right of the District to authorize, issue, sell and

deliver additional Senior Lien Bonds, Subordinate Lien Bonds or Junior Subordinate Lien Bonds. Alternatively, a written report of an Independent Consultant that the Pledged Revenues are sufficient to cover the amounts required by paragraph (a)(2)(BB) above shall be required and shall be conclusively presumed to be accurate in determining the right of the District to authorize, issue, sell and deliver additional Senior Lien Bonds, Subordinate Lien Bonds or Junior Subordinate Lien Bonds.

(c) No provision of this Master Indenture shall be construed to prevent the issuance by the District of additional bonds or other obligations payable from Pledged Revenues constituting a lien on Pledged Revenues (or any portion thereof) subordinate and junior to the lien on Pledged Revenues of Bonds described in paragraph (a) above.

(d) The District shall not issue Bonds or incur Obligations payable from Pledged Revenues having a lien thereon prior and superior to the lien thereon of the Senior Lien Obligations.

(e) Bonds the final maturity of which is less than 30 days and are secured by a lien on Pledged Revenues subordinate to the lien thereon of all other Outstanding Bonds shall be subject to the provisions of subparagraph (a)(1) but not the remaining provisions of this Section 206.

(f) For purposes of calculating the maximum annual debt service requirements of any Draw-down Bonds either Outstanding or proposed to be issued pursuant to subsection (a) of this Section 206, it shall be assumed that the Maximum Principal Amount (calculated as of not more than 30 days prior to the issuance of such Additional Bonds) of such Draw-down Bonds has been advanced and that interest has begun to accrue as of the date of issuance and delivery thereof.

Section 207. Provisions for Refunding Bonds.

(a) One or more Series of Refunding Bonds may be authenticated and delivered upon original issuance to refund all or any Bonds Outstanding hereunder. Refunding Bonds shall be issued in a principal amount sufficient, together with other moneys available therefor, to accomplish such refunding and to make such deposits as are required by the Series Indenture authorizing such Series of Refunding Bonds.

(b) The Bonds of such a Series of Refunding Bonds may be authenticated and delivered only upon receipt by the Trustee (in addition to the receipt by it of the documents required by Section 205) of:

(1) except in the case of Bonds or other obligations to be paid at their scheduled maturity, irrevocable instructions to the Trustee, satisfactory to it, to give due notice of redemption of all the Bonds or other obligations to be redeemed from any of the proceeds of such Series on the Redemption Date or Redemption Dates specified in such instructions; and

(2) a District Certificate stating that the proceeds (excluding accrued interest but including any premium) of such Refunding Bonds, together with any other moneys which have been made available for such purposes, or the principal of and the interest on the investment of such proceeds or any such moneys, will be not less than an amount sufficient to pay the principal of and the redemption premium, if any, on the Bonds or other obligations to be refunded and the interest which will become due and payable on or prior to the date of their payment or redemption and the financing costs in connection with such refunding.

(c) If the Refunding Bonds do not increase the Debt Service Requirements coming due in any subsequent Fiscal Years by more than five percent (5%) in comparison to the Debt Service Requirements on the applicable Bonds or other obligations being refunded in such Fiscal Years, the Refunding Bonds may be issued without complying with the provisions of Section 206 hereof; otherwise the District shall comply with the provisions of Section 206 hereof in issuing Refunding Bonds.

Section 208. Repayment Obligations. The District may, in a Series Indenture, provide that Repayment Obligations relating to Credit Enhancement Facilities or Liquidity Facilities for the related Series of Obligations will be secured on the same basis as the related Obligations (or on any basis subordinate thereto) and may also provide that Repayment Obligations relating to Reserve Alternative Instruments for the related Series of Obligations will be secured on the same basis as the replenishment of the related Account of the Debt Service Reserve Fund.

(End of Article II)

ARTICLE III

GENERAL TERMS AND PROVISIONS OF BONDS

Section 301. Details of Bonds. The Bonds shall be dated, shall bear interest, if any, until their payment, such interest to the maturity thereof being payable on the Interest Payment Dates related thereto on the basis of a 360-day year of twelve 30-day months (except to the extent otherwise provided in the applicable Series Indenture), and shall be stated to mature (subject to the right of prior redemption), all as provided in or as modified by the applicable Series Indenture.

Except as otherwise provided in the applicable Series Indenture, each interest-bearing Bond shall bear interest on the unpaid principal amount thereof from the Interest Payment Date next preceding the date on which it is authenticated, unless authenticated on an Interest Payment Date, in which case it shall bear interest on the unpaid principal amount thereof from such Interest Payment Date, or unless authenticated prior to the first Interest Payment Date, in which case it shall bear interest from its date; provided, however, that if at the time of authentication of any Bond, interest is in default, such Bond shall bear interest from the date to which interest shall have been paid.

Both the principal of and the interest on the Bonds shall be payable in any currency of the United States of America which on the respective dates of payment thereof is legal tender for the payment of public and private debts. Except as otherwise provided in the applicable Series Indenture, the principal of all Bonds shall be payable only to the registered Owner or his legal representative at the corporate trust office of the Trustee designated for such purpose, and payment of the interest on each Bond shall be made by the Trustee on each Interest Payment Date to the Person appearing on the registration records provided for below as the registered Owner thereof, by, except as otherwise provided in Section 308 with respect to a Securities Depository, check mailed to the registered Owner at his address as it appears on such registration records. Except as provided in Section 308, the final payment of the principal of all Bonds shall be made upon the presentation and surrender of such Bonds as the same shall become due and payable.

Interest on any Bond that is payable on any Interest Payment Date and that is punctually paid or duly provided for is payable to the Person in whose name such Bond is registered at the close of business on the Regular Record Date for such interest.

Interest on any Bond that is payable on any Interest Payment Date but that is not punctually paid or duly provided for (herein called "Defaulted Interest") ceases forthwith to be payable to the Owner on the relevant Regular Record Date solely by virtue of such Owner having been such Owner; and such Defaulted Interest may be paid by the District, at its election in each case, as provided in subsection (a) or (b) below:

(a) The District may elect to make payment of any Defaulted Interest on the Bonds to the Persons in whose names such Bonds (or any previous Bonds evidencing all or a portion of the same debt as that evidenced by such particular Bonds) are registered at the close of

business on a Special Record Date for the payment of such Defaulted Interest, which shall be fixed in the following manner. The District shall notify the Trustee in writing of the amount of Defaulted Interest proposed to be paid on each Bond and the date of the proposed payment (which date shall be such as will enable the Trustee to comply with the next sentence), and at the same time the District shall deposit with the Trustee an amount of money equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest or shall make arrangements satisfactory to the Trustee for such deposit prior to the date of the proposed payment. Such money when deposited shall be held in trust for the benefit of the Persons entitled to such Defaulted Interest as provided in this subsection. Thereupon, the Trustee shall fix a Special Record Date for the payment of such Defaulted Interest which shall be not more than fifteen nor less than ten days prior to the date of the proposed payment and not less than ten days after the receipt by the Trustee of the notice of the proposed payment. The Trustee shall promptly notify the District of such Special Record Date and, in the name and at the expense of the District, such expense to be paid solely from amounts held under this Master Indenture, shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor, to be mailed, first class postage prepaid, to each Owner at his address as it appears in the registration records not less than ten days prior to such Special Record Date. Notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor having been mailed as aforesaid, such Defaulted Interest shall be paid to the Persons in whose names the Bonds (or any previous Bonds evidencing all or a portion of the same debt as that evidenced by such particular Bonds) are registered on such Special Record Date and shall no longer be payable pursuant to the following subsection (b).

(b) The District may make payment of any Defaulted Interest on the Bonds in any other lawful manner and upon such notice as may be required by any exchange on which the Bonds may be listed, if, after notice given by the District to the Trustee of the proposed payment pursuant to this subsection, such payment shall be deemed practicable by the Trustee.

Section 302. Execution. The Bonds shall be executed on behalf of the District by the manual or facsimile signatures of the Chair of the Governing Body of the District and the Co-Treasurers of the Governing Body of the District, and shall be attested by the manual or facsimile signature of the Secretary of the Governing Body of the District. In case any officer who shall have signed (whether manually or by facsimile) any of the Bonds shall cease to be such officer of the District before the Bonds have been authenticated or delivered or sold, such Bonds may, nevertheless, be authenticated and delivered, and may be sold by the District as though the person who signed such Bonds had remained in office. Any Bond of a Series may be signed on behalf of the District by such persons as at the actual time of the execution of such Bond shall be duly authorized or hold the proper office of the District, although at the date of the Bonds of such Series such persons may not have been so authorized or have held such office.

At any time and from time to time after the execution and delivery of this Master Indenture, the District may deliver Bonds executed by the District to the Trustee for authentication and, upon the District's Order, the Trustee shall authenticate and deliver such Bonds as provided in this Master Indenture and not otherwise.

Section 303. Exchange of Bonds. Bonds, upon surrender thereof at the corporate trust office of the Trustee designated for such purpose, together with an assignment duly executed by the registered Owner or his attorney or legal representative in such form as shall be satisfactory to the Trustee, may, at the option of the Owner thereof, be exchanged for an equal aggregate principal amount of Bonds of the same Series and maturity, bearing interest at the same rate, of any denomination or denominations authorized by the applicable Series Indenture. So long as any of the Bonds remain Outstanding, the District shall make all necessary provisions to permit the exchange of Bonds at the office of the Trustee.

Section 304. Negotiability, Transfer and Registration. The transfer of any Bond may be registered only upon the records kept for the registration of and registration of transfers of Bonds upon surrender thereof to the office of the Trustee, as registrar, together with an assignment duly executed by the registered Owner or his attorney or legal representative in such form as shall be satisfactory to the Registrar. Upon any such registration of transfer of a Bond, the District shall execute and the Trustee shall authenticate and deliver in exchange for such Bond a new Bond or Bonds, registered in the name of the transferee, in any denomination or denominations authorized by the applicable Series Indenture, in an aggregate principal amount equal to the principal amount of such Bond of the same Series and maturity and bearing interest at the same rate.

In all cases in which Bonds shall be exchanged or Bonds shall be transferred hereunder by registration as aforesaid, the District shall execute and the Trustee shall authenticate and deliver at the earliest practicable time Bonds in accordance with the provisions of this Master Indenture. All Bonds surrendered in any such exchange or registration of transfer shall forthwith be cancelled by the Trustee. The District or, at the direction of the District, the Trustee may make a charge for the expense incurred in every such exchange or registration of transfer of Bonds, including a charge sufficient to reimburse it for any tax or other governmental charge required to be paid with respect to such exchange or registration of transfer. Neither the District nor the Trustee shall be required to make any such exchange or registration of transfer of Bonds (i) during a period beginning at the opening of business 15 days before any selection of Bonds for redemption and ending at the close of business on the day of such selection, or (ii) selected for redemption in whole or in part.

Section 305. Ownership of Bonds. As to any Bond, the Person in whose name the same shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, whether such Bond shall be overdue or not, and payment of or on account of the principal of and interest on any such Bond shall be made only to the registered Owner thereof or his legal representative. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond, including interest thereon, to the extent of the sum or sums so paid.

Section 306. Bonds Mutilated, Destroyed, Stolen or Lost. If the District and the Trustee receive evidence satisfactory to them of the ownership of and the loss, theft, destruction or mutilation of any Bond and, in the case of a lost, stolen or destroyed Bond, indemnity satisfactory to them, and in the case of a mutilated Bond, upon surrender and cancellation of the Bond, then in the absence of notice to the District or the Trustee that such Bond had been acquired by a bona fide purchaser, the District shall execute, and the Trustee shall authenticate

and deliver, a new Bond of like tenor, Series, principal amount, maturity and interest rate in lieu of the lost, stolen, destroyed or mutilated Bond; provided, that if the lost, stolen, destroyed or mutilated Bond shall have matured or shall have been called for redemption, in lieu of executing and delivering a new Bond as aforesaid, the District may pay the Bond. Any such new Bond shall bear a number not previously assigned to a Bond. The applicant for any such new Bond shall comply with the reasonable regulations prescribed by the District and the Trustee and shall be required to pay all expenses and charges of the District and the Trustee in connection with the issuance of the new Bond. All Bonds so surrendered to the Trustee shall be canceled by it, and evidence of the cancellation shall be given to the District.

Every new Bond issued pursuant to this Section 306 in lieu of any destroyed, lost or stolen Bond shall constitute an original additional contractual obligation of the District, whether or not the destroyed, lost or stolen Bond shall be at any time enforceable by anyone, and shall be entitled to all the benefits of this Master Indenture equally and proportionately with any and all other Bonds duly issued and authenticated hereunder. Neither the District nor the Trustee shall be required to treat both the original Bond and any duplicate Bond as being Outstanding for the purpose of determining the principal amount of Bonds which may be issued hereunder or for the purpose of determining any percentage of Bonds Outstanding hereunder, but both the original and duplicate Bond shall be treated as one and the same.

All Bonds shall be held and owned upon the express condition that, to the extent permitted by law, the foregoing provisions of this Section 306 are exclusive with respect to the replacement and payment of mutilated, destroyed, lost or stolen Bonds.

Section 307. Authentication of Bonds. Each Bond shall bear thereon a certificate of authentication, substantially in the following form, duly completed and manually executed by the Trustee:

CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds of the issue designated therein and issued under the provisions of the within mentioned Indenture.

_____ as Trustee

By: _____

Title: _____

Date of Authentication: _____

No Bond shall be valid or obligatory for any purpose unless and until such certificate of authentication shall have been duly executed by the Trustee, and such certificate of the Trustee upon any such Bond shall be conclusive evidence that such Bond has been duly authenticated

and delivered under this Master Indenture. The Trustee's certificate of authentication on any Bond shall be deemed to have been duly executed if signed by an authorized officer or signatory of the Trustee, but it shall not be necessary that the same officer sign the certificate of authentication on all of the Bonds that may be issued hereunder at any one time.

Section 308. Book Entry Bonds.

(a) Unless otherwise determined in the Series Indenture authorizing the issuance of a Series, the registered Owner of all Bonds of such Series shall be a Securities Depository and such Bonds shall be registered in the name of the nominee for the Securities Depository. The "Bonds" referred to in this paragraph (a) shall refer to the Bonds registered in the name of the Securities Depository.

(b) The Bonds shall be initially issued in the form of separate, single, authenticated, fully-registered Bonds in the amount of each separate maturity of the Bonds. Upon initial issuance, the ownership of each such Bond shall be registered in the registration records kept by the Trustee in the name of the nominee of the Securities Depository. The Trustee and the District may treat the Securities Depository (or its nominee) as the sole and exclusive owner of the Bonds registered in its name for the purposes of (1) payment of the principal or Redemption Price of or interest on the Bonds, (2) selecting the Bonds or portions thereof to be redeemed, (3) giving any notice permitted or required to be given to Owners under this Master Indenture, (4) registering the transfer of Bonds, and (5) obtaining any consent or other action to be taken by Owners and for all other purposes whatsoever, and neither the Trustee nor the District shall be affected by any notice to the contrary (except as provided in paragraph (c) below). Neither the Trustee nor the District shall have any responsibility or obligation to any Participant, any beneficial owner or any other Person claiming a beneficial ownership interest in the Bonds under or through the Securities Depository or any Participant, or any other Person which is not shown on the registration records of the Trustee as being an Owner, with respect to the accuracy of any records maintained by the Securities Depository or any Participant, the payment to the Securities Depository of any amount in respect of the principal or Redemption Price of or interest on the Bonds; any notice which is permitted or required to be given to Owners under this Master Indenture; the selection by the Securities Depository or any Participant of any Person to receive payment in the event of a partial redemption of the Bonds; or any consent given or other action taken by the Securities Depository as Owner. The Trustee shall pay all principal and Redemption Price of and interest on the Bonds only to or upon the order of the Securities Depository, and all such payments shall be valid and effective to fully satisfy and discharge the District's obligations with respect to the principal, or Redemption Price of and interest on the Bonds to the extent of the sum or sums so paid. Except as provided in (c) below, no Person other than the Securities Depository shall receive an authenticated Bond for each separate maturity evidencing the obligation of the District to make payments of principal or Redemption Price and interest pursuant to this Master Indenture. Upon delivery by the Securities Depository to the Trustee of written notice to the effect that the Securities Depository has determined to substitute a new nominee in place of the preceding nominee, the Bonds will be transferable to such new nominee in accordance with paragraph (f) below.

(c) In the event the District determines that it is in the best interest of the District not to continue the book entry system of transfer or that the interest of the Owners might be adversely affected if the book entry system of transfer is continued, the District may notify the Securities Depository and the Trustee, whereupon the Securities Depository will notify the Participants of the availability through the Securities Depository of Bond certificates. In such event, the Trustee shall authenticate, transfer and exchange Bond certificates as requested by the Securities Depository in appropriate amounts in accordance with paragraph (d) below. The Securities Depository may determine to discontinue providing its services with respect to the Bonds at any time by giving notice to the District and the Trustee and discharging its responsibilities with respect thereto under applicable law, or the District may determine that the Securities Depository is incapable of discharging its responsibilities and may so advise the Securities Depository. In either such event, the District shall either establish its own book-entry system or use reasonable efforts to locate another securities depository. Under such circumstances (if there is no successor Securities Depository), the District and the Trustee shall be obligated to deliver Bond certificates as described in this Master Indenture and in accordance with paragraph (f) below. In the event Bond certificates are issued, the provisions of this Master Indenture shall apply to such Bond certificates in all respects, including, among other things, the transfer and exchange of such certificates and the method of payment of principal or Redemption Price of and interest on such certificates. Whenever the Securities Depository requests the District and the Trustee to do so, the Trustee and the District will cooperate with the Securities Depository in taking appropriate action after reasonable notice (A) to make available one or more separate certificates evidencing the Bonds to any Participant having Bonds credited to its account with the Securities Depository or (B) to arrange for another securities depository to maintain custody of certificates evidencing the Bonds.

(d) Notwithstanding any other provision of this Master Indenture to the contrary, so long as any Bond is registered in the name of the nominee of the Securities Depository, all payments with respect to the principal or Redemption Price of and interest on such Bond and all notices with respect to such Bond shall be made and given, respectively, to the Securities Depository as provided in its representation letter.

(e) In connection with any notice or other communication to be provided to Owners pursuant to this Master Indenture by the District or the Trustee or with respect to any consent or other action to be taken by Owners of Bonds, the District, or the Trustee, as the case may be, shall establish a record date for such consent or other action and give the Securities Depository notice of such record date not less than fifteen calendar days in advance of such record date to the extent possible. Such notice to the Securities Depository shall be given only when the Securities Depository is the sole Owner.

(f) In the event that any transfer or exchange of Bonds is permitted under paragraph (b) or (c) of this Section 308, such transfer or exchange shall be accomplished upon receipt by the Trustee from the registered Owner thereof of the Bonds to be transferred or exchanged and appropriate instruments of transfer to the permitted transferee, all in accordance with the applicable provisions of this Master Indenture. In the event Bond certificates are issued to Owners other than the nominee of the Securities Depository, or another securities depository as Owner of all the Bonds, the provisions of this Master Indenture shall also apply to, among

other things, the printing of such certificates and the methods of payment of principal or Redemption Price of and interest on such certificates.

(g) Upon any partial redemption of any of the Bonds, the Securities Depository or its nominee in its discretion may request the District to issue and authenticate a new Bond or shall make an appropriate notation on the Bond indicating the date and amount of prepayment, except in the case of final maturity, in which case the Bond must be presented to the Trustee prior to payment.

(End of Article III)

ARTICLE IV

APPLICATION OF BOND PROCEEDS

Section 401. Deposits in Funds and Accounts.

(a) To the extent provided in the Series Indenture authorizing a Series, the proceeds derived from the sale of such Series shall be deposited in the account of the Acquisition Fund related to that Series and in other Funds and District Accounts designated therein.

(b) Accrued interest, if any, received upon the delivery of any Series shall be deposited in the Interest Account of the Debt Service Fund designated for that Series. The amount, if any, received as a premium over the principal amount of such Series upon delivery of such Series shall be deposited in that Series' Acquisition Account, or that Series' Principal Account of the Debt Service Fund, unless otherwise specified in the Series Indenture authorizing such Series.

(c) If required by a Series Indenture, there shall be deposited in the applicable Account of the Debt Service Reserve Fund an amount sufficient, together with other available moneys of the District and the available amount of any Reserve Alternative Instrument therein, to cause the amount on deposit in that Account to equal the Debt Service Reserve Requirement applicable to the Series of Bonds, if any. Nothing in this paragraph (c) shall prevent the creation in two or more Series Indentures of a common Account in the Debt Service Reserve Fund for several related Series of Bonds issued by the District.

(d) The amount, if any, specified in the Series Indenture to be deposited as capitalized interest on Bonds of the Series authorized by the Series Indenture shall be deposited in the Interest Account of the Debt Service Fund related to that Series.

(e) There shall be deposited in the Series Account in the Acquisition Fund an amount sufficient to pay Costs of Issuance for each Series as are not otherwise provided for.

(End of Article IV)

ARTICLE V

ESTABLISHMENT OF FUNDS AND ACCOUNTS;
APPLICATION OF PLEDGED ASSETS

Section 501. Establishment of Funds and Accounts.

(a) There are hereby created and established the following Funds and Accounts to be held and maintained by the Trustee for the benefit of the Owners:

- (1) Acquisition Fund, and a Series Account therein for each Series
- (2) Revenue Fund, and a Property Tax Account and a Gross Receipts Tax Account therein

- (3) Debt Service Fund, and the following Accounts thereof:

Senior Lien Principal Account
Senior Lien Interest Account

Subordinate Lien Principal Account
Subordinate Lien Interest Account

Junior Subordinate Lien Principal Account
Junior Subordinate Lien Interest Account

- (4) Debt Service Reserve Fund, and the following Accounts thereof:

Senior Lien Debt Service Reserve Account

Subordinate Lien Debt Service Reserve Account

Junior Subordinate Lien Debt Service Reserve Account.

(b) There is hereby created and established the Rebate Fund and accounts thereof related to each Series, to be held and maintained by the Trustee in which neither the District (except as provided in Section 504(a)) nor the Owners have any right, title or interest.

The Trustee is hereby authorized for the purpose of facilitating the administration of the Trust Estate and for the administration of any Series issued hereunder to create accounts or subaccounts in any of the various Funds and Accounts established hereunder or any additional Funds or Accounts which are deemed necessary or desirable; provided, however, that the obligations of the District to provide the Funds and Accounts described in subsections (a) and (b) of this Section 501 is not altered or amended.

Section 502. Acquisition Fund.

(a) The Trustee shall from time to time pay out, or permit the withdrawal of, moneys credited to the Acquisition Fund, free and clear of any lien, pledge or assignment in trust created hereby, for the purpose of paying in the manner herein authorized any Costs of Issuance, for which provision is not otherwise made, upon receipt by said Trustee of a written requisition substantially in the form of Exhibit A hereto signed by an Authorized Officer stating that the amount to be paid from such Fund pursuant to such requisition is a proper charge thereon, and stating with respect to each payment to be made: (1) the item for which payment is to be made, (2) the name of the Person to whom the payment is to be made, and (3) the amount to be paid. Upon receipt of each such requisition properly drawn, the Trustee shall deliver a check or draft, drawn upon the Acquisition Fund for the payment of each item. A Series Indenture may provide for a different form of requisition for payment of Costs of Issuance.

(b) From the proceeds of each Series, there shall be deposited into the Series Account of the Acquisition Fund the amounts, if any, required by Section 401 of this Master Indenture, as specified in the related Series Indenture. In addition, there shall be credited to the Acquisition Fund any amounts transferred thereto from the Revenue Fund.

Except as otherwise specifically directed herein or in any Series Indenture, amounts in the Acquisition Fund shall be expended and applied, upon District Order, only for Public Infrastructure. A form of Requisition is attached hereto as Exhibit D. A Series Indenture may provide for a different form of Requisition.

(c) Prior to or concurrent with the furnishing of a District Order requesting reimbursement for the costs of any element of the Public Infrastructure, the Village shall have delivered to TSVI and the District a Certificate of Completion and Acceptance (as defined in the Amended and Restated Master Development Agreement) with respect to such element of the Public Infrastructure.

The Trustee shall also expend proceeds of Refunding Bonds deposited to an escrow account established for refunding of Bonds or other obligations of the District, if so provided in the applicable Series Indenture.

The District may, at any time upon District Order, direct the Trustee to transfer any moneys in the Acquisition Fund to the Revenue Fund or to any other applicable Fund or Account hereunder.

Section 503. Revenue Fund.

(a) On the date of issuance of the initial Series of Bonds, the District shall transfer all Pledged Revenues then held by the District to the Trustee, other than \$50,000 retained by the District in an operating account for use to pay Administrative Expenses incurred from time to time. The Trustee shall deposit such Pledged Revenues to the credit of the Revenue Fund. Thereafter, all moneys received by or on behalf of the District as Pledged Revenues shall be paid to the Trustee not later than the last Business Day of each month and deposited by the

Trustee to the credit of the Revenue Fund; provided, however, that the District may retain in its operating account Pledged Revenues in an amount deemed necessary by the District to pay Administrative Expenses from time to time so long as the balance in the operating account does not at any point in time exceed \$50,000. In addition, any moneys to be transferred from any other Fund or Account hereunder for deposit to the Revenue Fund shall be promptly deposited by the Trustee to the credit of the Revenue Fund. As required by the Act, the District shall individually account for all Pledged Revenues received by it. All moneys received by the District as Village Property Tax Increment Revenue and County Property Tax Increment Revenue paid by the District to the Trustee shall be so designated in writing by the District to the Trustee and shall be deposited by the Trustee in the Property Tax Account and all moneys received by the District as Village Gross Receipts Tax Increment Revenue and State Gross Receipts Tax Increment Revenue paid by the District to the Trustee shall be so designated in writing by the District to the Trustee and shall be deposited by the Trustee in the Gross Receipts Tax Account. There may also be paid into the Revenue Fund, at the option of the District, any moneys received by the District from any other source.

(b) Except as specifically provided below and unless specifically provided to the contrary in a Series Indenture, the Trustee shall withdraw from the Revenue Fund and deposit to the credit of the following Funds and Accounts the following amounts in the following order of priority, the requirements of each such deposit (including the making up of any deficiencies resulting from lack of amounts in the Revenue Fund sufficient to make any earlier required deposit) at the time of deposit to be satisfied, and the results of such satisfaction being taken into account, before any deposit is made subsequent in priority (any money not required to be so deposited to remain in the Revenue Fund, until subsequently applied pursuant to this Section 503):

(1) First, on each December 1, or the first Business Day thereafter, to the Rebate Fund, an amount to be calculated by the District which, when added to the amount already on deposit in the Rebate Fund, will equal the amount determined by the District to be required to be on deposit therein.

(2) Second, to the Senior Lien Interest Account, not less than five Business Days prior to the next occurring Interest Payment Date for a Series of Senior Lien Bonds (except as may otherwise be provided in a Series Indenture authorizing the issuance of Draw-down Bonds), an amount equal, when added to amounts then on deposit in the Senior Lien Interest Account, to the interest on the Outstanding Senior Lien Bonds and any Repayment Obligations of the District secured on parity with the Senior Lien Bonds accrued and unpaid as of such Interest Payment Date.

(3) Third, to the Senior Lien Principal Account, not less than five Business Days prior to the next occurring Principal Payment Date for a Series of Senior Lien Bonds (except as may otherwise be provided in a Series Indenture authorizing the issuance of Draw-down Bonds), an amount equal, when added to amounts then on deposit in the Senior Lien Principal Account, to the amount of all accrued and unpaid Principal Installments coming due on the next Principal Installment Date on Senior Lien Bonds of the District (and related Repayment Obligations). There shall also be deposited to the Senior Lien Principal Account, whenever

Senior Lien Bonds of the District have been duly called for redemption and such redemption is to occur within thirty days, an amount equal to the principal amount of the Senior Lien Bonds to be redeemed on such Redemption Date.

(4) Fourth, (i) to the Account or Accounts of the Debt Service Reserve Fund established in any Series Indenture for a related Series of Senior Lien Bonds, so much as may be required so that the amounts in each Account therein shall equal the Debt Service Reserve Requirement for the related Senior Lien Bonds of the District then Outstanding and for which an Account in the Debt Service Reserve Fund has been established, and (ii) on parity with the transfer under (i) of this Subsection (4), to the payment of Repayment Obligations relating to Reserve Alternative Instruments for Senior Lien Bonds.

(5) Fifth, to the Subordinate Lien Interest Account, not less than five Business Days prior to an Interest Payment Date for a Series of Subordinate Lien Bonds (except as may otherwise be provided in a Series Indenture authorizing the issuance of Draw-down Bonds), an amount equal, when added to amounts then on deposit in the Subordinate Lien Interest Account, to the interest on the Outstanding Subordinate Lien Bonds and any Repayment Obligations of the District secured on parity with the Subordinate Lien Bonds accrued and unpaid as of such Interest Payment Date.

(6) Sixth, to the Subordinate Lien Principal Account, not less than five Business Days prior to the next occurring Principal Payment Date for a Series of Subordinate Lien Bonds (except as may otherwise be provided in a Series Indenture authorizing the issuance of Draw-down Bonds), an amount equal, when added to amounts then on deposit in the Subordinate Lien Principal Account, to the amount of all accrued and unpaid Principal Installments coming due on the next Principal Installment Date on Subordinate Lien Bonds of the District (and related Repayment Obligations). There shall also be deposited to the Subordinate Lien Principal Account, whenever Subordinate Lien Bonds of the District have been duly called for redemption and such redemption is to occur within thirty days, an amount equal to the principal amount of the Subordinate Lien Bonds to be redeemed on such Redemption Date.

(7) Seventh, (i) to the Account or Accounts of the Debt Service Reserve Fund established in any Series Indenture for a related Series of Subordinate Lien Bonds, so much as may be required so that the amounts in each Account shall equal the Debt Service Reserve Requirement for the related Subordinate Lien Bonds then Outstanding and for which an Account in the Debt Service Reserve Fund has been established, and (ii) on parity with the transfer under (i) of this Subsection (7), to the payment of Repayment Obligations relating to Reserve Alternative Instruments for Subordinate Lien Bonds.

(8) Eighth, to the District, at any time, upon District Order directing the same, moneys sufficient to pay Administrative Expenses of the District in excess of the amount available therefor in the District's operating account maintained pursuant to subsection (a) of this Section actually incurred or accrued, to the extent permitted by law.

(9) Ninth, to the Junior Subordinate Lien Interest Account, not less than five Business Days prior to the next occurring Interest Payment Date for a Series of Junior Subordinate Lien Bonds (except as may otherwise be provided in a Series Indenture authorizing the issuance of Draw-down Bonds), an amount equal, when added to amounts then on deposit in the Junior Subordinate Lien Interest Account, to the interest on the Outstanding Junior Subordinate Lien Bonds and any Repayment Obligations of the District secured on parity with the Junior Subordinate Lien Bonds accrued and unpaid as of such Interest Payment Date.

(10) Tenth, to the Junior Subordinate Lien Principal Account, not less than five Business Days prior to the next occurring Principal Payment Date for a Series of Junior Subordinate Lien Bonds (except as may otherwise be provided in a Series Indenture authorizing the issuance of Draw-down Bonds), an amount equal, when added to amounts then on deposit in the District's Junior Subordinate Lien Principal Account, to the amount of all accrued and unpaid Principal Installments coming due on the next Principal Installment Date on Junior Subordinate Lien Bonds of the District (and related Repayment Obligations). There shall also be deposited to the Junior Subordinate Lien Principal Account, whenever any such Bonds have been duly called for redemption and such redemption is to occur within thirty days, an amount equal to the principal amount of Junior Subordinate Lien Bonds to be redeemed on such Redemption Date.

(11) Eleventh, (i) to the Account or Accounts of the Debt Service Reserve Fund established in any Series Indenture for a related Series of Junior Subordinate Lien Bonds, so much as may be required so that the amounts in each Account shall equal the Debt Service Reserve Requirement for the related Junior Subordinate Lien Bonds then Outstanding and for which an Account in the Debt Service Reserve Fund has been established, and (ii) on parity with the transfer under (i) of this subsection (11), to the payment of Repayment Obligations relating to Reserve Alternative Instruments for Junior Subordinate Lien Bonds.

(c) For purposes of paragraphs (2), (5) and (9) above, moneys in any Interest Account in excess of the amount necessary to pay the interest next coming due for the related Series of Bonds and each Repayment Obligation shall be credited toward the Interest Payment coming due on the next Interest Payment Date occurring thereafter.

(d) In no event shall amounts be transferred from the Property Tax Account pursuant to subparagraphs (2) through (11) of paragraph (b) above in an amount which, when added to all prior transfers from such Account, would exceed the lesser of (i) the principal amount of Bonds issued under the Indenture plus interest on such Bonds or (ii) \$40,000,000, plus interest on \$40,000,000, calculated at the interest rate or rates borne by the Bonds.

Section 504. Application of Moneys in Other Funds and Accounts.

(a) Rebate Fund. To the extent required by Section 606, all of the amounts on deposit in the Funds and Accounts created and established pursuant to Section 501 and all amounts pledged to the payment of Debt Service for the Bonds pursuant hereto, (i) shall be invested in compliance with the procedures established by the relevant Tax Certificate, and (ii) to the extent required by such Tax Certificate, the investment earnings thereon shall be deposited from time to time into the appropriate Rebate Account for timely payment of all amounts due

and owing to the United States Department of the Treasury. Amounts on deposit in the Rebate Fund shall not be subject to the lien and pledge of this Master Indenture to the extent such amounts are required to be paid to the United States Department of the Treasury. The District shall verify or cause to be verified from the date of delivery of each Series the interest on which is intended to be excluded from the gross income of the Owners thereof for federal income tax purposes that (x) all of requirements of this Section have been met on a continuing basis, (y) the proper amounts are deposited into each Rebate Account, and (z) the timely payment of all amounts due and owing to the United States Department of the Treasury from each Rebate Account has been made. Upon receipt of a verification report from an accounting or investment consultant retained for such purpose or an opinion of Bond Counsel that the balance in any Rebate Account is in excess of the amount required by the relevant Tax Certificate to be included therein, such excess shall be transferred to the Revenue Fund. Records of the determinations made with respect to the above covenant and the Rebate Fund shall be retained by the District until six years after the retirement of all of the Bonds of the District.

(b) Interest Accounts. Moneys in the Interest Accounts shall be applied to pay interest on the District's Bonds and any Repayment Obligations related thereto.

(c) Principal Accounts. Moneys in the Principal Accounts shall be applied to pay Principal Installments of the Bonds and any Repayment Obligations related thereto.

(d) Debt Service Reserve Fund; Series Reserve Accounts.

(1) If, on any date that principal of or interest on the Senior Lien Bonds is due and payable, there are insufficient moneys in the Principal Account or Interest Account, as the case may be, to make the required payment, then moneys, if any, in the Account of the Debt Service Reserve Fund created by the Series Indenture for the related Senior Lien Bonds shall be applied to pay the principal of and interest on the related Senior Lien Bonds then due and payable.

(2) If, on any date that principal of or interest on the Subordinate Lien Bonds is due and payable there are insufficient moneys in the Subordinate Lien Principal Account or Subordinate Lien Interest Account, as the case may be to make the required payment, then moneys, if any, in the Account of the Debt Service Reserve Fund created by the Series Indenture for the related Subordinate Lien Bonds shall be applied to pay the principal of and interest on the related Subordinate Lien Bonds then due and payable.

(3) If, on the date that principal of or interest on the Junior Subordinate Lien Bonds is due and payable there are insufficient moneys in the Junior Subordinate Lien Principal Account or Junior Subordinate Lien Interest Account, as the case may be, to make the required payment, then moneys, if any, in the Account of the Debt Service Reserve Fund created by the Series Indenture for the related Series of Junior Subordinate Lien Bonds shall be applied to pay the principal of and interest on the related Junior Subordinate Lien Bonds then due and payable.

(4) Moneys shall in no event be transferred to or maintained in any Account of the Debt Service Reserve Fund in excess of the Debt Service Reserve Requirement for the related Series Bonds.

(5) Any moneys in excess of the Debt Service Reserve Requirement, if any, for any Series shall be forthwith transferred to the Revenue Fund. If at any time (i) the balance in the Debt Service Reserve Fund, together with other available moneys and Investment Securities in the Trust Estate, shall be sufficient to pay all related Series of Bonds of the District that are Outstanding, and (ii) all such related Series of Bonds Outstanding are then subject to redemption or other payment, then such balance in the Debt Service Reserve Fund may be applied upon District Order to the redemption or payment of all the related Series of Obligations Outstanding.

(e) Operating Account. Moneys in the District's operating account shall be applied to pay Administrative Expenses due and owing from time to time. In addition, the District may at any time transfer moneys in the operating account to the Trustee for deposit in the Revenue Fund.

(f) General. Notwithstanding any provision hereof pertaining to the application of moneys in any Fund or Account other than Section 503(e), amounts deposited in all Funds and Accounts (except the Rebate Fund) may be used, upon District Order, for the payment of principal of and interest on the Bonds or any Repayment Obligation if there would otherwise be a default in payment of Debt Service or any Repayment Obligation.

(g) Surplus Moneys. After applying moneys in any Fund or Account as provided in subparagraphs (a) through (f) of this Section 504, moneys remaining at the end of each Fiscal Year may, upon District Order, be used to redeem Obligations in accordance with their terms, pay Administrative Expenses of the District as permitted by law, or be remitted to a Taxing Entity dedicating Tax Increment Revenue, in accordance with the terms of the applicable dedication authorization of that Taxing Entity and in proportion to the percentage dedicated by each Taxing Entity.

Section 505. Effect of Redemptions on Mandatory Sinking Fund Installments. Upon any redemption or purchase of Bonds of any Series and maturity for which Mandatory Sinking Fund Installments have been established, there shall be credited toward each such Mandatory Sinking Fund Installment thereafter to become due an amount bearing the same ratio to such Mandatory Sinking Fund Installment as the total principal amount of such Bonds so purchased or redeemed bears to the total amount of all such Mandatory Sinking Fund Installments to be credited. If, however, there shall be filed with the Trustee by an Authorized Officer written instructions specifying a different method for crediting Mandatory Sinking Fund Installments upon any such purchase or redemption of Bonds, then such Mandatory Sinking Fund Installments shall be so credited as shall be provided in such instructions. The portion of any such Mandatory Sinking Fund Installment remaining after the deduction of any such amounts credited towards the same (or the original amount of any such Mandatory Sinking Fund Installment if no such amounts shall have been credited toward the same) shall constitute the

unsatisfied balance of such Mandatory Sinking Fund Installment for the purpose of calculation of Mandatory Sinking Fund Installments due on a future date.

Section 506. Investment of Funds and Accounts.

(a) Moneys in each Fund and Account (including the District's operating account) shall be invested at the written direction of the District consistent with the required uses of such moneys, in Investment Securities. Investment Securities are deemed to be part of the Fund or Account for which purchased or to such Funds or Accounts to which such Investment Securities are subsequently transferred, and earnings, gains and losses on Investment Securities are to be credited or charged to the Fund or Account for which the Investment Securities were purchased or to such Funds or Accounts to which such Investment Securities are subsequently transferred. Earnings on, and profit or loss with respect to, the investments in the Rebate Fund shall be credited to or charged against the Rebate Fund.

(b) In computing the amount in any Fund or Account held by the Trustee under the provisions of this Master Indenture, obligations purchased as an investment of moneys therein shall be valued at their Value.

(c) Except as otherwise provided herein, the Trustee shall sell at the best price obtainable, or present for redemption, any obligation so purchased as an investment whenever it shall be requested in writing by an Authorized Officer so to do or whenever it shall be necessary in order to provide moneys to meet any payment or transfer from any Fund or Account held by it.

(d) It shall not be necessary for any Paying Agent to give security for the deposit of any moneys with it held in trust for the payment of principal of or Redemption Price, if any, or interest on any Bonds.

(e) The Trustee shall advise the District in writing, on or before the fifth Business Day of each calendar month, or as soon thereafter as practicable, of all investments held for the credit of each Fund and Account established for the District in its custody under the provisions of this Master Indenture as of the end of the preceding month.

(f) Except for amounts invested in investment contracts or in other Investment Securities which shall be subject to redemption at any time at face value by the holder thereof, at the option of such holder, amounts in the Funds and Accounts shall be invested in Investment Securities which shall mature at or before the time such amounts are required to be used pursuant to this Indenture.

Section 507. Moneys Held in Trust. All moneys which the Trustee shall have withdrawn or set aside for the purpose of paying any of the Obligations hereby secured, either at the maturity thereof or upon call for redemption, shall be held in trust for the respective Owners of such Obligations and such moneys shall not be subject to lien or attachment by any creditor of the District or the Trustee. Any moneys which shall be so set aside by the Trustee and which shall remain unclaimed by the Owners of such Obligations for the period of three years after the

final maturity date on such Obligations, or, if less, the maximum time provided by the laws of the State prior to escheat to the State, shall be paid to the District or to such officer, board or body as may then be entitled by law to receive the same, and thereafter the Owners of such Obligations shall look only to the District or to such officer, board or body, as the case may be, for payment and then only to the extent of the amounts so received without any interest thereon, and the Trustee shall have no responsibility with respect to such moneys. All interest earned on the investment of such amounts shall be paid to the District as and when received by the Trustee, free and clear of the lien of this Master Indenture. Any such moneys held by a Paying Agent for the payment of Obligations which have not been used for such purpose shall be remitted by the Paying Agent to the Trustee within 30 days of the Paying Agent's receipt thereof.

Section 508. Use of Available Funds. Nothing in this Master Indenture shall be construed to prevent the District from depositing in any Fund or Account created under the provisions of this Master Indenture any moneys legally available to the District for such deposit.

(End of Article V)

ARTICLE VI

PARTICULAR COVENANTS OF THE DISTRICT

Section 601. Effect of Covenants. The District hereby particularly covenants with the Owners and makes provisions which shall be a part of the contract with such Owners, to the effect and with the purposes set forth in the following Sections of this Article VI.

Section 602. Payment of Obligations. The District shall duly and punctually pay or cause to be paid (but only from the Trust Estate), the principal (or, if Bonds have been duly called for redemption, the Redemption Price) of each and every Obligation and the interest thereon, at the dates and places and in the manner mentioned in such Obligation according to the true intent and meaning thereof. On each Interest Payment Date and Principal Installment Date, the Trustee shall transfer to the Paying Agent from the Interest Account and the Principal Account, respectively, sums sufficient to pay the interest on and/or principal of and premium, if any, on the Bonds due on such date. In the event that such transfer has not been effected prior to noon on the Interest Payment Date or Principal Installment Date, as applicable, the Paying Agent shall immediately notify the Trustee.

Section 603. Offices for Servicing Bonds. The District shall at all times cause to be maintained an office or agency where Bonds may be presented for registration, transfer, exchange or payment and where notices, presentations and demands in respect of the Bonds or of this Master Indenture may be served. The District hereby appoints the Trustee as agent to maintain such office or agency for the registration, transfer or exchange of Bonds, and for the service of such notices, presentations and demands.

Section 604. Further Assurances. At any time and at all times the District shall pass, make, do, execute, acknowledge and deliver, all and every such further resolutions, indentures, acts, deeds, conveyances, assignments, transfers and assurances as may be necessary or desirable for the better assuring, conveying, granting, assigning and confirming all and singular the rights, assets and revenues pledged or assigned hereunder, or intended so to be, or which the District hereafter may become bound to pledge or assign.

Section 605. Protection of Security; Power to Issue Bonds and Pledge Revenues and Other Funds; Indenture to Constitute Contract. The District is duly authorized pursuant to the Act to issue the Bonds and execute and deliver this Master Indenture; and to pledge the Pledged Revenues in the manner and to the extent provided herein. The Obligations and the provisions of this Master Indenture and each Series Indenture are and will be valid and legally enforceable obligations of the District in accordance with their respective terms. The District shall at all times, to the extent permitted by law, defend, preserve and protect the pledge of the Pledged Revenues and all the rights of the Owners hereto against claims and demands of all Persons whomsoever.

In consideration of the purchase and acceptance of the Obligations by those who shall own the same from time to time, the provisions of this Master Indenture shall be a part of the

contract of the District with the Owners and shall be deemed to be and shall constitute a contract among the District, the Trustee and the Owners.

Section 606. Tax Covenants. The District covenants for the benefit of the Owners of each Series the interest on which is intended to be excluded from the gross income of the Owners thereof for federal income tax purposes that it will not take any action or omit to take any action with respect to such Bonds, the proceeds thereof or any other funds of the District if such action or omission would cause the interest on such Bonds to lose its exclusion from gross income for federal income tax purposes under Section 103 of the Code, or would cause interest on such Bonds to lose its exclusion from alternative minimum taxable income as defined in Section 55(b)(2) of the Code except to the extent such interest is required to be included in the adjusted current earnings adjustment applicable to corporations under Section 56 of the Code in calculating corporate alternative minimum taxable income. In furtherance of this covenant, the District agrees to comply with the procedures set forth in the related Tax Certificate for each such Series of Bonds. The foregoing covenants shall remain in full force and effect notwithstanding the payment in full or defeasance of such Bonds until the date on which all obligations of the District in fulfilling the above covenant under the Code have been met.

Section 607. Books of Account; Annual Audit. The District shall cause to be kept and maintained proper books of account relating to the funds and accounts established under this Master Indenture, in which full, true and correct entries will be made, in accordance with generally accepted accounting principles, of all transactions of or in relation to the business of the District with respect to the funds and accounts established under this Master Indenture, and after the end of each Fiscal Year shall cause such books of account to be audited by a certified public accountant or firm of such accountants duly licensed to practice and practicing as such under the laws of the State, selected by the District, who is independent and not under the domination of the District, who does not have any substantial interest, direct or indirect, in the District, which audit shall be completed as soon as possible after the end of each Fiscal Year but in any event within 270 days thereafter. A copy of each annual balance sheet statement of net assets, statement of revenues and expenses, and statement of cash flows, showing in reasonable detail the financial condition of the Funds and Accounts established under this Master Indenture, as of the close of each Fiscal Year, and summarizing in reasonable detail the income and expenses for the Fiscal Year, shall be filed promptly with the Trustee and shall be available for inspection by any Owner at the office of the Trustee designated for such purposes during normal business hours.

Section 608. Compliance with Conditions Precedent. Upon the date of issuance of any of the Bonds, all conditions, acts and things required by law or by this Master Indenture or a Series Indenture to exist, to have happened or to have been performed precedent to or in the issuance of such Bonds shall exist, shall have happened and shall have been performed, and such Bonds, together with all indebtedness of the District, shall be within every debt and other limit prescribed by law.

Section 609. Waiver of Laws. To the extent permitted by law and public policy, the District shall not at any time insist upon or plead in any manner whatsoever, or claim or take the benefit or advantage of any stay or extension law now or at any time hereafter in force which

may affect the covenants and agreements contained in this Master Indenture, any Series or Series Indenture, or the Obligations, and all benefit or advantage of any such law or laws is hereby expressly waived by the District.

Section 610. Extension of Payment of Bonds. The District shall not directly or indirectly extend or assent to the extension of the maturity of any of the Bonds or claims for interest by the purchase or funding of such Bonds, or claims for interest by any other arrangement.

Section 611. Security Interest in Trust Estate.

(a) Except for the lien and pledge of this Master Indenture as described herein, and any other liens expressly authorized under this Master Indenture, the District will not cause or permit all or any part of the Trust Estate, including but not limited to the Pledged Revenues and the Funds, to become subject to any consensual or non-consensual lien or encumbrance.

(b) Except as provided in this Master Indenture and except as permitted by laws of the State with regard to the actions of the Village, the District has not voluntarily encumbered, and has not authorized any other party to encumber, all or any part of the Trust Estate, and the District has not knowingly permitted any party other than the Trustee to obtain or maintain any lien or encumbrance on all or any part of the Trust Estate.

(c) Except for the lien and pledge of this Master Indenture as described herein, the District has no knowledge, and has not received any notice, that any party other than the Trustee, on behalf of the owners of the Obligations, has or claims to have any security interest or other lien on all or any part of the Trust Estate.

Section 612. Credit Enhancement Facilities and Liquidity Facilities. The District may from time to time enter into or obtain the benefit of any Credit Enhancement Facilities and/or any Liquidity Facilities with respect to any Bonds of any Series, provided, that a Series Indenture is entered into in accordance with the provisions of Section 701(i) which deletes, modifies or adds necessary provisions to this Master Indenture.

Section 613. Reporting Requirements. The District shall file in a timely manner with the New Mexico State Board of Finance all reports and other information required by Section 2.61 of the New Mexico Administrative Code.

(End of Article VI)

ARTICLE VII

SERIES INDENTURES

Section 701. Modification and Amendment Without Consent. Notwithstanding any other provisions of this Article VII, the District may, from time to time and at any time, without the consent of or notice to any Owner, enter into such indentures supplemental hereto, which, in the opinion of the Trustee, who may rely upon an opinion of Counsel, shall not materially and adversely affect the interest of the Owners (which Series Indentures shall thereafter form a part hereof):

(a) to add to the covenants and agreements of the District in this Master Indenture other covenants and agreements thereafter to be observed by the District;

(b) to surrender any right, power or privilege reserved to or conferred upon the District by the terms of this Master Indenture;

(c) to confirm as further assurance any pledge under and the subjection to any lien, claim or pledge created or to be created by the provisions of this Master Indenture;

(d) to grant to or confer upon the Trustee for the benefit of the Owners any additional rights, remedies, powers, authority or security that may lawfully be granted to or conferred upon the Owners or the Trustee;

(e) to include as Pledged Revenues or money under, and subject to the provisions of, this Master Indenture any additional revenues or money legally available therefor;

(f) to cure any ambiguity, defect, omission or inconsistent provision in this Master Indenture or to insert such provisions clarifying matters or questions arising under this Master Indenture as are necessary or desirable, provided such action shall not adversely affect the interest of the Owners hereunder;

(g) to modify any of the provisions of this Master Indenture in any respect whatever; provided, however, that (1) such modification shall be, and be expressed to be, effective only after all Bonds of any Series Outstanding at the date of the execution by the District of such Series Indenture shall cease to be Outstanding, and (2) such Series Indenture shall be specifically referred to in the text of all Bonds of any Series authenticated and delivered after the date of the execution by the District of such Series Indenture and of Bonds issued in exchange therefor or in place thereof;

(h) to modify, eliminate and/or add to the provisions of this Master Indenture to such extent as shall be necessary to effect the qualification of this Master Indenture under the Trust Indenture Act of 1939, as then amended, or under any similar federal statute hereafter enacted, and to add to this Master Indenture such other provisions as may be expressly permitted by said Trust Indenture Act of 1939;

(i) provided the District has first obtained a Confirmation in connection with rated Bonds, to amend this Master Indenture to allow for any Bonds to be supported by a Credit Enhancement Facility or Liquidity Facility, including amendments with respect to repayment to such a provider on parity with any Bonds and providing rights to such provider under this Master Indenture, including with respect to defaults and remedies;

(j) to preserve the exclusion from gross income for federal income tax purposes of interest on Bonds the interest on which is intended to be excluded from the gross income of the Owners thereof for federal income tax purposes;

(k) to make any change as shall be necessary in order to maintain the rating(s) on any of the Bonds from any Rating Agency;

(l) if the Bonds affected by any change are rated by a Rating Agency, to make any change which does not result in a reduction of the rating applicable to any of the Bonds so affected; provided that, if any of the Bonds so affected are secured by a Credit Facility or a Liquidity Facility, such change must be approved in writing by the related Credit Facility Provider or Liquidity Facility Provider;

(m) if the Bonds affected by any change are secured by a Credit Facility, to make any change approved in writing by the related Credit Facility Provider; provided that, if any of the Bonds so affected are rated by a Rating Agency, such change shall not result in a reduction of the rating applicable to any of the Bonds so affected; or

(n) to make any other change in this Master Indenture which, in the judgment of the Trustee, is not to the prejudice of the Trustee or the Owners. In making any such judgment, the Trustee may rely upon an Opinion of Counsel.

Section 702. Series Indentures Effective with Consent of Owners. The provisions of this Master Indenture may also be modified or amended at any time or from time to time by a Series Indenture, subject to the consent of Owners in accordance with and subject to the provisions of Sections 704, 705 and 706, upon the Trustee's receipt of an opinion of Bond Counsel that such modification or amendment will not adversely affect the exclusion from gross income of interest on Bonds then Outstanding the interest on which is intended to be excluded from the gross income of the Owners thereof for federal income tax purposes or materially and adversely affect the payment of Debt Service Requirements on Outstanding Bonds or Obligations when due.

Section 703. General Provisions Relating to Series Indentures. This Master Indenture shall not be modified or amended in any respect except in accordance with and subject to the provisions of this Article VII. Nothing contained in this Article VII shall affect or limit the rights or obligations of the District to execute or deliver any resolution, act or other instrument pursuant to the provisions of Section 706 or the right or obligation of the District to execute and deliver to the Trustee or any Paying Agent any instrument elsewhere in this Master Indenture provided or permitted to be delivered to the Trustee or any Paying Agent.

Before the execution and delivery of any Series Indenture, the District and the Trustee shall have received an opinion of Bond Counsel stating that such Series Indenture has been duly and lawfully executed in accordance with the provisions of this Master Indenture, is authorized or permitted by this Master Indenture, is valid and binding upon the District and enforceable in accordance with its terms and will not adversely affect the exclusion from gross income of interest on Bonds then Outstanding the interest on which is intended to be excluded from the gross income of the Owners thereof for federal income tax purposes. If any Bonds are then rated by a Rating Agency, each such Series Indenture shall also be filed with each Rating Agency.

The Trustee is hereby authorized to make all further agreements and stipulations which may be contained in any Series Indenture, and, in taking such action, the Trustee shall be fully protected in relying on an opinion of Counsel that such Series Indenture is authorized or permitted by the provisions of this Master Indenture.

Section 704. Powers of Amendment with Consent of Owners. Any modification or amendment of this Master Indenture and of the rights and obligations of the District and of the Owners, in any particular, may be made by a Series Indenture, with the written consent given as provided below in this Section 704, of the Owners of a majority in unpaid principal amount of the Bonds Outstanding at the time such consent is given, with a Confirmation. Unless with the unanimous written consent of all Owners, however, no such amendment shall:

- (a) permit a change in the terms of redemption or maturity of the principal of any outstanding Obligation or of any installment of interest thereon or a reduction in the principal amount thereof or the rate of interest or redemption premium thereon;
- (b) reduce the percentage of Obligations the consent of the Owners of which is required to effect such amendment; or
- (c) change the existing preferences or priorities of Obligations over any other Obligations or create any new preferences or priorities.

A copy of such proposed Series Indenture (or brief summary thereof or reference thereto in form approved by the Trustee), together with a request to Owners for their consent thereto in form satisfactory to the Trustee, shall be mailed by the Trustee, at the expense of the District, to the Owners (but failure to mail such copy and request shall not affect the validity of the Series Indenture when consented to as provided in this Section 704). Such Series Indenture shall not be effective unless and until there shall have been filed with the Trustee the written consents of Owners of the percentage of Outstanding Bonds specified in this Section 704.

Each such consent shall be effective only if accompanied by proof of the ownership at the date of such consent of the Obligations with respect to which such consent is given, which proof, in the case of Bonds, shall be such as is permitted by Section 1102. A certificate or certificates filed with the Trustee that it has examined such proof and that such proof is sufficient in accordance with Section 1102 shall be conclusive that the consents have been given by the Owners of the Bonds described in such certificate or certificates of the Trustee. Any such consent shall be binding upon the Owner of the Obligations giving such consent and, anything in

this Master Indenture to the contrary notwithstanding, upon any subsequent Owner of such Obligations and of any Obligations issued in exchange therefor (whether or not such subsequent Owner thereof has notice thereof), unless such consent is revoked in writing by the Owner of such Obligations giving such consent or a subsequent owner thereof by filing such revocation with the Trustee, prior to the time when the written statement of the Trustee provided for below in this Section 704 is filed. The fact that a consent has not been revoked may likewise be proved by a certificate of the Trustee filed with the Trustee to the effect that no revocation thereof is on file with the Trustee. At any time after the Owners of the required percentage of Obligations shall have filed their consents to the Series Indenture, the Trustee shall make and file with the District a written statement that the Owners of such required percentage of Obligations have filed such consents. Such written statement shall be conclusive that such consents have been so filed. If the Owners of required percentage of the Obligations shall have consented to and approved the execution thereof as herein provided, no Owner shall have any right to object to the execution of such Series Indenture, or to object to any of the terms and provisions contained therein or the operation thereof, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the Trustee or the District from executing the same or from taking any action pursuant to the provisions thereof.

Upon the execution of any Series Indenture pursuant to the provisions of this Section 704, this Master Indenture shall be and be deemed to be modified and amended in accordance therewith, and the respective rights, duties and obligations under this Master Indenture of the District, the Trustee and all Owners shall thereafter be determined, exercised and enforced in all respects under the provisions of this Master Indenture as so modified and amended.

Section 705. Mailing of Notices. Any provision in this Article VII for the mailing of a notice or other document to Owners of Obligations shall be fully complied with if it is mailed postage prepaid only to each registered owner of Obligations then Outstanding at his address, if any, appearing upon the registration records kept by the Trustee, and to the Trustee.

Section 706. Modifications by Unanimous Action. Notwithstanding anything contained in the foregoing provisions of this Article VII, the rights and obligations of the District and of the Owners of the Obligations and the terms and provisions of the Obligations or of this Master Indenture may be modified or amended in any respect upon the execution and delivery of a Series Indenture and the consent of the Owners of all of the Obligations then Outstanding, such consent to be given as provided in Section 704, upon the Trustee's receipt of an opinion of Bond Counsel that such modification or amendment will not adversely affect the exclusion from gross income of interest on Bonds then Outstanding the interest on which is intended to be excluded from the gross income of the owners thereof for federal income tax purposes; provided, however, that no such modification or amendment shall change or modify any of the rights or obligations of the Trustee without its written assent thereto in addition to the consent of the District and of the Owners; and provided further that no Bonds shall be issued pursuant this Master Indenture, as amended, prior to the review by the New Mexico Finance Authority of such amendment, as provided in 2015 Laws of New Mexico, Chapter 83, Section 1.

Section 707. Exclusion of Bonds. Bonds, if any, owned or held by or for the account of the District shall not be deemed Outstanding for the purpose of consent or other action or any

calculation of Outstanding Bonds provided for in this Master Indenture, and the District shall not be entitled with respect to such Bonds to give any consent or take any other action provided for in this Master Indenture. At the time of any consent or other action taken under this Master Indenture, the District shall furnish the Trustee a District Certificate, upon which the Trustee may rely, describing all Bonds so to be excluded.

Section 708. Notation on Bonds. Bonds authenticated and delivered after the effective date of any action taken as in this Article VII provided may, and if the Trustee so determines, shall, bear a notation by endorsement or otherwise in form approved by the District and the Trustee as to such action, and in that case upon demand of the Owner of any Bond Outstanding at such effective date and upon presentation of such Bond for such purpose at the office of the Trustee, suitable notation shall be made on such Bond by the Trustee as to any such action. If the District or the Trustee shall so determine, new Bonds so modified as in the opinion of the Trustee and the District conform to such action shall be prepared and delivered, and upon demand of the Owner of any such Bond then Outstanding shall be exchanged, without cost to such Owner, for Bonds of the same Series and maturity then Outstanding, upon surrender of such Bonds.

Section 709. New Mexico Finance Authority Review of Series Indentures. Pursuant to 2015 Laws of New Mexico, Chapter 83, Section 1, amendments to this Master Indenture shall be reviewed by the New Mexico Finance Authority prior to the issuance of Bonds pursuant to this Master Indenture, as amended. A Series Indenture authorizing the issuance of Bonds as contemplated in Article II of this Master Indenture shall not be deemed in and of itself an amendment of this Master Indenture within the meaning of 2015 Laws of New Mexico, Chapter 83, Section 1.

(End of Article VII)

ARTICLE VIII

DEFAULT AND REMEDIES

Section 801. Events of Default. Each of the following events is hereby declared to be an "Event of Default":

(a) default by the District in the payment of any installment of interest on the Bonds when due;

(b) default by the District in the payment of principal of Bonds as they mature, or the Redemption Price thereof if Bonds have been duly called for redemption (including Mandatory Sinking Fund Installments); or

(c) default in the performance or observance of any other of the covenants, agreements or conditions contained in this Master Indenture, any Series Indenture or the Bonds, and such failure, refusal or default shall continue for a period of 45 days after written notice thereof by the Trustee or the Owners of not less than 25% in principal amount of the Outstanding Bonds; provided, however, if any such default shall be such that it cannot be corrected within such period, it shall not constitute an Event of Default if corrective action is instituted by the District within such period and diligently pursued until such default is corrected.

Section 802. Remedies. Upon the happening and continuance of any event described in Section 801, the Trustee, independently, or the Owners of 25% or more in principal amount of Outstanding Bonds of the District may jointly proceed, in their own names, to protect and enforce their rights by such of the following remedies as they deem most effectual:

(a) enforce, by mandamus or other suit, action or proceedings at law or in equity, all rights of the Owners, including the right to require the District to receive and collect the revenues and other assets, including Pledged Revenues adequate to carry out the covenants and agreements as to, and pledge of, such revenues and assets, and to require the District to carry out any other covenant or agreement with the Owners;

(b) bring suit upon any Bonds;

(c) require the District, by action or suit to account as if it were the trustee of an express trust for the Owners; or

(d) enjoin by action or suit any acts or things which may be unlawful or in violation of the rights of the Owners.

Section 803. Limitation on Action. No Owner shall have any right to institute any action except as authorized in this Article VIII. Nothing herein contained shall impair the right of any Owner to enforce payment of principal of and interest on its Bonds.

Section 804. Priority of Payments After Default. In the event that, upon the happening and continuance of any Event of Default, the funds held by the Trustee and Paying Agents shall be insufficient for the payment of principal and interest then due on the Bonds of all Series then Outstanding, such funds and any other moneys received or collected pursuant to this Article VIII shall be applied after payment of the costs and expenses of the proceedings resulting in the collection of such moneys and of the expenses, liabilities and advances incurred or made by the Trustee, including, but not limited to, the fees and expenses of its Counsel and other agents, as follows:

First: With respect to interest on the Senior Lien Bonds, to the payment to the Persons entitled thereto of all installments then due in the order of the maturity of such installments and if the amount available shall not be sufficient to pay in full any installment, then to the payment thereof ratably, according to the amounts due on such installment, to the Persons entitled thereto, without any discrimination or preference;

Second: With respect to the Senior Lien Bonds, to the payment to the Persons entitled thereto of the unpaid principal then due on any such Bonds, and, if the amounts available shall not be sufficient to pay in full such principal of the Senior Lien Bonds, then to the payment thereof ratably, without any discrimination or preference;

Third: With respect to interest on the Subordinate Lien Bonds, to the payment to the Persons entitled thereto of all installments then due in the order of the maturity of such installments and, if the amount available shall not be sufficient to pay in full any installment, then to the payment thereof ratably, according to the amounts due on such installment, to the Persons entitled thereto, without any discrimination or preference;

Fourth: With respect to the Subordinate Lien Bonds, to the payment to the Persons entitled thereto of the unpaid principal then due on any such Bonds, and, if the amounts available shall not be sufficient to pay in full such principal of the Subordinate Lien Bonds, then to the payment thereof ratably, without any discrimination or preference;

Fifth: With respect to interest on any Junior Subordinate Bonds, to the payment to the Persons entitled thereto of all installments then due in the order of the maturity of such installments and, if the amount available shall not be sufficient to pay in full any installment, then to the payment thereof ratably, according to the amounts due on such installment, to the Persons entitled thereto, without any discrimination or preference; and

Sixth: With respect to Junior Subordinate Lien Bonds, to the payment to the Persons entitled thereto of the unpaid principal then due on any such Bonds and, if the amounts available shall not be sufficient to pay in full such principal of the Junior Subordinate Lien Bonds, then to the payment thereof ratably, without any discrimination or preference.

Section 805. Termination of Proceedings. In case any proceedings taken on account of any Event of Default shall have been discontinued or abandoned for any reason, then in every such case the District, the Trustee and the Owners shall be restored to their former positions and

rights hereunder, respectively, and all rights, remedies, powers and duties herein conferred shall continue as though no such proceeding had been taken.

Section 806. Remedies Not Exclusive. No remedy herein conferred upon or reserved to the Trustee or the Owners of the Bonds is intended to be exclusive of any other remedy or remedies, and each and every such remedy shall be cumulative and shall be in addition to any other remedy given hereunder or now or hereafter existing at law or in equity or by statute.

Section 807. No Waiver of Default. No delay or omission of any Owner of the Bonds to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or an acquiescence therein; and every power and remedy given by this Master Indenture to the Trustee or the Owners of the Bonds may be exercised from time to time and as often as may be deemed expedient.

Section 808. Notice of Event of Default. The Trustee shall give to the Owners and each Rating Agency then rating any Bonds notice of each Event of Default hereunder known to the Trustee within 90 days after knowledge of the occurrence thereof, unless such Event of Default shall have been remedied or cured before the giving of such notice. Each such notice of an Event of Default shall also be given by the Trustee by mailing written notice thereof (1) to all registered Owners of Bonds, as the names and addresses of such Owners appear upon the registration records kept by the Trustee; (2) to such beneficial owners as have filed their names and addresses with the Trustee for that purpose; and (3) to such other Persons as is required by law.

(End of Article VIII)

ARTICLE IX

CONCERNING THE TRUSTEE

Section 901. The Trustee. The Trustee shall signify acceptance of the duties and obligations imposed by this Master Indenture by executing the certificate of authentication endorsed upon the Bonds. By executing such certificate of authentication upon any Bond, the Trustee shall be deemed to have accepted such duties and obligations not only with respect to the Bond so authenticated, but with respect to all the Bonds thereafter to be issued, but only, however, upon the terms and conditions set forth in this Master Indenture. The Trustee shall, prior to any Event of Default and after the curing of all Events of Default which may have occurred, perform such duties and only such duties of the Trustee as are specifically set forth in this Master Indenture and in any Series Indenture. The Trustee shall, during the existence of any Event of Default which has not been cured, exercise such of the rights and powers vested in it by this Master Indenture and use the same degree of care and skill in their exercise as a prudent person would exercise or use under the circumstances in the conduct of his/her own affairs.

Section 902. Trustee to Act as Paying Agent. The Trustee is hereby appointed as the paying agent for the Bonds.

Section 903. Responsibilities of Trustee. The recitals of fact herein shall be taken as the statements of the District and, with respect to recitals of fact in any Series Indenture and in the Bonds and any other Obligations of the District, shall be taken as the statements of the District, and the Trustee does not assume any responsibility for the correctness of the same. The Trustee does not make any representations as to the validity or sufficiency of this Master Indenture, any Series Indenture or of any Bonds and any other Obligations issued thereunder or in respect of the security afforded by this Master Indenture, and the Trustee shall not incur any responsibility in respect thereof. The Trustee shall, however, be responsible for its representation contained in its certificate of authentication on the Bonds or other Obligations, if applicable. The Trustee shall not be under any responsibility or duty with respect to the issuance of the Bonds or other Obligations for value or the application of the proceeds thereof. The Trustee shall not be under any obligation or duty to perform any act which would involve it in expense or liability or to institute or defend any suit in respect hereof, or to advance any of its own moneys, unless properly indemnified against all costs and expenses, outlays and Counsel fees and other reasonable disbursements, and against all liability. The Trustee shall not be liable in connection with the performance of its duties hereunder except for its own gross negligence or default. The permissive right of the Trustee to do things enumerated in this Master Indenture shall not be construed as a duty of the Trustee, and the Trustee shall be answerable only for its own gross negligence or default. Any discretionary action taken by the Trustee hereunder shall be taken after consideration of the resulting benefits (i) to the Owners of the Senior Lien Obligations so long as any Senior Lien Obligations are Outstanding, (ii) to the Owners of the Subordinate Lien Obligations so long as any Subordinate Lien Obligations are Outstanding if no Senior Lien Obligations are Outstanding, and (iii) to the Owners of Junior Subordinate Lien Obligations so long as any Junior Subordinate Lien Obligations are Outstanding if no Senior Lien Obligations or Subordinate Lien Obligations are Outstanding; provided, that if in the Trustee's sole determination the interests of the Owners of the Senior Lien Obligations are

divergent from the interests of the Owners of the Subordinate Lien Obligations or Junior Subordinate Lien Obligations, then prior to proceeding with a course of action it deems to be in the best interests of the Owners of the Senior Lien Obligations, the Trustee may petition any court of competent jurisdiction for instructions with respect thereto, with notice of such proposed action being given to all interested parties as determined by the Trustee, including but not limited to the applicable Owners.

Section 904. Evidence on Which Trustee May Act. The Trustee is hereby authorized to accept the facsimile transmission of any notice, request, order, certificate, consent, authorization, direction, waiver, demand and opinion required by this Master Indenture or any Series Indenture and shall be protected in relying on any such notice, request, order, certificate, consent, authorization, direction, waiver, demand and opinion. The Trustee shall be protected in acting upon any notice, resolution, request, consent, order, certificate, report, opinion, bond or other paper or document believed by it to be genuine, and to have been signed or presented by the proper party or parties and the Trustee shall be under no duty to make any investigation or inquiry as to any statement contained or material referred to in any such instrument. The Trustee may consult with Counsel, who may or may not be Counsel to the District, and the opinion of such Counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance therewith. Whenever the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may be deemed to be conclusively proved and established by a District Certificate, and such District Certificate shall be full warrant for any action taken or suffered in good faith under the provisions of this Master Indenture upon the faith thereof, but in its discretion the Trustee may in lieu thereof accept other evidence of such fact or matter or may require such further or additional evidence as to it may seem reasonable. Except as otherwise expressly provided herein, any request, order, notice or other direction required or permitted to be furnished pursuant to any provision hereof by the District to the Trustee shall be sufficiently executed if executed in the name of the District by an Authorized Officer.

Section 905. Compensation of the Trustee. Subject to the provisions of any contract between the District and the Trustee relating to the compensation of the Trustee, the District shall pay from the Trust Estate, to the Trustee from time to time reasonable compensation for all services rendered under this Master Indenture, and also all reasonable expenses, charges, Counsel fees and other disbursements, including those of its attorneys, agents and employees, incurred in and about the performance of their powers and duties under this Master Indenture. In the event that a successor Trustee is appointed in accordance with Section 909 or Section 913 hereof during a period for which the predecessor Trustee has been compensated in advance, such predecessor Trustee shall return to the District the pro rata portion of such compensation for the period commencing on the date of appointment of such successor Trustee.

Section 906. Permitted Acts and Functions. The Trustee may become the owner of any Bonds with the same rights it would have if it were not such Trustee. The Trustee may act as depository for, and permit any of its officers or directors to act as a member of or in any other capacity with respect to, any committee formed to protect the rights of Owners or to effect or aid in any reorganization growing out of the enforcement of the Obligations or this Master

Indenture, whether or not any such committee shall represent the Owners of a majority in principal amount of the Bonds then Outstanding.

Section 907. Resignation of Trustee. The Trustee may at any time resign and be discharged of the duties and obligations created by this Master Indenture by giving not less than 60 days written notice to the District and, by first class mail, to the Owners, specifying the date when such resignation shall take effect, and such resignation shall take effect only upon the appointment, acceptance and qualification of such successor Trustee.

Section 908. Removal of Trustee. The Trustee shall be removed by the District if at any time so requested by an instrument or concurrent instruments in writing, filed with the Trustee and the District, and signed by the Owners of a majority in principal amount of the Bonds then Outstanding or their attorneys in fact duly authorized, excluding any Bonds held by or for the account of the District. The District may remove the Trustee for any breach of the trust hereunder, by filing with the Trustee a District Order. The District may remove the Trustee without cause at any time, except during the existence of an Event of Default, by filing with the Trustee a District Order. Such removal shall take effect only upon the appointment, acceptance and qualification of such successor Trustee.

Section 909. Appointment of Successor Trustee. In case at any time the Trustee shall resign or shall be removed or shall become incapable of acting, or shall be adjudged a bankrupt or insolvent, or if a receiver, liquidator or conservator of the Trustee, or of its property, shall be appointed, or if any public officer shall take charge or control of the Trustee, or of its property or affairs, the District covenants and agrees that it will thereupon appoint a successor Trustee. The District shall mail notice by first class mail of any such appointment by it to all Owners. Such appointment shall take effect only upon the qualification of such successor Trustee.

If in a proper case no appointment of a successor Trustee shall be made pursuant to the foregoing provisions of this Section 909 within 45 days after the Trustee shall have given to the District written notice as provided in Section 907, or after a vacancy in the office of the Trustee shall have occurred by reason of its inability to act, the Trustee or Owner of any Obligations may apply to any court of competent jurisdiction to appoint a successor Trustee.

Any Trustee appointed under the provisions of this Section 909 in succession to the Trustee shall be a trust company or bank duly authorized to exercise corporate trust powers and subject to examination by Federal or state authority, of good standing, and having at the time of its appointment a combined capital, surplus and undivided profits aggregating not less than \$50,000,000, and shall have no adverse impact on the rating assigned to any Obligations by any Rating Agency.

Section 910. Transfer of Rights and Property to Successor Trustee. Any successor Trustee appointed under this Master Indenture shall execute, acknowledge and deliver to its predecessor Trustee, and also to the District, an instrument accepting such appointment, and thereupon such successor Trustee, without any further act, deed or conveyance, shall become fully vested with all moneys, estates, properties, rights, powers, duties and obligations of such predecessor Trustee, with like effect as if originally named as Trustee; but the Trustee ceasing to

act shall nevertheless, upon District Request, or of the successor Trustee, execute, acknowledge and deliver such instruments of conveyance and further assurance and do such other things as may reasonably be required for more fully and certainly vesting and confirming in such successor Trustee all the right, title and interest of the predecessor Trustee in and to any property held by it under this Master Indenture, and shall pay over, assign and deliver to the successor Trustee any money or other property subject to the trusts and conditions herein set forth. Should any deed, conveyance or instrument in writing from the District be required by such successor Trustee for more fully and certainly vesting in and confirming to such successor Trustee any such estates, rights, powers and duties, any and all such deeds, conveyances and instruments in writing shall, on request, and so far as may be authorized by law, be executed, acknowledged and delivered by the District. Notwithstanding anything contained elsewhere in this Master Indenture, any such predecessor Trustee shall not be entitled to any compensation or reimbursement for costs and expenses incurred in connection with any transfer of rights or properties under this Master Indenture except for such costs and expenses incurred with the prior written consent of the District, which consent shall not be unreasonably withheld or delayed.

Section 911. Merger or Consolidation. Any company into which the Trustee may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which the Trustee may sell or transfer all or substantially all of its corporate trust business, provided such company shall be a trust company or bank which is qualified to be a successor to the Trustee under Section 909 or Section 913 and shall be authorized by law to perform all the duties imposed upon it by this Master Indenture, shall be the successor to the Trustee without the execution or filing of any paper or the performance of any further act, anything herein to the contrary notwithstanding. The Trustee shall give written notice to the District of any such proposed merger, conversion, consolidation or sale or transfer of substantially all of its corporate trust business not later than five days after such proposed merger, consolidation, sale or transfer is announced to employees of the Trustee located at the office of the Trustee specified in Section 1106. The District agrees to keep such information confidential, to the extent permitted by the laws of the State, until such information has been publicly disclosed by the Trustee. The Trustee shall reimburse the District for any costs and expenses incurred by the District arising from or associated with any such merger, conversion, consolidation, sale or transfer, or any such proposed merger, conversion, consolidation, sale or transfer. The Trustee shall also be responsible for any costs and expenses incurred by the District as a result of the Trustee's failure to comply with the requirements of this Section 911.

Section 912. Adoption of Authentication. In case any of the Bonds contemplated to be issued under this Master Indenture shall have been authenticated but not delivered, any successor Trustee may adopt the certificate of authentication of any predecessor Trustee so authenticating such Bonds and deliver such Bonds so authenticated, and in case any of said Bonds shall not have been authenticated, any successor Trustee may authenticate such Bonds in the name of the predecessor Trustee, or in the name of the successor Trustee, and in all such cases such certificate shall have the full force as provided in said Bond or in this Master Indenture.

Section 913. Financing Statements. Pursuant to Section 55-9-109(d)(14), NMSA 1978 the security interest created hereunder by the District is excluded from Chapter 55, Article 9

NMSA 1978. However, in the event that the provisions of said Chapter 55, Article 9 NMSA 1978 were ever interpreted to apply to such transfer, the District shall cause a financing statement with respect to this Master Indenture to be filed with the Secretary of State of the State. In the event a financing statement is so filed with the Secretary of State, the Trustee shall cause to be filed continuation statements with respect to such financing statement, in such manner and at such times as required by the law. From time to time, the Trustee may, but shall not be required to, obtain an opinion of Counsel setting forth what, if any, actions by the District or Trustee should be taken to preserve such security. The District shall execute or cause to be executed any and all further instruments as shall reasonably be requested by the Trustee for the protection of the interests of the Owners and shall furnish satisfactory evidence to the Trustee that such actions have been taken and shall take such other action as is necessary to preserve the lien upon the Trust Estate created by this Indenture until the principal of and interest on the Bonds executed and delivered hereunder shall have been paid. The Trustee shall execute or join in the execution of any such further or additional instrument and file or join in the filing thereof at such time or times and in such place or places as it may be advised by an opinion of Counsel may be necessary to preserve the lien of this Indenture upon the Trust Estate created by this Indenture or any part thereof until the principal of and interest on the Bonds shall have been paid.

Section 914. Appointment of Co-Trustee. The District and the Trustee shall have power to appoint, and upon the request of the Trustee, the District shall for such purpose join with the Trustee in the execution of all instruments necessary or proper to appoint another corporation or one or more persons approved by the Trustee, either to act as co-trustee or co-trustees jointly with the Trustee of all or any of the property subject to the lien hereof, or to act as separate trustee or trustee of all or any such property, with such powers as may be provided in the instrument of appointment and to vest in such corporation or person or persons as such separate trustee or co-trustee any property, title, right or power deemed necessary or desirable. In the event that the District shall not have joined in such appointment within 30 days after the receipt by it of a request so to do, the Trustee alone shall have the power to make such appointment. Should any deed, conveyance or instrument in writing from the District be required by the separate trustee or co-trustee so appointed for more fully and certainly vesting in and confirming to him or to it such properties, rights, powers, trusts, duties and obligations, any and all such deeds, conveyances and instruments in writing shall, on request, be executed, acknowledged and delivered by the District. Every such co-trustee and separate trustee shall, to the extent permitted by law, have the qualifications required of a successor trustee in Section 909 and be appointed subject to the following provisions and conditions, namely:

(a) The Bonds shall be authenticated and delivered, and all powers, duties, obligations and rights conferred upon the Trustee in respect of the custody of all money and Investment Securities pledged or deposited hereunder, shall be exercised solely by the Trustee; and

(b) The Trustee, at any time by an instrument in writing, may remove any such separate Trustee or co-trustee.

Every instrument, other than this Master Indenture, appointing any such co-trustee or separate trustee, shall refer to this Master Indenture and the conditions of this Section 914 expressed, and

upon the acceptance in writing by such separate trustee or co-trustee, he, they or it shall be vested with the estate or property specified in such instrument, jointly with the Trustee (except insofar as local law makes it necessary for any separate trustee to act alone), subject to all the trusts, conditions and provisions of this Master Indenture. Any such separate trustee or co-trustee may at any time, by an instrument in writing, constitute the Trustee as his, their or its agent or attorney-in-fact with full power and authority, to the extent authorized by law, to do all acts and things and exercise all discretion authorized or permitted by him, them or it, for and on behalf of him, them or its and in his, their or its name. In case any separate trustee or co-trustee shall die, become incapable of acting, resign or be removed, all the estate, properties, rights, powers, trusts, duties and obligations of said separate trustee or co-trustee shall vest in and be exercised by the Trustee until the appointment of a new trustee or a successor to such separate trustee or co-trustee.

Section 915. Monthly Statements from Trustee. It shall be the duty of the Trustee, on or before the tenth day of each month, to file with the District a statement setting forth in respect of the preceding calendar month:

(a) the amount withdrawn or transferred by it and the amount deposited within each Fund or Account held by it under the provisions of this Master Indenture,

(b) the amount on deposit with it at the end of such month to the credit of each such Fund or Account,

(c) a brief description of all obligations held by it as an investment of moneys in each such Fund or Account,

(d) the amount applied to the redemption of Bonds and a description of the Bonds or portions of Bonds so redeemed, and

(e) any other information which the District may reasonably request.

All records and files pertaining to the trusts hereunder in the custody of the Trustee shall be open at all reasonable times to the inspection of the District and its agents and representatives.

Section 916. Security Interest in Trust Estate.

(a) The Trustee hereby represents, covenants and agrees that it will not take any action that could subject all or any part of the Trust Estate to any lien or encumbrance other than the lien and pledge created under this Master Indenture.

(b) Except the lien and pledge of this Master Indenture as described herein, the Trustee has no knowledge, and has not received any notice, that (i) any party other than the Trustee, on behalf of the Owners of the Obligations, has or claims to have any security interest or other lien on all or any part of the Trust Estate, and (ii) any party, other than the District, and the Trustee, on behalf of the Owners of the Obligations, has or claims to have any interest whatsoever in all or any part of the Trust Estate.

(End of Article IX)

ARTICLE X

REDEMPTION OF BONDS

Section 1001. Privilege of Redemption and Redemption Price. Bonds subject to redemption prior to maturity pursuant to a Series Indenture with respect to a Series shall be redeemable, upon notice as provided in this Article X at such times, at such Redemption Prices and upon such terms as may be specified in the Series Indenture authorizing such other Series.

Section 1002. Redemption at the Election or Direction of the District. In the case of any redemption of Bonds otherwise than as provided in Section 1003, the District shall give written notice to the Trustee of its election or direction so to redeem, of the Redemption Date, of the Series, of the principal amounts of the Bonds of each maturity of such Series to be redeemed (which Redemption Date, Series, maturities and principal amounts thereof may be determined in its sole discretion, subject to any limitations with respect thereto contained in this Master Indenture and any Series Indenture) and of any moneys to be applied to the payment of the Redemption Price, such notice shall be given at least 45 days (or such shorter period as may be set forth in the applicable Series Indenture) prior to the Redemption Date or such shorter period as shall be acceptable to the Trustee. In the event notice of redemption shall have been given as provided in Section 1005, the Trustee shall, prior to the Redemption Date, pay to the appropriate Paying Agent or Paying Agents an amount in cash which, in addition to other moneys, if any, available therefor held by such Paying Agent or Paying Agents, will be sufficient to redeem on the Redemption Date at the Redemption Price thereof, all of the Bonds to be redeemed.

Section 1003. Redemption Otherwise than at the District's Election or Direction. Whenever, by the terms of this Master Indenture, the Trustee is required to redeem Bonds otherwise than at the election or direction of the District, and subject to and in accordance with the terms of this Article X and any applicable Series Indenture, and, to the extent applicable, Section 505, the Trustee shall select the Redemption Date of the Bonds to be redeemed, give the notice of redemption and pay the Redemption Price to the appropriate Paying Agents.

Section 1004. Selection of Bonds to be Redeemed. If less than all of the Bonds of one maturity shall be called for redemption, the particular Bonds of such maturity to be redeemed shall be selected for redemption by the Trustee by lot in such manner as the Trustee in its discretion may determine or in any other manner or date required by the applicable Series Indenture; provided, however, that the portion of any Bonds to be redeemed shall be in an Authorized Denomination, and that in selecting Bonds for redemption, the Trustee shall treat each Bond as representing that number of Bonds which is obtained by dividing the principal amount at maturity of such Bond by the minimum Authorized Denomination.

Section 1005. Notice of Redemption.

(a) When the Trustee shall receive notice from the District of its election or direction to redeem Bonds pursuant to Section 1002, and when redemption of Bonds is required by this Master Indenture pursuant to Section 1003, the Trustee shall give notice in the name of the District, of the redemption of such Bonds, which notice shall specify the Series and maturities of the Bonds to be redeemed, the Redemption Price, the Redemption Date and the

place or places where amounts due upon such redemption will be payable and, if less than all of the Bonds of any like Series and maturity are to be redeemed, the letters and numbers or other distinguishing marks of such Bonds so to be redeemed, the CUSIP numbers, if any, of the Bonds to be redeemed (provided that any such notice shall state that no representation is made as to the correctness of CUSIP numbers, either as printed on such Bonds or as contained in the notice of redemption) and, in the case of Bonds to be redeemed in part only, such notice shall also specify the respective portions of the principal amount thereof to be redeemed. Such notice shall further state that on such date there shall become due and payable upon each Bond to be redeemed the Redemption Price thereof, or the Redemption Price of the specified portions of the principal thereof in the case of registered Bonds to be redeemed in part only, together with interest accrued to the Redemption Date, and that from and after such Redemption Date interest thereon shall cease to accrue and be payable. The Trustee shall mail a copy of such notice, postage prepaid, not less than 30 nor more than 60 days (or such shorter period as may be set forth in the applicable Series Indenture) before the Redemption Date to the registered owners of any Bonds or portions of Bonds which are to be redeemed, at their last addresses appearing upon the registration records, but failure so to mail any such notice to a given Owner shall not affect the validity of the proceedings for the redemption of Bonds to other Owners.

(b) In addition to the foregoing, further notice of any redemption of Bonds hereunder shall be given by the Trustee, at least two (2) Business Days in advance of the mailed notice to Registered Owners, by registered or certified mail or overnight delivery service, to all registered securities depositories then in the business of holding substantial amounts (as reasonably determined by the Trustee) of obligations of types comprising the Bonds and to at least two national information services that disseminate notices of redemption of obligations such as the Bonds. Such further notice shall contain the information set forth required in paragraph (a) of this Section. Failure to give all or any portion of such further notice shall not in any manner defeat the effectiveness of a call for redemption.

(c) If, at the time of mailing of any notice of optional redemption, there shall not be on deposit with the Trustee moneys sufficient to redeem all the Bonds called for redemption, such notice shall state that such redemption shall be conditioned upon receipt by the Trustee on or prior to the date fixed for such redemption of moneys sufficient to pay the principal of and interest on such Bonds to be redeemed and that if such moneys shall not have been so received said notice shall be of no force and effect and the District shall not be required to redeem such Bonds. In the event that such moneys are not so received, the redemption shall not be made and the Trustee shall within a reasonable time thereafter give notice, one time, in the same manner in which the notice of redemption was given, that such moneys were not so received.

Section 1006. Payment of Redeemed Bonds. Notice having been given in the manner provided in Section 1005, the Bonds or portions thereof so called for redemption shall become due and payable on the Redemption Date so designated at the Redemption Price, and, upon presentation and surrender thereof at the office specified in such notice, together with, a written instrument of transfer duly executed by the registered Owner or his duly authorized attorney, such Bonds or portion thereof shall be paid at the Redemption Price. Except or otherwise provided in Section 308(g), if there shall be drawn for redemption less than all of a Bond, the District shall execute and the Trustee shall authenticate and the Paying Agent deliver, upon the

surrender of such Bond, without charge to the Owner thereof, for the unredeemed balance of the principal amount of the Bond so surrendered at the option of the Owner thereof, Bonds of like Series and maturity in any of the Authorized Denominations. If, on the Redemption Date, moneys for the redemption of all the Bonds (or portions thereof) of any like Series and maturity to be redeemed, together with interest to the Redemption Date, shall be held by any Paying Agent so as to be available therefor on said date and if notice of redemption shall have been given as aforesaid, then, from and after the Redemption Date interest on the Bonds or portions thereof of such Series and maturities so called for redemption shall cease to accrue and become payable. If said moneys shall not be so available on the Redemption Date, the redemption shall be cancelled and such Bonds or portions thereof shall continue to bear interest until paid at the same rate as they would have borne had they not been called for redemption.

(End of Article X)

ARTICLE XI
MISCELLANEOUS

Section 1101. Defeasance.

(a) If the District shall pay or cause to be paid, or there shall otherwise be paid to the Owners of all Bonds of the District, the principal or Redemption Price, if applicable, and interest due or to become due thereon, at the times and in the manner stipulated therein and in this Master Indenture, and in any case provided that all expenses then due and owing shall have been paid, then the pledge of any Pledged Revenues and other moneys and property pledged hereunder by the District, and all covenants, agreements, and other obligations of the District to the Owners, shall thereupon cease, terminate and become void and be discharged and satisfied. In such event, the Trustee shall cause an accounting for such period or periods as shall be requested by the District to be prepared and filed with the District, and upon District Request, shall execute and deliver to the District all such instruments as may be desirable to evidence such discharge and satisfaction, and the Trustee shall pay over or deliver to the District all moneys or Investment Securities held by it pursuant to this Master Indenture which are not required for the payment of principal or Redemption Price, if applicable, on Bonds. If the District shall pay or cause to be paid, or there shall otherwise be paid, to the Owners of all Outstanding Bonds of a particular Series, the principal or Redemption Price, if applicable, and interest due or to become due thereon at the times and in the manner stipulated therein and in this Master Indenture, such Bonds shall cease to be entitled to any lien, benefit or security hereunder and all covenants, agreements and obligations of the District to the Owners of such Bonds shall thereupon cease, terminate and become void and be discharged and satisfied.

(b) Bonds or interest installments for the payment or redemption of which moneys shall have been set aside and shall be held in trust by the Trustee or any other bank of trust company possessing trust powers acting as escrow agent (“escrow agent”), through deposit by the District of funds for such payment or redemption or otherwise, shall, at the maturity or Redemption Date thereof, be deemed to have been paid within the meaning and with the effect expressed in subsection (a) of this Section 1101. Any Outstanding Bond of the District shall, prior to the maturity or Redemption Date thereof, be deemed to have been paid within the meaning and with the effect expressed in subsection (a) of this Section 1101 if (i) in case said Bond is to be redeemed on any date prior to its maturity, the District shall have given to the Trustee in form satisfactory to it irrevocable instructions to mail as provided in Article X notice of redemption on said date of such Bond, (ii) there shall have been deposited with, or credited to the account (at a Federal Reserve Bank) of the Trustee, or the escrow agent, either moneys in an amount which shall be sufficient, or non-callable Investment Securities not subject to prepayment (which for the purpose of this Article, shall include only those obligations described in paragraphs (a) and (b) of the definition thereof in Section 101 hereof, but shall not include shares of unit investment trusts or mutual funds regardless of the rating thereon), the principal of and the interest on which when due will provide moneys which, together with the moneys, if any, deposited with the Trustee, or the escrow agent, at the same time, shall be sufficient to pay when due the principal or Redemption Price, if any, and interest due and to become due on said Bond on and prior to the Redemption Date or maturity date thereof, as the case may be; provided

that, except in the event of a full cash defeasance or a current refunding of less than ninety days to maturity or Redemption Date, the sufficiency of such moneys or investments must be confirmed to the District in an Accountant's Certificate, and (iii) in the event any Bond is not by its terms subject to redemption within the next succeeding sixty days, the District shall have given the Trustee in form satisfactory to its irrevocable instructions to mail, as soon as practicable, a notice to the Owner of such Bond, that the deposit required by (ii) above has been made with the Trustee or an escrow agent and that said Bond is deemed to have been paid in accordance with this Section 1101 and stating such maturity or Redemption Date upon which moneys are to be available for the payment of the principal or Redemption Price, if any, and interest on said Bond. Neither Investment Securities nor moneys deposited with the Trustee or an escrow agent pursuant to this Section 1101 nor principal or interest payments on any such Investment Securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal or Redemption Price, if any, and interest on said Bond; provided that any cash received from such principal or interest payments on such Investment Securities deposited with the Trustee or the escrow agent, if not then needed for such purpose, shall, to the extent practicable, be reinvested in Investment Securities maturing at times and in amounts sufficient to pay when due the principal or Redemption Price, if any, and interest to become due on said Bond on and prior to such Redemption Date or maturity date thereof, as the case may be, and interest earned from such reinvestments shall be paid over to the District, as received by the Trustee or the escrow agent free and clear of any trust, lien or pledge.

Section 1102. Execution of Instruments by Owners, Proof of Ownership of Obligations. Any request, direction, consent or other instrument in writing required or permitted by this Master Indenture to be signed or executed by Owners may be in any number of concurrent instruments of similar tenor and may be signed or executed by such Owners or their attorneys or legal representatives. Proof of the execution of any such instrument and of the ownership of Bonds or other Obligations shall be sufficient for any purpose of this Master Indenture and shall be conclusive in favor of the Trustee with regard to any action taken by it under such instrument if made in the following manner:

(a) The fact and date of the execution by any Person of any such instrument may be proved by the verification of any officer in any jurisdiction who, by the laws thereof, has power to take affidavits within such jurisdiction, to the effect that such instrument was subscribed and sworn to before him, or by an affidavit of a witness to such execution. Where such execution is on behalf of a Person other than an individual such verification or affidavit shall also constitute sufficient proof of the authority of the signor thereof; and

(b) The ownership of Bonds and other Obligations shall be proven by the registration records kept by the Trustee.

Nothing contained in this Section 1102 shall be construed as limiting the Trustee to such proof, it being intended that the Trustee may accept any other evidence of the matters herein stated which it may deem sufficient. Any request or consent of the Owner of any Bond shall bind every future Owner of the same Bond in respect of anything done by the Trustee in pursuance of such request or consent.

Section 1103. Moneys Held for Particular Bonds or Other Obligations. The amounts held by the Trustee for the payment of the interest, principal or Redemption Price due on any date with respect to particular Bonds shall, on and after such date and pending such payment be set aside on its books and held in trust by it for the Owners of the Bonds entitled thereto.

Section 1104. Parties in Interest. Nothing in this Master Indenture or in any Series Indenture, expressed or implied, is intended to or shall be construed to confer upon or to give to any Person other than the District, the Trustee, the Paying Agents and the Owners of the Obligations any rights, remedies or claims under or by reason of this Master Indenture or any Series Indenture or any covenants, condition or stipulation thereof, and all covenants, stipulations, promises and agreements in this Master Indenture and any Series Indenture contained by or on behalf of the District shall be for the sole and exclusive benefit of the District, the Trustee, the Paying Agents and the Owners from time to time of the Obligations.

Section 1105. Successorship of District and Effect of Covenants. All covenants, stipulations, obligations and agreements of the District contained in this Master Indenture shall be deemed to be covenants, stipulations, obligations and agreements of the District to the full extent authorized or permitted by law, and all such covenants, stipulations, obligations and agreements shall be binding upon the successor or successors thereof from time to time, and upon any officer, board, body, commission, authority, agency or instrumentality to whom or to which any power or duty affecting such covenants, stipulations, obligations and agreements shall be transferred by or in accordance with law.

No covenant, stipulation, obligation or agreement herein contained shall be deemed to be a covenant, stipulation, obligation or agreement of any present or future directors, agent or employee of the District in his or her individual capacity, and neither the District nor any officer thereof, present or future, executing the Bonds shall be liable personally on the Bonds or be subject to any personal liability or responsibility by reason of the issuance thereof.

Section 1106. Manner of Giving Additional Notice. All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given when mailed by first class mail, postage prepaid (except as otherwise specifically provided herein), with proper address as indicated below. The District, the Trustee, Paying Agent, S&P or Moody's may, by written notice given by it to the others, designate any other address or addresses to which notices, certificates or other communications to it shall be sent when required as contemplated by this Master Indenture. Until otherwise so provided, all notices, certificates and communications to each of them shall be addressed as follows:

To the District:

Village of Taos Ski Valley
Tax Increment Development District
Village of Taos Ski Valley, New Mexico
Attention: District Clerk
7 Firehouse Road
Taos Ski Valley, New Mexico 87525
Telephone: (575) 776-8220

With copies to
Dennis Romero
212 Paseo Del Pueblo Norte
P.O. Box 1932
Taos, NM 87571-1932
Telephone: (575) 758-2297

Sherman & Howard L.L.C.
Attention: Jill Sweeney
500 Marquette Avenue Northwest,
Suite 1203
Albuquerque, New Mexico 87102
Telephone: (505) 814-6958

and

To Taos Ski Valley, Inc.:

Taos Ski Valley, Inc.
Chris Stagg
116 Sutton Place
Taos Ski Valley, New Mexico 87525
Telephone: (575) 776-7490

With a copy to
Modrall, Sperling, Roehl, Harris & Sisk, PA
Attention: Peter Franklin
123 E. Marcy St. #201
P.O. Box 9318
Santa Fe, New Mexico 87504-9318
Telephone: (505) 983-2020

To the Trustee:

BOKF, NA
100 Sun Avenue N.E.
Suite 500
Albuquerque, New Mexico 87109
Attention: Corporate Trust
Telephone: (505) 222-8458

To S&P:

Standard & Poors
55 Water Street
New York, NY 10041
Attention: Ratings Desk
Telephone: (212) 438-2400

To Moody's:

Moody's Investors Service
7 World Trade Center
250 Greenwich Street
New York, New York 10007
Attention: Ratings Desk
Telephone: (212) 553-0377

All documents received by the Trustee under the provisions of this Master Indenture or photographic copies thereof shall be retained in its possession until this Master Indenture shall be released under the provisions of Section 1101, subject at all reasonable times to the inspection of the District, any agency or officer of the District, any Owner, and the agents and representatives thereof.

Section 1107. Additional Notice to Rating Agencies. The District agrees to cooperate in providing each Rating Agency any information (not privileged or otherwise required to be kept private) within its knowledge relating to the District or this Master Indenture reasonably requested in writing by such Rating Agency in connection with its maintenance of a rating or rating of the Bonds. In addition, the District shall provide prompt written notice to the Rating Agencies then rating a Series of Bonds of any of the following: (i) if there is any change in any Credit Enhancement Facility, Credit Facility Provider, Liquidity Facility or Liquidity Facility Provider, (ii) defeasances of Bonds; (iii) any change in the identity of the Trustee and whether the Trustee meets the requirements of or has defaulted under this Master Indenture; and (iv) redemptions of Bonds.

Section 1108. Aggregate Principal Amount of Obligations. Whenever in this Master Indenture reference is made to the aggregate principal amount of any Obligations, such phrase shall mean, at any time, the outstanding principal amount of any Bonds of the District.

Section 1109. Effect of Partial Invalidity. In case any one or more of the provisions of this Master Indenture or of the Obligations issued hereunder shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provision of this Master Indenture or of the Obligations, but this Master Indenture and the Obligations shall be construed and enforced as if such illegal or invalid provision had not been contained therein. In case any covenant, stipulation, obligation or agreement contained in the Obligations or in this Master Indenture shall for any reason be held to be in violation of law, then such covenant, stipulation, obligation or agreement shall be deemed to be the covenant, stipulation, obligation or agreement of the District to the full extent permitted by law.

Section 1110. Payment Due on Non-Business Days. Unless otherwise provided in the applicable Series Indenture, if the date for making any payment of principal or premium, if any, or interest or any Bond or the last date for performance of any act or the exercising of any right, as provided in this Master Indenture and any Series Indenture, shall not be a Business Day, such payment may be made or act performed or right exercised on the next succeeding Business Day, with the same force and effect as if done on the nominal date provided in this Master Indenture or such Series Indenture.

Section 1111. Security Instrument. A certified copy of this Master Indenture, delivered to and accepted by the Trustee, shall constitute a security agreement pursuant to and for all purposes of the Uniform Commercial Code. The preparation of financing statements, if any, with respect to the Trust Estate, and the filing of such financing statements, is intended solely as a precaution to preserve and protect the rights of the Trustee with respect to the Trust Estate.

Section 1112. Counterparts. This Master Indenture 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 1113. Governing Law. This Master Indenture shall be governed by and construed in accordance with the laws of the State.

(End of Article XI)

IN WITNESS WHEREOF, the parties hereto have caused this Master Indenture to be duty executed as of the day and year first above written.

VILLAGE OF TAOS SKI VALLEY TAX
INCREMENT DEVELOPMENT DISTRICT

[SEAL]

By: _____
Neil King, Board Chairman

Attest:

Ann Wooldridge, District Clerk

BOKF, NA, as Trustee

By: _____

Title: _____

[SEAL]

Attest:

Title:

EXHIBIT A

REQUISITION FOR COSTS OF ISSUANCE

The undersigned, an Authorized Officer of the Board of the Village of Taos Ski Valley Tax Increment Development District (the "District"), acting under the authorization of Section 502(a) of the Master Indenture of Trust dated as of February 1, 2018 (as amended, modified or supplemented the "Master Indenture") between the District and BOKF, NA, as Trustee, hereby certifies that the items set forth on the attached schedule constitute Costs of Issuance which are a proper charge against the Acquisition Fund.

The schedule reflects with respect to each payment to be made:

- (A) the item for which payment is to be made,
- (B) the name of the Person to whom the payment is to be made, and
- (C) the amount to be paid.

The undersigned, on behalf of the District, hereby certifies that each of the above amounts to be paid from the Acquisition Fund pursuant to this requisition is a proper charge thereon.

Terms used as defined terms in this requisition and District Certificate shall have the meanings ascribed thereto in the Master Indenture.

VILLAGE OF TAOS SKI VALLEY TAX
INCREMENT DEVELOPMENT DISTRICT

By: _____

Title: _____

EXHIBIT B

TAX INCREMENT DEVELOPMENT PLAN
(attached)

EXHIBIT C

DISTRICT BOUNDARY MAP AND LEGAL DESCRIPTIONS
(attached)

EXHIBIT D

FORM OF REQUISITION

REQUISITION FOR PUBLIC INFRASTRUCTURE

The undersigned, an Authorized Officer of the Board of the Village of Taos Ski Valley Tax Increment Development District (the "District"), acting under the authorization of Section 502(b) of the Master Indenture of Trust dated as of February 1, 2018 (as amended, modified or supplemented the "Master Indenture") between the District and BOKF, NA, as Trustee, hereby certifies that the items set forth on the attached schedule constitute eligible costs of Public Infrastructure which are a proper charge against the Acquisition Fund.

The schedule reflects with respect to each payment to be made:

- (A) the item for which payment is to be made,
- (B) the name of the Person to whom the payment is to be made, and
- (C) the amount to be paid.

The undersigned, on behalf of the District, hereby certifies that each of the above amounts to be paid from the Acquisition Fund pursuant to this requisition is a proper charge thereon.

Terms used as defined terms in this requisition and District Certificate shall have the meanings ascribed thereto in the Master Indenture.

VILLAGE OF TAOS SKI VALLEY TAX
INCREMENT DEVELOPMENT DISTRICT

By: _____

Title: _____