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THIRD SUPPLEMENTAL ELECTRIC  
REVENUE BOND INDENTURE

between

CITY OF SANTA CLARA  
SANTA CLARA COUNTY, CALIFORNIA

and

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.,  
as Trustee

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Dated as of December 1, 2018

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(Supplemental to the Amended and Restated Electric Revenue  
Bond Indenture dated as of March 1, 2011)

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Third Supplemental Electric Revenue Bond Indenture  
(Supplemental to the Amended and Restated Electric Revenue  
Bond Indenture dated as of March 1, 2011)  
Authorizing the Issuance of  
\$ \_\_\_\_\_ Aggregate Principal Amount of  
City of Santa Clara, California  
Electric Revenue Refunding Bonds,  
Series 2018 A

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This THIRD SUPPLEMENTAL ELECTRIC REVENUE BOND INDENTURE, dated as of December 1, 2018 (this “Third Supplement”), between the CITY OF SANTA CLARA (the “City”), a municipal corporation and chartered city duly organized and existing under the Constitution and laws of the State of California, and THE BANK OF NEW YORK MELLON TRUST COMPANY, N. A., as trustee (the “Trustee”),

W I T N E S S E T H :

WHEREAS, this Third Supplement is supplemental to the Amended and Restated Electric Revenue Bond Indenture, dated as of March 1, 2011 (the “Indenture”), between the City and the Trustee, providing for the issuance of City of Santa Clara, California Electric Revenue Bonds (the “Bonds”); and

WHEREAS, the Indenture provides that the City may issue Bonds from time to time as authorized by a supplemental indenture; and

WHEREAS, Section 1321 of the City’s Charter authorizes the City to issue revenue bonds for the purpose of financing the generation, production, transmission and distribution of electric energy; and

WHEREAS, on May 8, 1984 the City Council adopted its Resolution No. 4796, entitled “A Resolution of the City Council of the City of Santa Clara Establishing Procedures for the Authorization, Issuance and Sale of Electric Utility Revenue Bonds,” as amended by Resolution No. 4804, adopted by the City Council on May 29, 1984, and as amended by Resolution No. 7313, adopted by the City Council on April 25, 2006, and, on April 30, 1985 the City Council adopted its Resolution No. 4934, entitled “A Resolution of the City Council of the City of Santa Clara Establishing Procedures for the Authorization, Issuance and Sale of Refunding Electric Utility Revenue Bonds,” as amended by Resolution No. 4966 of the City Council adopted on July 9, 1985, supplemented by Resolution No. 4967 of the City Council adopted on July 9, 1985, and amended by Resolution No. 7314 of the City Council adopted on April 25, 2006 (collectively, the “Procedural Resolution”); and

WHEREAS, pursuant to the City Charter, the Procedural Resolution, the Subordinated Electric Revenue Bond Indenture, dated as of March 1, 1998, by and between the City and the Trustee (which has been amended and restated as the Indenture), as supplemented by a Fifth Supplemental Subordinated Electric Revenue Bond Indenture, dated as of May 1, 2008, by and between the City and the Trustee, the City has heretofore issued \$86,600,000 aggregate principal amount of its Variable Rate Demand Subordinated Electric Revenue Bonds, Series 2008 B

(which bonds have been subsequently re-designated Variable Rate Demand Electric Revenue Bonds, Series 2008 B) (the “Series 2008 B Bonds”), of which \$54,580,000 principal amount remains outstanding and unpaid; and

WHEREAS, the City Council has determined that it is in the best interests of the City to issue its City of Santa Clara, California Electric Revenue Refunding Bonds, Series 2018 A (the “Series 2018 A Bonds”) for the purpose of providing moneys, together with other available funds to be made available upon the delivery thereof, for (i) the refunding of all of the outstanding Series 2008 B Bonds; (ii) funding the costs of terminating an interest rate swap agreement of the City relating to the Series 2008 B Bonds to be refunded; and (iii) the payment of the costs of issuance of the Series 2018 A Bonds; and

WHEREAS, the City Council has determined that it is necessary and required that the City enter into this Third Supplement in order to establish and declare, in conjunction with the Indenture, the terms and conditions upon which the Series 2018 A Bonds shall be issued and secured and to secure the payment of the principal thereof and premium (if any) and interest thereon; and

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

NOW, THEREFORE, the parties hereto agree, as follows:

### ARTICLE XIII

#### SERIES 2018 A BONDS

Section 13.01. Definitions. The terms defined in this Section shall, for all purposes of this Third Supplement and of any certificate, opinion or other document herein mentioned, have the meanings herein specified, to be equally applicable to both the singular and plural forms of any of the terms herein defined. Terms defined in the Indenture not otherwise defined herein shall have the meanings specified therein.

“Beneficial Owner” means any Person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Series 2018 A Bond (including any Person holding a Series 2018 A Bond through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Series 2018 A Bond for federal income tax purposes.

“Book-Entry System” means the system maintained by the Securities Depository and described in Section 13.03 hereof.

“Continuing Disclosure Agreement” shall mean the Continuing Disclosure Agreement dated December \_\_\_, 2018, by and between the City and the Trustee, relating to the Series 2018 A Bonds.

“DTC” means The Depository Trust Company, New York, New York, and its successors and assigns.

[“Escrow Agreement” means the Escrow Agreement relating to the defeasance and redemption of the Series 2008 B Bonds, dated as of December 1, 2018, by and between the City and The Bank of New York Mellon Trust Company, N.A., as escrow agent and as trustee for the Series 2008 B Bonds.]

“Representation Letter” means the Letter of Representations from the City to DTC relating to the Book-Entry System for the Series 2018 A Bonds.

“Securities Depository” means DTC or, if applicable, any successor securities depository appointed pursuant to Section 13.03 hereof.

“Securities Depository Participant” means any broker-dealer, bank or other financial institution for which a Securities Depository holds Series 2018 A Bonds as Securities Depository from time to time.

“Series 2018 A Costs of Issuance Fund” shall mean the fund by that name established pursuant to Section 13.08 hereof.

“Series 2018 A Bonds” shall mean the City of Santa Clara, California Electric Revenue Refunding Bonds, Series 2018 A, as described in Section 13.02(A) hereof.

Section 13.02. Authorization of Series 2018 A Bonds.

(A) A Series of Bonds to be issued under the Indenture is hereby created. Such Series shall be known as the “City of Santa Clara, California Electric Revenue Refunding Bonds, Series 2018 A” (herein referred to as the “Series 2018 A Bonds”). The Series 2018 A Bonds shall be issued in the aggregate principal amount of \$\_\_\_\_\_ in accordance with the Bond Law and the Indenture for the purpose of providing moneys, together with other available funds to be made available upon the delivery thereof, for (i) the refunding of all of the Outstanding Series 2008 B Bonds; (ii) funding the costs of terminating an interest rate swap agreement of the City relating to the Series 2008 B Bonds to be refunded; and (iii) the payment of the Costs of Issuance of the Series 2018 A Bonds.

(B) The Series 2018 A Bonds shall be issued in fully registered form and shall be initially issued registered in the name of “Cede & Co.,” as nominee of DTC, in accordance with Section 13.03 hereof. The Series 2018 A Bonds shall be evidenced by one Series 2018 A Bond bearing interest at such interest rate and maturing on each of the maturity dates as set forth in subsection 13.02(C) in a denomination corresponding to the total principal amount of the Series 2018 A Bonds of such maturity and interest rate. Each Series 2018 A Bond may be assigned by the Trustee a distinctive number or letter and number, and a record of the same shall be maintained by the Trustee. Registered ownership of the Series 2018 A Bonds, or any portion thereof, may not thereafter be transferred except as set forth in Section 13.03 hereof.

(C) The Series 2018 A Bonds shall be dated the date of delivery thereof, shall be Bonds which are Current Interest Indebtedness, shall be issued in denominations of \$5,000 or

any integral multiple thereof, and shall bear interest from the date thereof at the following rates per annum and shall mature on July 1 in the following years in the following amounts:

Maturity Date (July 1)	Principal Amount	Interest Rate
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Except as otherwise provided in Section 13.03 hereof, interest on the Series 2018 A Bonds shall be payable on January 1 and July 1 of each year, commencing on [January 1], 2019, by check mailed by first-class mail on each interest payment date to the Owner thereof as of the close of business on the fifteenth (15th) day of the calendar month immediately preceding such interest payment date (each, a “record date”); provided, that upon the written request of an Owner of one million dollars (\$1,000,000) or more in aggregate principal amount of Series 2018 A Bonds received by the Trustee prior to the applicable record date (which such request shall remain in effect until rescinded in writing by such Owner), interest shall be paid by wire transfer in immediately available funds. Interest on the Series 2018 A Bonds shall be computed on the basis of a 360-day year of twelve 30-day months. Except as otherwise provided in herein, including in Section 13.03 hereof, the principal of and premium, if any, on the Series 2018 A Bonds are payable when due upon presentation thereof at the Corporate Trust Office of the Trustee, in lawful money of the United States of America.

So long as the Series 2018 A Bonds are maintained in book-entry form, payments of principal, premium, if any, and interest shall be made by the Trustee to the Securities Depository by wire transfer.

The Trustee shall provide CUSIP number identification, with appropriate dollar amounts for each CUSIP number, on all redemption payments and interest payments, whether by check or by wire transfer.

Section 13.03. Book-Entry System. The Series 2018 A Bonds shall be initially issued registered in the name of “Cede & Co.,” as nominee for DTC and registered Owner of the Series 2018 A Bonds, and held in the custody of the Securities Depository. A single certificate will be issued and delivered to the Securities Depository for each maturity and interest rate of the Series 2018 A Bonds, and the Beneficial Owners will not receive physical delivery of Series 2018 A Bond certificates except as provided herein. For so long as the Securities Depository shall continue to serve as securities depository for the Series 2018 A Bonds as provided herein, all transfers of beneficial ownership interests will be made by book-entry only, and no investor

or other party purchasing, selling or otherwise transferring beneficial ownership of Series 2018 A Bonds will receive, hold or deliver any Series 2018 A Bond certificate.

At the written direction of the City, with notice to the Trustee, but without the consent of the Owners of the Series 2018 A Bonds or the Trustee, the City, may appoint a successor Securities Depository and enter into an agreement with the successor Securities Depository, to establish procedures with respect to a Book-Entry System for the Series 2018 A Bonds not inconsistent with the provisions of the Indenture. Any successor Securities Depository shall be a “clearing agency” registered under Section 17A of the Securities Exchange Act of 1934, as amended.

The City and the Trustee may rely conclusively upon (i) a certificate of the Securities Depository as to the identity of the Securities Depository Participants in the Book-Entry System with respect to the Series 2018 A Bonds and (ii) a certificate of any such Securities Depository Participant as to the identity of, and the respective principal amount of the Series 2018 A Bonds beneficially owned by, the Beneficial Owners.

Whenever, during the term of the Series 2018 A Bonds, the beneficial ownership thereof is determined by a book-entry at the Securities Depository, the requirements in the Indenture of holding, delivering or transferring the Series 2018 A Bonds shall be deemed modified to require the appropriate person to meet the requirements of the Securities Depository as to registering or transferring the book-entry to produce the same effect. Any provision hereof permitting or requiring delivery of the Series 2018 A Bonds shall, while the Series 2018 A Bonds are in the Book-Entry System, be satisfied by the notation on the books of the Securities Depository in accordance with applicable law.

Except as otherwise specifically provided in the Indenture and the Series 2018 A Bonds with respect to the rights of Securities Depository Participants and Beneficial Owners, when a Book-Entry System is in effect, the City and the Trustee may treat the Securities Depository (or its nominee) as the sole and exclusive Owner of the Series 2018 A Bonds registered in its name for the purposes of payment of the principal of and interest on the Series 2018 A Bonds or portion thereof to be redeemed or purchased, and of giving any notice permitted or required to be given to the Owners of Series 2018 A Bonds under the Indenture, and neither the City nor the Trustee shall be affected by any notice to the contrary. Neither the City nor the Trustee will have any responsibility or obligations to the Securities Depository, any Securities Depository Participant, any Beneficial Owner or any other Person which is not shown on the registration books required to be maintained by the Trustee, with respect to (i) the accuracy of any records maintained by the Securities Depository or any Securities Depository Participant; (ii) the payment by the Securities Depository or by any Securities Depository Participant of any amount due to any Beneficial Owner in respect of the principal amount or redemption or purchase price of, or interest on, any Series 2018 A Bonds; (iii) the delivery of any notice by the Securities Depository or any Securities Depository Participant; (iv) the selection of the Beneficial Owners to receive payment in the event of any partial redemption of the Series 2018 A Bonds; or (v) any other action taken by the Securities Depository or any Securities Depository Participant. The Trustee shall pay all principal of and interest on the Series 2018 A Bonds registered in the name of Cede & Co. 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 City’s obligations with respect to

the principal of and interest on such Series 2018 A Bonds to the extent of the sum or sums so paid.

The Book-Entry System may be discontinued by the Trustee and the City, at the direction and expense of the City, and the City and the Trustee will cause the delivery of Series 2018 A Bond certificates to such Beneficial Owners of the Series 2018 A Bonds and registered in the names of such Beneficial Owners as shall be specified to the Trustee by the Securities Depository in writing, under the following circumstances:

(1) The Securities Depository determines to discontinue providing its service with respect to the Series 2018 A Bonds and no successor Securities Depository is appointed as described above. Such a determination may be made at any time by the Securities Depository giving thirty (30) days' notice to the City and the Trustee and discharging its responsibilities with respect thereto under applicable law; or

(2) The City determines not to continue the Book-Entry System through a Securities Depository, upon not less than forty-five (45) days' prior written notice by the City to the Trustee.

When the Book-Entry System is not in effect, all references herein to the Securities Depository shall be of no further force or effect.

So long as any Series 2018 A Bond is registered in the name of Cede & Co., as nominee of DTC, all payments with respect to principal of and interest on such Series 2018 A Bond and all notices with respect to such Series 2018 A Bond shall be made and given, respectively, in the manner provided in the Representation Letter.

In the event of a redemption or any other transaction necessitating a reduction in aggregate principal amount of Series 2018 A Bonds Outstanding, DTC in its discretion: (a) may request the City and the Trustee to issue and authenticate a new Series 2018 A Bond certificate, or (b) shall make an appropriate notation on the Series 2018 A Bond certificate indicating the date and amounts of such reduction in principal, except in the case of final maturity, in which case the certificate must be presented to the Trustee prior to payment.

Section 13.04. Redemption of Series 2018 A Bonds – No Optional Redemption. The Series 2018 A Bonds shall not be subject to redemption prior to their respective stated maturity dates.

Section 13.05. Form of Series 2018 A Bonds. The Series 2018 A Bonds and the certificate of authentication and registration to be executed thereon shall be in substantially the form set forth as Exhibit A hereto. The Series 2018 A Bond designation letters and numbers, maturity dates, principal amounts and interest rates shall be inserted therein in conformity with Section 13.02 hereof.

Section 13.06. Issuance of Series 2018 A Bonds. At any time after the execution and delivery of this Third Supplement, the City may execute and the Trustee shall authenticate and deliver the Series 2018 A Bonds in the aggregate principal amount of \$\_\_\_\_\_ upon the Order of the City.

Section 13.07. Application of Proceeds of Series 2018 A Bonds and Other Amounts. The net proceeds of the sale of the Series 2018 A Bonds in the amount of \$\_\_\_\_\_ (representing the \$\_\_\_\_\_ aggregate principal amount of the Series 2018 A Bonds plus \$\_\_\_\_\_ of original issue premium, less \$\_\_\_\_\_ of underwriter's discount), together with a \$\_\_\_\_\_ contribution received from the City and \$\_\_\_\_\_ transferred from the Series 2008 B Bond Reserve Fund, or a total of \$\_\_\_\_\_, shall be received by the Trustee on behalf of the City and held in trust and set aside as follows:

(i) The Trustee shall [transfer][deposit] the amount of \$\_\_\_\_\_ (consisting of \$\_\_\_\_\_ of the proceeds of the sale of the Series 2018 A Bonds, [\$\_\_\_\_\_ of the contribution made by the City] and the \$\_\_\_\_\_ released from the Series 2008 B Bond Reserve), [to The Bank of New York Mellon Trust Company, N.A., as escrow agent pursuant to the Escrow Agreement for deposit in the escrow fund created under the Escrow Agreement to be applied as provided therein][to the Redemption Fund, which fund the Trustee is hereby directed to establish pursuant to Section 4.05 of the Indenture to be applied to the redemption of all of the Outstanding Series 2008 B Bonds by the Trustee's reimbursement from such deposit of the draw made by the Trustee for the payment of the redemption price of the Series 2008 B Bonds under that certain Irrevocable Transferable Letter of Credit No. 017495 issued by MUFG Bank, Ltd. (formerly known as The Bank of Tokyo-Mitsubishi UFJ, Ltd., acting through its New York Branch) securing the Series 2008 B Bonds, pursuant to the terms of such Letter of Credit and the Fifth Supplemental Subordinated Electric Revenue Bond Indenture, dated as of May 1, 2008, between the City and the Trustee, relating to the Series 2008B Bonds to be refunded, all as directed in accordance with a Request of the City delivered in connection with the issuance of the Series 2018 A Bonds];

(ii) The Trustee shall transfer the amount of \$\_\_\_\_\_ (consisting of \$\_\_\_\_\_ of the proceeds of the sale of the Series 2018 A Bonds [and \$\_\_\_\_\_ of the contribution made by the City]) to JPMorgan Chase Bank N.A. to fund the costs of terminating an interest rate swap agreement of the City relating to the Series 2008 B Bonds being refunded, as directed in accordance with a Request of the City delivered in connection with the issuance of the Series 2018 A Bonds; and

(iii) The Trustee shall deposit the remaining \$\_\_\_\_\_ of the net proceeds from the sale of the Series 2018 A Bonds in the Series 2018 A Costs of Issuance Fund, to be applied in accordance with Section 13.08 hereof.

The Trustee may, in its discretion, establish any temporary fund or account to facilitate the foregoing deposits and transfers.

Section 13.08. Establishment and Application of Series 2018 A Costs of Issuance Fund. The Trustee shall establish, maintain and hold in trust a separate fund designated as the "Series 2018 A Costs of Issuance Fund," which fund is hereby created and which fund the Trustee hereby agrees to maintain with the Trustee until [June 1], 2019. The Trustee shall deposit to the Series 2018 A Costs of Issuance Fund the amounts specified in Section 13.07(iii) hereof. All money in the Series 2018 A Costs of Issuance Fund shall be used and withdrawn by the Trustee to pay the Costs of Issuance of the Series 2018 A Bonds upon receipt of Requisitions

of the City filed with the Trustee, each of which shall be sequentially numbered and shall state the person to whom payment is to be made, the amount to be paid, the purpose for which the obligation was incurred and that such payment is a proper charge against said fund. Each Requisition of the City shall be sufficient evidence to the Trustee of the facts stated therein and the Trustee shall have no duty to confirm the accuracy of such facts. On [June 1], 2019 or upon the earlier Request of the City, any remaining balance in the Series 2018 A Costs of Issuance Fund shall be transferred to the Interest Fund to be to be credited towards amounts required to be transferred by the City for deposit therein for the payment of interest on the Series 2018 A Bonds pursuant to Section 4.02(A)(1) of the Indenture on January 1 and July 1 of each year.

Section 13.09. Continuing Disclosure. The City and the Trustee hereby covenant and agree that they will comply with and carry out all of their respective obligations under the Continuing Disclosure Agreement. Notwithstanding any other provision of the Indenture, failure of the City or the Trustee to comply with the Continuing Disclosure Agreement shall not be considered an Event of Default; however, the Trustee or any Owner or Beneficial Owner may, and at the request of any Participating Underwriter (as defined in the Continuing Disclosure Agreement) or the Owners of at least 25% aggregate principal amount of Outstanding Series 2018 A Bonds, the Trustee shall, upon receipt of indemnification reasonably satisfactory to it, take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the City or the Trustee, as the case may be, to comply with its obligations under this Section.

Section 13.10. Terms of Series 2018 A Bonds Subject to the Indenture. Except as expressly provided in this Third Supplement, every term and condition contained in the Indenture shall apply to this Third Supplement and to the Series 2018 A Bonds with the same force and effect as if the same were herein set forth at length, with such omissions, variations and modifications thereof as may be appropriate to make the same conform to this Third Supplement.

This Third Supplement and all the terms and provisions herein contained shall form part of the Indenture as fully and with the same effect as if all such terms and provisions had been set forth in the Indenture. The Indenture is hereby ratified and confirmed and shall continue in full force and effect in accordance with the terms and provisions thereof, as supplemented and amended hereby, subject to the next sentence.

Section 13.11. Effective Date of Third Supplement. This Third Supplement shall take effect upon its execution and delivery.

Section 13.12. Execution in Counterparts. This Third Supplement may be executed in several counterparts, each of which shall be deemed an original, and all of which shall constitute but one and the same instrument.

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

CITY OF SANTA CLARA, CALIFORNIA,  
a chartered California municipal corporation

APPROVED AS TO FORM:

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BRIAN DOYLE  
City Attorney

ATTEST:

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Acting City Clerk

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DEANNA J. SANTANA  
City Manager  
1500 Warburton Avenue  
Santa Clara, CA 95050  
Telephone: (408) 615-2210  
Facsimile: (408) 241-6771

THE BANK OF NEW YORK MELLON  
TRUST COMPANY, N.A.

By \_\_\_\_\_  
Authorized Officer

EXHIBIT A

(FORM OF SERIES 2018 A BOND)

No. \_\_\_\_\_

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

CITY OF SANTA CLARA, CALIFORNIA  
ELECTRIC REVENUE REFUNDING BOND, SERIES 2018 A

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

<u>Maturity Date</u>	<u>Dated Date</u>	<u>Interest Rate Per Annum</u>	<u>CUSIP</u>
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REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT:

The CITY OF SANTA CLARA, a municipal corporation and chartered city duly organized and existing under the Constitution and the laws of the State of California (the “City”), for value received, hereby promises to pay (but only out of the Adjusted Net Revenues and funds hereinafter referred to) to the registered owner named above or registered assigns, on the Maturity Date specified above (subject to any right of prior redemption or payment as provided in the hereinafter mentioned Indenture), the Principal Amount specified above together with interest thereon from Dated Date specified above until the principal hereof shall have been paid, at the Interest Rate Per Annum specified above, payable semiannually on January 1 and July 1 in each year, commencing January 1, 2019. Interest hereon is payable (except as otherwise provided in the hereinafter mentioned Indenture) by check mailed by first-class mail on each interest payment date to the registered owner as of the close of business on the 15th day of the calendar month immediately preceding such interest payment date (each a “record date”); provided, that upon the written request of a registered owner of one million dollars (\$1,000,000) or more in aggregate principal amount of Series 2018 A Bonds (defined below) received by the Trustee prior to the applicable record date (which such request shall remain in effect until

rescinded in writing by such registered owner), interest shall be paid by wire transfer in immediately available funds. The principal hereof and premium, if any, hereon are payable when due upon presentation hereof at the corporate trust office of The Bank of New York Mellon Trust Company, N. A., as trustee (together with any successor as trustee under the hereinafter mentioned Indenture, the “Trustee”), in Los Angeles, California, or such other or additional office as may be designated by the Trustee, in lawful money of the United States of America.

This bond is one of a duly authorized issue of City of Santa Clara, California Electric Revenue Bonds (the “Bonds”) of the series and designation indicated on the face hereof, issued pursuant to an Amended and Restated Electric Revenue Bond Indenture, dated as of March 1, 2011, between the Trustee and the City, providing for the issuance of such Bonds. Said authorized issue of Bonds is not limited in aggregate principal amount, except as otherwise provided in said Amended and Restated Electric Revenue Bond Indenture, and consists or may consist of one or more series of varying denominations, dates, maturities, interest rates and other provisions, as in said Amended and Restated Electric Revenue Bond Indenture provided, all issued and to be issued pursuant to the provisions of the Bond Law (as defined in said Amended and Restated Electric Revenue Bond Indenture). This Bond is issued pursuant to such Amended and Restated Electric Revenue Bond Indenture, as amended and supplemented, including as amended and supplemented by the Third Supplemental Electric Revenue Bond Indenture, dated as of December 1, 2018 (the “Third Supplement”), between the Trustee and the City, authorizing the issuance of the series of bonds of which this Bond is one, such series being referred to as the “Series 2018 A Bonds” (said Amended and Restated Electric Revenue Bond Indenture as amended and supplemented, including as supplemented by the Third Supplement being collectively referred to as the “Indenture”). Reference is hereby made to the Indenture and to the Bond Law for a description of the terms under which the Bonds are issued and to be issued, the provisions with regard to the nature and extent of the Adjusted Net Revenues (as that term is defined in the Indenture), and the rights of the registered owners of the Bonds; and all the terms of the Indenture and the Bond Law are hereby incorporated herein and constitute a contract between the City and the registered owner from time to time of this Bond, and to all the provisions thereof the registered owner of this Bond, by its acceptance hereof, consents and agrees. Additional Bonds and other Parity Debt (as defined in the Indenture) may be issued, and indebtedness may be incurred, on a parity with the Bonds of this authorized issue, subject to the terms and conditions contained in the Indenture.

The Bonds and the interest thereon (to the extent set forth in the Indenture), together with the Parity Debt heretofore or hereafter issued or incurred by the City, and the interest thereon, are payable from, and are secured by a charge and lien on, the Adjusted Net Revenues (as more particularly defined in the Indenture). All of the Bonds and Parity Debt are equally secured by a pledge of, and charge and lien upon, all of the Adjusted Net Revenues, and the Adjusted Net Revenues constitute a trust fund for the security and payment of the interest on and principal of the Bonds; but nevertheless out of Adjusted Net Revenues certain amounts may be applied for other purposes as provided in the Indenture.

The Bonds are limited obligations of the City and are payable, both as to principal and interest, and as to any premiums upon the redemption thereof, out of the Adjusted Net Revenues and certain funds held under the Indenture. The general fund of the City is not liable, and the

credit or taxing power of the City is not pledged, for the payment of the Bonds or the interest thereon. The Bonds are not secured by a legal or equitable pledge of, or charge, lien or encumbrance upon, any of the property of the City or any of its income or receipts, except the Adjusted Net Revenues and said funds held under the Indenture. No registered owner of this Bond shall ever have the right to compel any exercise of the taxing power of the City to pay this Bond or the interest hereon.

The Series 2018 A Bonds are being issued by means of a book-entry system with no physical distribution of bond certificates to be made except as provided in the Indenture. One bond certificate with respect to each date on which the Series 2018 A Bonds are stated to mature, registered in the name of the Cede & Co, is being issued and required to be deposited with the Securities Depository and immobilized in its custody. The book-entry system will evidence positions held in the Series 2018 A Bonds by the Securities Depository Participants, beneficial ownership of the Series 2018 A Bonds in authorized denominations being evidenced in the records of such Securities Depository Participants. Transfers of ownership shall be effected on the records of the Securities Depository and its Securities Depository Participants pursuant to rules and procedures established by the Securities Depository and its Securities Depository Participants. The City and the Trustee will recognize Cede & Co., while the registered owner of this Series 2018 A Bond, as the owner of this Series 2018 A Bond for all purposes, including (i) payments of principal of, and redemption premium, if any, and interest on this Series 2018 A Bond and (ii) notices. Transfer of principal, interest and any redemption premium payments to Securities Depository Participants, and transfer of principal, interest and any redemption premium payments to beneficial owners of the Series 2018 A Bonds by Securities Depository Participants will be the responsibility of such Securities Depository Participants and other nominees of such beneficial owners. The City will not be responsible or liable for such transfers of payments or for maintaining, supervising or reviewing the records maintained by the Securities Depository, Cede & Co., its Securities Depository Participants or persons acting through such Securities Depository Participants. While Cede & Co. is the Owner of this Series 2018 A Bond, notwithstanding any other provision hereof, payments of principal of, redemption premium, if any, and interest on this Series 2018 A Bond shall be made in accordance with existing arrangements between the Trustee or its successors under the Indenture and the Securities Depository.

The Series 2018 A Bonds are not subject to redemption prior to their respective stated maturity dates.

This Bond may be transferred upon the register required to be kept by the Trustee pursuant to the Indenture by the person in whose name it is registered, in person or by his or her duly authorized attorney, upon surrender of this Bond for cancellation, accompanied by delivery of a written instrument of transfer, duly executed in a form approved by the Trustee, subject to the limitations and upon payment of the charges provided in the Indenture. This Bond may be exchanged at the corporate trust office of the Trustee in Los Angeles, California, or such other or additional office as may be designated by the Trustee, for a like aggregate principal amount of Bonds of other authorized denominations of the same series, tenor, maturity and interest rate but only in the manner, subject to the limitations and upon payment of the charges provided in the Indenture.

The City, the Trustee and any paying agent may deem and treat the registered owner hereof as the absolute owner hereof for all purposes, and the City, the Trustee and any paying agent shall not be affected by any notice to the contrary.

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

It is hereby certified and recited that any and all acts, conditions and things required to exist, to happen and to be performed, precedent to and in the incurring of the indebtedness evidenced by this Bond, and in the issuing of this Bond, do exist, have happened and have been performed in due time, form and manner, as required by the Constitution and statutes of the State of California, and that this Bond, together with all other indebtedness of the City pertaining to the Adjusted Net Revenues, is within every debt and other limit prescribed by the Constitution and the statutes of the State of California, and is not in excess of the amount of Bonds permitted to be issued under the Indenture or the Bond Law.

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

Capitalized terms used but not defined herein shall have the meanings assigned to them in the Indenture.

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF, THE CITY OF SANTA CLARA has caused this Bond to be executed in its name and on its behalf by the Mayor of the City and countersigned by the Acting City Clerk, and the seal of the City to be impressed hereon, and this Bond to be dated as of the \_\_\_ day of \_\_\_\_\_, 2018.

CITY OF SANTA CLARA

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

(SEAL)

Attested:

By: \_\_\_\_\_  
Acting City Clerk

[FORM OF CERTIFICATE OF AUTHENTICATION  
AND REGISTRATION]

This is one of the Bonds described in the within mentioned Indenture and registered on the date set forth below.

Dated: \_\_\_\_\_, 20\_\_

THE BANK OF NEW YORK MELLON TRUST  
COMPANY, N.A., as Trustee

By: \_\_\_\_\_  
Authorized Signatory

[FORM OF ASSIGNMENT]

For value received \_\_\_\_\_ hereby sell, assign and transfer unto \_\_\_\_\_ the within Bond and hereby irrevocably constitute and appoint \_\_\_\_\_ attorney, to transfer the same on the books of the City at the office of the Trustee, with full power of substitution in the premises.

\_\_\_\_\_  
NOTE: The signature to this Assignment must correspond with the name on the face of the within registered bond in every particular, without alteration or enlargement or any change whatsoever.

Dated: \_\_\_\_\_

Signature Guaranteed by:

\_\_\_\_\_  
NOTE: Signature must be guaranteed by an eligible guarantor institution.