

DELAWARE VALLEY REGIONAL FINANCE AUTHORITY
(Bucks, Chester, Delaware and Montgomery Counties, Pennsylvania)

TO

TD BANK, NATIONAL ASSOCIATION

(as successor to Commerce Bank/Pennsylvania, National Association)

AS TRUSTEE

TRUST INDENTURE

Dated as of August 1, 1998,
Amended as of August 1, 2009, and
Amended and restated as of August 3, 2009

Securing

\$300,000,000

DELAWARE VALLEY REGIONAL FINANCE AUTHORITY
(Bucks, Chester, Delaware and Montgomery Counties, Pennsylvania)
Local Government Revenue Bonds

1998 Series A, B and C

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Exhibit A	Form of Bonds
Exhibit B	Terms of Bonds; Mandatory Redemption
Exhibit C	Form of Loan Agreement

INDENTURE OF TRUST

THIS INDENTURE OF TRUST (the “Indenture”) dated as of August 1, 1998, amended as of August 1, 2009, and amended and restated as of August 3, 2009, by and between DELAWARE VALLEY REGIONAL FINANCE AUTHORITY (the “Issuer” or the “Authority”), a body corporate and politic organized and existing under the laws of the Commonwealth of Pennsylvania, and TD BANK, NATIONAL ASSOCIATION (as successor to Commerce Bank/Pennsylvania, National Association), duly organized and validly existing under the laws of the United States of America, and any Co-Trustee appointed by the Trustee or the Issuer under Section 11.10 herein, as trustee (the “Trustee”).

Background

A. The Issuer is a body corporate and politic organized and existing under the laws of the Commonwealth of Pennsylvania pursuant to the Municipality Authorities Act of 1945, approved May 2, 1945, P.L. 382, as heretofore and hereafter amended and supplemented (the “Act”), having been duly organized by the Council of Delaware County and the Boards of County Commissioners of Bucks, Chester and Montgomery Counties (collectively, the “Counties”), all in the Commonwealth of Pennsylvania;

B. The Issuer was formed to undertake projects for or on behalf of “Local Government Units,” as such term is defined in the Local Government Unit Debt Act, approved July 12, 1972, P.L. 781, as re-enacted on April 28, 1978, P.L. 124 and December 19, 1996, P.L. 1158 (the “Debt Act”) located in the Counties, any such project undertaken by the Issuer to constitute a “Project” as such term is defined herein and in the Debt Act;

C. Pursuant to the Act, the Issuer may issue its bonds in furtherance of projects for Local Government Units in the Counties (herein defined as the “Participants”), and, as security for the payment of the principal of, and the interest on any such revenue bonds so issued, to pledge the revenues from any such projects or from any loans made by the Issuer;

D. In order to establish a program (the “Program”) to assist Participants in financing, acquiring, erecting, extending, improving, equipping or repairing Projects, the Issuer has authorized the issuance, sale and delivery of its Local Government Revenue Bonds, 1998 Series A, B and C in the following respective aggregate principal amounts (the “Bonds”):

\$250,000,000 1998 Series A Bonds

\$25,000,000 1998 Series B Bonds - FLOATs

\$25,000,000 1998 Series C Bonds - RITES

E. The proceeds of the sale of the Bonds shall be used: (i) to provide funds for Loans to local government units or other political subdivisions, whose Loans are guaranteed by local government units, located in Bucks, Chester, Delaware or Montgomery Counties (which shall be full faith and credit obligations of a Participant or of such other entity which may guarantee the obligations of such Participant), for the purpose of, and in order to assist the Participants in, financing the acquisition, erecting, extending, improving, equipping or repairing Projects; (ii) to

fund a Debt Service Reserve Fund; and (iii) to pay certain fees and costs incurred in connection with the foregoing and the issuance of the Bonds;

F. The Bonds shall be issued in one or more series with interest, payable as provided herein;

G. The Issuer has determined that in order to achieve the lowest borrowing costs for and to meet the liability management objectives of the Participants, the Loans may bear interest at a variable rate of interest based upon the BMA Index (as hereinafter defined) or at a fixed interest rate;

H. In order to provide variable interest rate and fixed interest rate loans to Participants at the lowest possible cost, the Issuer may, at such date as is designated by the Issuer, enter into one or more Swap Agreements with the Swap Counterparty;

I. The timely payment when due of the principal and interest on the Bonds shall be secured by the Municipal Bond Insurance Policy issued by Ambac Assurance Corporation;

J. Until the proceeds of the Bonds deposited with the Trustee for the purpose of acquiring Loans are disbursed for such purposes, they shall be invested as directed herein by the Trustee pursuant to an Investment Agreement (as defined herein);

K. The Bonds shall be issued under and secured by this Indenture, and the Issuer is empowered and authorized to execute and deliver this Indenture and the Loan Agreements (as hereinafter defined) and to do or cause to be done all acts provided or required herein or therein to be performed on its part;

L. The Bonds and the authentication certificate are to be substantially in the forms, with such necessary or appropriate variations, omissions and insertions as are permitted or required by this Indenture, as set forth in Exhibit "A" hereto; and

M. All things necessary to make the Bonds, when authenticated by the Trustee and issued as in this Indenture provided, the valid, binding and legal obligations of the Issuer according to the terms thereof, and to constitute this Indenture a valid assignment and pledge of the Revenues (as hereinafter defined) pledged to the payment of the principal and redemption price of and interest on the Bonds and a valid assignment and pledge of the rights of the Issuer in the Swap Agreements, the Investment Agreement, and the Loan Agreements, and the creation, execution and delivery of this Indenture, and the creation, execution and issuance of the Bonds, subject to the terms hereof, have in all respects been duly authorized.

NOW, THEREFORE, THIS INDENTURE OF TRUST WITNESSETH:

GRANTING CLAUSES

The Issuer, intending to be legally bound hereby, 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 holders thereof, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, in order to (i) secure the payment of the principal

and redemption price of and interest on the Bonds according to their tenor and effect, (ii) secure the performance and observance by the Issuer of all the covenants expressed or implied herein and in the Bonds and (iii) secure the obligations of the Issuer arising under or in connection with the Swap Agreements, if any, should the Issuer enter into any Swap Agreement with a Swap Counterparty, does hereby grant, bargain, sell, convey, assign and pledge unto the Trustee, and its respective successors in trust and assigns forever, a security interest in and lien upon, the following (the “Trust Estate”), subject in all cases to the provisions of this Indenture permitting the application thereof for the purposes and on the terms set forth in this Indenture:

GRANTING CLAUSE FIRST

All right, title and interest of the Issuer in the Revenues, the Participant Bonds and the Loan Agreements, including all extensions and renewals of any of the terms of the Loan Agreements, if any, including, but without limiting the generality of the foregoing, the present and continuing right to make claim for, collect, receive and receipt for all payments of principal, interest, and other sums payable to or receivable by the Issuer under or due to its ownership of any interest in the Participant Bonds and the Loan Agreements, all rights to bring actions and proceedings under the Loan Agreements or for the enforcement thereof or of the Participant Bonds, and all rights to do any and all things which the Issuer is or may become entitled to do under or due to its ownership of the Loan Agreements, other than the rights of the Issuer to indemnification or payment of expenses under Section 5.11 of the Loan Agreement; and

GRANTING CLAUSE SECOND

All right, title and interest of the Issuer in and under the Swap Agreements, if any, and the Revenues therefrom, including all extensions and renewals of any of the terms of the Swap Agreements, if any, including, but without limiting the generality of the foregoing, the present and continuing right to make claim for, collect, receive and receipt for all payments, including without limitation, scheduled Swap Receipts, if any, Termination Payments and other sums payable to or receivable by the Issuer under or due to its ownership of any interest in the Swap Agreements, all rights to bring actions and proceedings under the Swap Agreements or for the enforcement thereof, and all rights to do any and all things which the Issuer is or may become entitled to do under or due to its ownership of the Swap Agreements, other than the rights of the Issuer to indemnification or payment of expenses under the Swap Agreements; and

GRANTING CLAUSE THIRD

All right, title and interest of the Issuer in and under the Investment Agreement, including, but without limiting the generality of the foregoing, the present and continuing right to make claim for, collect, receive and receipt for all payments, including without limitation, scheduled Investment Receipts and other sums payable to or receivable by the Issuer under or due to its ownership of any interest in the Investment Agreement, all rights to bring actions and proceedings under the Investment Agreement or for the enforcement thereof, and all rights to do any and all things which the Issuer is or may become entitled to do under or due to its ownership of the Investment Agreement, other than the rights of the Issuer to indemnification or payment of expenses under the Investment Agreement; and

GRANTING CLAUSE FOURTH

All moneys and securities (including the investment income therefrom) and all other property of every kind and of every name and nature which are now or from time to time hereafter, by delivery or by writing of any kind, pledged, assigned or transferred as and for security hereunder to the Trustee by the Issuer or by anyone on its behalf, or with its written consent or as otherwise permitted hereunder, and all cash and securities now or hereafter held in the Funds (excluding the Rebate Fund) created or established under this Indenture, and all investment earnings thereon;

TO HAVE AND TO HOLD all and singular the Trust Estate, whether now owned or hereafter acquired, unto the Trustee and its respective successors in trust and assigns forever, such Trust Estate to be held by the Trustee as provided in this Indenture; subject, however, to the terms and provisions of this Indenture and the Loan Agreements permitting the application thereof for the purposes provided herein and therein, for (i) the equal and pro rata benefit and security of each and every holder of the Bonds, without preference, priority or distinction as to participation in the lien, benefit and protection hereof of one Bond over or from the others, by reason of series designation, priority in the issue or negotiation thereof, or for any other reason whatsoever, except as herein otherwise expressly provided, so that each and all of such Bonds shall have the same right, lien and privilege under this Indenture and shall be equally secured hereby with the same effect as if the same had all been made, issued and negotiated simultaneously with the delivery hereof; (ii) the payment of the fees and expenses of the Trustee, the Program Administrator and the Issuer; (iii) the payment of the Swap Payment amounts owing by the Issuer under the Swap Agreements, if any; and (iv) the payment of Termination Payments, and repayment of amounts paid under the Bond Insurance Policy, junior and subordinate to payment of the Bonds and the Swap Payments.

AND IN FURTHERANCE OF THE FOREGOING, but subject to the foregoing provisions of these granting clauses and the further provisions of this Indenture, the Issuer hereby unequivocally authorizes and empowers the Trustee, as appropriate, in its own name, or in the name of its nominee, or in the name of, or as attorney-in-fact for, the Issuer, to ask, demand, sue for, collect and receive any and all payments to which the Issuer is or may become entitled under any of the Loan Agreements, or other collateral, and to ensure compliance by each and every party to each and every such agreement or contract with all or any of the terms and provisions thereof to which such person is a party;

AND PROVIDED, FURTHER, the Trustee agrees to accept receipt of and hold subject to the provisions hereof each executed Loan Agreement and declares and agrees that it holds and shall hold as fiduciary for the sole benefit of the holders of the Bonds, the Trustee, the Bond Insurer, the Swap Counterparty, if any, and the others entitled to the benefits thereof, such Loan Agreements;

PROVIDED, HOWEVER, that if (i) the Issuer shall pay or cause to be paid the principal of and interest on all of the Bonds at the times and in the manner provided in the Bonds, or shall provide for the payment thereof in accordance with Article IX hereof, and shall otherwise comply with Article IX hereof, (ii) all amounts due to the Trustee have been paid or provision for payment thereof satisfactory to the Trustee shall have been made, (iii) all Swap Payments have been made to the Swap Counterparty, if any, and (iv) all amounts, if any, due to the Swap Counterparty, if any as Termination Payments, have been paid then the lien of this Indenture shall cease, terminate and be void as provided in Article IX hereof, otherwise this Indenture shall be and remain in full force and effect; and

THIS INDENTURE OF TRUST FURTHER WITNESSETH, and it is expressly declared that all Bonds issued and secured hereunder are to be issued, authenticated and delivered, and all said property, rights and interest, including, without limitation, the amounts hereby assigned and pledged, are to be dealt with and disposed of, under, upon and subject to the terms, conditions, stipulations, covenants, agreements, trusts, uses and purposes hereinafter expressed, and the Issuer has agreed and covenants, and does hereby agree and covenant, with the Trustee, the Bond Insurer and the respective holders, from time to time, of the Bonds, as follows:

ARTICLE I

DEFINITIONS AND RULES OF INTERPRETATION

Section 1.01. Definitions.

Terms defined in the recitals shall have the meanings set forth therein. The following words and phrases shall have the following meanings, unless the context otherwise requires. As to the 1998 Series B Bonds and 1998 Series C Bonds, to the extent of any inconsistencies between the terms of the following definitions and the definitions set forth in Section 3.07, the definitions set forth in Section 3.07 shall take precedence.

“Accountant” or “Accountants” means an independent certified public accountant or a firm of independent certified public accountants to whom the Trustee and the Bond Insurer make no objection.

“Acquisition Fund” means the fund by that name created pursuant to Section 5.02 hereof.

“Acquisition Fund Termination Date” means the earlier of (a) the date on which all moneys have been withdrawn from the Acquisition Fund, or (b) September 1, 2001, unless extended by a Favorable Opinion of Bond Counsel.

“Administrative Fees and Expenses” means any expenditures of the Issuer reasonably and necessarily incurred by the Issuer by reason of its issuance of the Bonds or for the Program, as determined by the Administrator, including, without limitation, auditing fees and expenses, Compliance Charges, Termination Payments payable by the Issuer, non-asset bond costs, costs associated with rebate compliance, the fees and expenses of the Trustee, the Remarketing Agent, the Administrator and the Rebate Analyst, all other legal, financing and administrative expenses incurred by the Issuer with respect to the Program, and any expenses incurred by the Issuer or the Trustee to compel full and punctual performance of all the provisions of the Indenture, the Agreements or the Participant Bonds.

“Administrator” or “Program Administrator” means initially Calhoun, Baker Inc. and any successor Administrator (which may include the Issuer) duly appointed by the Issuer and acting as Administrator hereunder; provided, however that the Issuer, as Administrator, may hereafter delegate to any person, firm or corporation qualified to do business in the State as servicing agent, any of the duties and responsibilities of the Administrator hereunder, upon written notice thereof to the Trustee, and the Bond Insurer.

“Agency Obligations” means direct obligations (including bonds, notes or certificates of participation) of, or obligations the timely payment of the principal of and the interest on which are unconditionally guaranteed by, any agency or instrumentality of the United States of America.

“Agreement Default” or “Loan Agreement Default” shall have the meaning assigned in Section 7.1 of the Loan Agreement.

“Agreement Term” or “Loan Agreement Term” means the term of a Loan Agreement provided for in such Agreement.

“Authorized Denomination” means, with respect to 1998 Series A Bonds, \$5,000 principal amount or any multiple of \$5,000 in excess thereof, and with respect to 1998 Series B Bonds and 1998 Series C Bonds, \$50,000 principal amount or any multiple of \$50,000 in excess thereof.

“Authorized Officer” means: (a) in the case of the Issuer, any person or persons designated to act on behalf of the Issuer, and when used with reference to any act or document also means any officer of the Issuer authorized by resolution of the Issuer to perform such act or execute such document; (b) in the case of the Administrator, shall mean the person or firm designated in an instrument executed by the Issuer and the Administrator and filed with the Trustee specifying the authority and scope of authorization for such person to act and to execute documents on behalf of the Administrator; (c) in the case of a Participant, any person or persons authorized pursuant to the charter, an ordinance, or a resolution of the governing body of such Participant to perform such act or execute such document; and (d) in the case of the Trustee, any President, Vice President, any Assistant Vice President, any Trust Officer or any Assistant Trust Officer thereof, and when used with reference to any act or document also means any other person authorized to perform such act or execute such document by or pursuant to the charter, by-laws or a resolution of the governing board thereof.

“Available Moneys” means moneys that (a) are continuously on deposit with the Trustee in trust for the benefit of the Bondholders in a separate and segregated account in which only Available Moneys are held and (b) are proceeds of either (i) the Bonds, received contemporaneously with and directly from the issuance and sale of the Bonds, (ii) payments made by the Issuer or a Participant if, at the time of the deposit of such payments and for a period of at least 124 consecutive days thereafter, no Bankruptcy Filing shall have occurred, (iii) payments under the Swap Agreements, if any, (iv) refunding bonds or other sources for which the Trustee in either case has received a written opinion of Bankruptcy Counsel to the effect that payment of such moneys to the Bondholders would not constitute a voidable preference under Section 547 of the United States Bankruptcy Code in the event the Issuer or any Participant were to become a debtor under the United States Bankruptcy Code, or (v) income derived from the investment of the foregoing.

“Bankruptcy Code” means the United States Bankruptcy Code, Title 11 of the United States Code, or similar bankruptcy or insolvency act.

“Bankruptcy Counsel” means any counsel nationally recognized in bankruptcy matters that is independent of the Issuer and the Participants and is reasonably acceptable to the Trustee and the Bond Insurer.

“Bankruptcy Filing” means the filing of a petition by or against the Issuer or any Participant, as the case may be, as debtor under the United States Bankruptcy Code or similar bankruptcy or insolvency act. If the petition has been dismissed and the dismissal is final and not subject to appeal at the relevant time, the filing shall not be considered to have occurred.

“BMA Calculation Agent” means initially, the Program Administrator, or any successor thereto as may be approved by the Issuer with the consent of the Bond Insurer, for the purpose of calculating and determining the BMA Index.

“BMA Index” means the rate of interest established as the weekly high grade market index comprised of 7-day tax-exempt variable rate demand notes, published weekly and reset each Wednesday by BMA-Municipal Market Data as the BMA Municipal Swap Index, all as determined by the BMA Calculation Agent pursuant to the Swap Agreements, if any, and in the event such rate is no longer determined, any replacement thereof approved by the Bond Insurer.

“Bond” or “Bonds” means Delaware Valley Regional Finance Authority Local Government Revenue Bonds, 1998 Series A, B and C or any of them (the “1998 Series A Bonds”, “1998 Series B Bonds” and “1998 Series C Bonds,” respectively) issued pursuant to this Indenture.

“Bond Counsel” means Mesirov Gelman Jaffe Cramer & Jamieson, LLP, or any law firm subsequently designated by the Issuer having a national reputation in the field of municipal law whose opinions are generally accepted by purchasers of municipal bonds and which is reasonably acceptable to the Trustee and the Bond Insurer.

“Bondholder” or “holder of Bonds” or “Owner” or “Owner of Bonds” means (i) in the event that the book-entry system of evidence and transfer of ownership is employed pursuant to Section 2.08, Cede & Co., as nominee for DTC, or its successors, and (ii) in all other cases, the registered owner of any Bond.

“Bond Fund” means the fund by that name created pursuant to Section 5.02.

“Bond Insurance Policy” means the new issue municipal bond insurance policy or guaranty issued by the Bond Insurer securing the timely payment of principal of and interest on the Bonds; the initial Bond Insurance Policy shall be the Municipal Bond Insurance Policy issued by Ambac Assurance Corporation, a Wisconsin-domiciled corporation (“AMBAC”).

“Bond Insurer” means the issuer of the Bond Insurance Policy.

“Bond Purchase Agreement” means that certain agreement between the Issuer and the Underwriter providing for the purchase by the Underwriter of the Bonds upon payment of the purchase price and satisfaction of the conditions set forth therein for the initial issuance thereof.

“Bond Year” means each twelve month period extending from August 1 in one calendar year to and including the following July 31 of the next succeeding calendar year, except that the first Bond Year shall commence on the execution date of this Indenture and end on July 31, 1999.

“Business Day” means any day other than (a) a Saturday or Sunday, (b) a day on which commercial banks in New York, New York, or the city or cities in which the corporate trust office of the Trustee or the paying office of the Bond Insurer are authorized by law or executive order to close or (c) a day on which the New York Stock Exchange is closed. For purposes of this definition, paying office of the Bond Insurer means initially the United States Trust

Company of New York, as insurance trustee responsible for making payments under the Bond Insurance Policy.

“**Cede & Co.**” means Cede & Co., the nominee of DTC or any successor nominee of DTC with respect to the Bonds.

“**Certificate,**” “**statement,**” “**request,**” “**requisition**” and “**order**” mean, respectively, a written certificate, statement, request, requisition or order signed in the name of the Issuer, the Trustee or a Participant by an Authorized Officer of the Issuer, the Trustee or such Participant, respectively. Any such instrument and supporting opinions or representations, if any, may, but need not, be combined in a single instrument with any other instrument, opinion or representation, and the instruments so combined shall be read and construed as a single instrument.

“**Closing**” means the date on which a Participant executes and delivers a Loan Agreement and proceeds of the Bonds are transferred to the Acquisition Fund.

“**Code**” means the Internal Revenue Code of 1986, as amended, and the regulations promulgated or proposed thereunder.

“**Commencement Date**” means the date when the term of a Loan Agreement begins and the obligation of the Participant thereunder to make Repayments begins to accrue.

“**Compliance Charges**” mean amounts payable by the Participants under the Loan Agreements and Participant Bonds in respect of compliance with the disclosure requirements of Rules 10b-5 and 15c(2)-12 of the Securities and Exchange Commission.

“**Cost**” means cost, as defined in the Act and herein, including but not limited to cost of the acquisition of all lands, structures, rights-of-way, franchises, easements and other property rights and interests acquired by the Issuer or a Participant for a Project; the cost of demolishing, removing or relocating any buildings or structures on lands so acquired, including the cost of acquiring any lands to which such buildings or structures may be moved or relocated; the cost of all labor, materials, machinery and equipment, financing charges, interest prior to and during construction and for such a limited period after completion of such construction as may be approved by the Issuer (not to exceed one year after completion of the Project); the cost of engineering, financial and legal services, plans, specifications, studies, surveys, estimates of costs and revenues, other expenses necessary or incident to determining the feasibility or practicability of constructing a Project, Administrative Fees and Expenses; and such other expenses as may be necessary or incident to the construction of a Project, the financing of such construction and the placing of such Project in operation.

“**Cost of Issuance Fund**” means the fund by that name created by Section 5.02 hereof.

“**Counsel**” means (a) an attorney at law or firm of attorneys at law (who may be, without limitation, of counsel to or an employee of, the Issuer, the Trustee, the Bond Insurer or any Participant) duly admitted to practice law before the highest court of any state or (b) any other counsel satisfactory to the Issuer, the Administrator and the Bond Insurer.

“Debt Service Reserve Fund” means the fund by that name created pursuant to Section 5.02 hereof.

“Default” and “Event of Default” mean any occurrence or event specified in Section 10.01.

“Discretionary Fund” means the fund by that name created pursuant to Section 5.02.

“DTC” or “Securities Depository” means The Depository Trust Company, a limited purpose company organized under the laws of the State of New York, and its successors and assigns.

“DTC Participant” or “DTC Participants” means securities brokers and dealers, banks, trust companies and clearing corporations that have access to the DTC system.

“Eligible Investment” means any of the following:

(a) The following are permitted for all purposes, including defeasance investments in refunding escrow accounts:

(i) Cash (insured at all times by the Federal Deposit Insurance Corporation or otherwise collateralized with obligations described in Paragraph (b) below), or

(ii) Direct obligations of (including obligations issued or held in book entry form on the books of) the Department of the Treasury of the United States of America.

(b) The following are permitted for all purposes other than defeasance investments in refunding escrow accounts:

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

- Export-Import Bank
- Farm Credit System Financial Assistance Corporation
- Rural Economic Community Development Administration (formerly the Farmers Home Administration)
- General Services Administration
- U.S. Maritime Administration
- Small Business Administration
- Government National Mortgage Association (GNMA)
- U.S. Department of Housing & Urban Development (PHAs)
- Federal Housing Administration
- Federal Financing Bank;

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

- Senior debt obligations rated “Aaa” by Moody’s and “AAA” by S&P issued by the Federal National Mortgage Association (FNMA) or Federal Home Loan Mortgage Corporation (FHLMC)
- Obligations of the Resolution Funding Corporation (REFCORP)
- Senior debt obligations of the Federal Home Loan Bank System
- Senior debt obligations of other Government Sponsored Agencies approved by AMBAC;

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

(iv) Commercial paper which is rated at the time of purchase at least “A-1” by S&P and “P-1” by Moody’s and which matures not more than 270 days after the date of purchase;

(v) Investments in a money market fund rated “AAAm” or “AAAm-G” or better by S&P;

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

(A) which are rated, based on an irrevocable escrow account or fund (the “escrow”), in the highest rating category of S&P and Moody’s or any successors thereto; or

(B) (I) which are fully secured as to principal and interest and redemption premium, if any, by an escrow consisting only of cash or obligations described in Subparagraph (A) above, which escrow may be applied only to the payment of such principal of and interest and redemption premium, if any, on such bonds or other obligations on the maturity date or dates thereof or the specified redemption date or dates pursuant to such irrevocable instructions, as appropriate, and (II) which escrow is sufficient, as verified by a nationally recognized independent certified public accountant, to pay principal of and interest and redemption premium, if any, on the bonds or other obligations described in this paragraph on the maturity date or dates specified in the irrevocable instructions referred to above, as appropriate;

(vii) General obligations of states with a rating of at least “A2/A” or higher by both Moody’s and S&P.

(viii) Investment agreements approved in writing by AMBAC, supported by appropriate opinions of counsel, with notice to S&P; and

(ix) Other forms of investments (including repurchase agreements) approved in writing by AMBAC with notice to S&P.

(c) The value of the above investments shall be determined as follows: “Value”, which shall be determined as of the end of each month, means that the value of any investments shall be calculated as follows:

(i) 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, then in The New York Times): the average of the bid and asked prices for such investments so published on or most recently prior to such time of determination;

(ii) As to investments the bid and asked prices of which are not published on a regular basis in The Wall Street Journal or The New York Times: the average bid price at such time of determination for such investments by any two nationally recognized government securities dealers at the time making a market in such investments or the bid price published by a nationally recognized pricing service;

(iii) As to certificates of deposit and bankers acceptances: the face amount thereof, plus accrued interest; and

(iv) As to any investment not specified above: the value thereof established by prior agreement between the Issuer, the Trustee and AMBAC.

“Eligible Participant Investment” means any investment authorized for a Participant by the laws of the State and which complies with the Tax Agreement and any tax agreement executed by a Participant at the time of a Closing.

“Excess Earnings” means an amount equal to the sum of (a) plus (b) where:

(a) is the excess of (i) the aggregate amount earned from the date of issuance of the Bonds on all nonpurpose investments in which gross proceeds of the Bonds are invested (other than investments attributable to an excess described in this Paragraph (a)), over (ii) the amount that would have been earned if such nonpurpose investments (other than amounts attributable to an excess described in this Clause (a)) were invested at a rate equal to the yield on the Bonds; and

(b) is any income attributable to the excess described in Paragraph (a).

The sum of (a) plus (b) shall be determined in accordance with Section 148(f) of the Code. As used herein, the terms “gross proceeds,” “nonpurpose investments” and “yield” have the meanings assigned to them for purposes of Section 148(f) of the Code. “Excess Earnings,”

however, shall not include any amount earned on the Bond Fund during any Bond Year if the gross earnings on such Fund for such Bond Year are less than \$100,000.

“Extraordinary Payment” means (a) any arbitrage rebate payments that may be required in connection with a subsequent change in the interpretation or application of federal tax law to the Bonds or (b) payments made pursuant to a negotiated closing agreement reached with the Internal Revenue Service in order to maintain the tax-exempt status of interest on the Bonds.

“Favorable Opinion of Bond Counsel” means, when used with respect to or in connection with any action, a written opinion of Bond Counsel or Special Tax Counsel to the effect that such action shall not adversely affect the excludability of interest paid on the Bonds from gross income for federal or State income tax purposes.

“Fixed Rate Bonds” means the 1998 Series A Bonds bearing interest at the rate set forth in Exhibit ”B” hereto.

“FLOATs” means the floating auction tax-exempt securities issued as the 1998 Series B Bonds so designated by and issued under this Indenture, bearing interest as set forth in Exhibit ”B” hereto and subject to the definitions set forth in Section 3.07 hereof.

“Funds” means the funds and accounts created pursuant to Article V.

“Government Obligations” means any of the following which at the time of investment are legal investments under the laws of the State for the moneys proposed to be invested therein: direct general obligations of, or obligations the timely payment of the principal of and interest on which is unconditionally guaranteed by, the United States of America (including obligations issued or held in book-entry form on the books of the Department of the Treasury of the United States of America).

“Indenture” means this Indenture of Trust, including the Exhibits hereto, and all supplements and amendments hereto.

“Initial Amount” means the initial principal amount of a Loan.

“Interest Payment Date” means, with respect to the 1998 Series A Bonds and the 1998 Series C Bonds, the first day of February and August of each year commencing February 1, 1999, and with respect to the 1998 Series B Bonds, September 30, 1998 and each fourth successive Wednesday, the maturity date and any date upon which interest is payable on the Bonds as a result of a redemption thereof.

“Investment Agreement” or “Investment Agreements” means initially, the Investment Agreement entered into on the date of issuance of the Bonds, and any written investment agreement or repurchase agreement relating to the Bonds hereafter entered into by the Trustee for the purpose of investing moneys deposited in certain of the Funds, which investment agreement or repurchase agreement, and any amendments thereto or replacements thereof, is subject to the approval of the Issuer and the Bond Insurer.

“Investment Agreement Default” means the failure of the provider of the Investment Agreement to make the payments required thereunder when due.

“Lendable Proceeds” means the sum of the amounts initially deposited in the Acquisition Fund (other than the Recycling Account).

“Liquidation Proceeds” means amounts received by the Trustee or the Issuer in connection with enforcement of any of the remedies under a Loan Agreement after the occurrence of a Loan Agreement Default which has not been waived or cured.

“Loan” means a loan of a portion of the proceeds of the Bonds to a Participant pursuant to the terms of a Loan Agreement, through the purchase by the Trustee of the Participant Bonds evidencing the Participant’s obligations to repay principal and interest on such loan.

“Loan Agreement” or “Agreement” means an agreement, including the exhibits attached thereto, which is entered into by the Issuer and a Participant pursuant to this Indenture, and which is in form and substance singular to the form set forth as Exhibit “C” hereto, except to the extent modified pursuant to Section 6.08 or Article XIII hereof. The term “Loan Agreement” shall also include the Participant Bond and the Participant Resolution.

“Loan Payment Date” means the 25th day of the month or, if that date is not a Business Day, the next succeeding Business Day.

“Loan Payment Period” means, for portions of the Loan bearing interest at the Loan Weekly Rate, the period beginning on the first Thursday of the month (except for the first Loan Payment Period which shall begin on the date of the closing of the Loan) and ending on the first Wednesday of the subsequent month and shall mean, for portions of the Loan bearing interest at the Loan Fixed Rate, the period beginning on the 26th day of the month (except for the first Loan Payment Period which shall begin on the day of the closing of the Loan) and ending on the 25th day of the subsequent month.

“Loan Rate” means the rate of interest specified on a Loan.

“Loan Fixed Rate” means the fixed rate borne by certain Loans as provided in Section 6.01 hereof.

“Loan Weekly Rate” means the variable rate of interest, based upon the BMA Index and the Swap Rates, borne by the Loans, established weekly in accordance with Section 6.04 hereof.

“Loan Weekly Rate Period” means each period during which a Loan Weekly Rate is in effect.

“Maximum Rate” means the lesser of (a) the highest interest rate that may be borne by the Loans under State law, or (b) 15% per annum.

“Monthly Finance Charge” means the charges from time to time made to a Participant representing such Participant’s allocable share of the Administrative Fees and Expenses, including any adjustments required to be made to any prior Monthly Finance Charges.

“Moody’s” means Moody’s Investors Service, Inc., a corporation organized and existing under the laws of the State of Delaware, its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, Moody’s shall be deemed to refer to any other nationally recognized securities rating agency designated by the Issuer, with the approval of the Bond Insurer, by notice to the Trustee.

“Municipal Obligations” means obligations of state or local governments, the interest on which is excluded from gross income for federal income tax purposes under the provisions of Section 103 of the Code, which are not private activity bonds under the Code, and which are either not callable or redeemable prior to maturity or are prerefunded pursuant to an irrevocable agreement providing for payment thereof at maturity or at a redemption date as to which irrevocable instructions have been given for redemption thereof on such date.

“Opinion of Counsel” means an opinion in writing of Counsel.

“Optional Prepayment Price” means the principal amount of a Participant Bond plus accrued interest thereon to the date of prepayment, without premium, pursuant to the provisions of Section 6.1 of a Loan Agreement which a Participant may pay the Trustee in order to prepay in whole or in part its Repayments. Payment of the Optional Prepayment Price shall not discharge the Participant from its obligations to make payments of any Administrative Fees or Compliance Charges which are accrued and unpaid as of the date of such Prepayment.

“Outstanding” or “Bonds Outstanding” means the sum of the principal amount of Bonds which have been authenticated and delivered by the Trustee under this Indenture except: (a) Bonds canceled or purchased by or delivered to the Trustee for cancellation pursuant to the provisions of this Indenture; (b) Bonds that have become due (at maturity or on redemption, acceleration or otherwise) and for the payment, including interest accrued to the due date, of which sufficient moneys are held by the Trustee; (c) Bonds deemed paid by Section 9.01; and (d) Bonds in lieu of which others have been authenticated under Section 2.08 (relating to registration and exchange of Bonds) or Section 2.07 (relating to mutilated, lost, stolen or destroyed Bonds).

“Outstanding Balance” means the outstanding and unpaid principal balance of a Participant Bond on a Loan.

“Parity” means, with respect to the time in question, when (a) the sum of (i) investments (other than in the Rebate Fund), plus the accrued interest receivable thereon, computed at the lesser of: (A) the yield on the Bonds; or (B) the actual investment rates, (ii) the Outstanding Balances of the Loans, and (iii) the accrued interest and Monthly Finance Charges receivable thereon, exceeds (b) the sum of (i) the principal of the Bonds Outstanding and (ii) the accrued interest and Administrative Fees and Expenses payable thereon.

“Participant” means a Local Government Unit located in any one of the Counties, legally authorized to borrow money for a Project, that executes a Loan Agreement pursuant to

this Indenture and receives funds to finance the cost of a Project or Projects (or which guarantees the obligations of another upon approval of Bond Counsel).

“Participant Bond” means the note executed and delivered by each Participant to evidence its obligation to make all payments under a Loan Agreement.

“Participant Resolution” means the resolutions or ordinances of a Participant, in substantially the form set forth in a Participant’s Loan Agreement, authorizing the Participant Bond and the sale thereof to the Issuer, and approving the execution and delivery of the Participant’s Loan Agreement.

“Paying Agent” means the Trustee as paying agent for the Bonds, or any successor thereto named by the Issuer to act as Paying Agent.

“Payment Date” means each date upon which a payment is due for principal, interest, or redemption price of Bonds, and each date upon which a Swap Payment or Termination Payment is due under the Swap Agreements, if any.

“Permitted Investment Rate” means that rate determined from time to time by the Rebate Analyst or Bond Counsel to be the permitted arbitrage yield on the Bonds under Section 148 of the Code.

“Person” means (a) any individual, (b) any corporation, partnership, limited liability company, joint venture, association, joint-stock company, business trust or unincorporated organization or grouping of any such entities, in each case formed or organized under the laws of the United States of America, any state thereof or the District of Columbia or (c) the United States of America or any state thereof, or any political subdivision of any thereof, or any agency, authority or other instrumentality of any of the foregoing.

“Project” means a project, as defined in the Debt Act, and which constitutes the acquisition, extension, erection, improvement, equipping or repair of any buildings, structures, equipment and improvements constituting a capital project of a Participant, all or a portion of the Cost of which is financed by the Issuer pursuant to this Indenture and a Loan Agreement.

“Program Expense Fund” means the fund by that name created pursuant to Section 5.02 hereof.

“Rating Agency” means Moody’s, if such agency’s ratings are in effect with respect to the Bonds, and S&P, if such agency’s ratings are in effect with respect to the Bonds, and their respective successors and assigns.

“Rebate Analyst” means Calhoun, Baker Inc., or such other law firm or accounting firm specializing in federal arbitrage “rebate” matters under Section 148(f) of the Code.

“Rebate Fund” means the fund of that name created by Section 5.02 hereof.

“Record Date” means, with respect to the 1998 Series A Bonds, the 15th day (whether or not a Business Day) of the month preceding an Interest Payment Date.

“Recycling Account” means the account of that name created pursuant to Section 5.02 hereof.

“Recycling Deposit Date” shall have the meaning as defined in Section 5.03(b)(5) hereof.

“Redemption Fund” means the fund created by Section 5.02 hereof.

“Related Amount” means, with respect to an outstanding balance of a Loan, an original principal amount of Bonds equal to such outstanding balance.

“Repayments” means the payments of principal of, premium, if any, and interest on the Participant Bonds, and any other amounts payable by a Participant pursuant to the provisions of a Loan Agreement, including Monthly Finance Charges.

“Reserve Requirement” means an amount equal to ten percent (10%) of the principal amount of the Bonds from time to time Outstanding.

“Reset Date” means the first day of each Interest Period.

“Revenue Fund” means the fund of that name created by Section 5.02 hereof.

“Revenues” means all income, revenues, issues, profits and other sums of money and funds (other than amounts on deposit in the Rebate Fund) referred to in the Granting Clauses hereof, including, without limitation, all Repayments, Liquidation Proceeds, Optional Prepayment Prices, Swap Receipts and amounts received by the Issuer and the Trustee as Termination Payments.

“RITES” means the residual interest tax-exempt securities issued as 1998 Series C Bonds bearing interest as set forth in Section 2.02 hereof and Exhibit “B” hereto and subject to the special terms set forth in Section 3.07 hereof.

“S&P” means Standard & Poor’s Ratings Services, a division of McGraw-Hill Companies, Inc., its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, S&P shall be deemed to refer to any other nationally recognized securities rating agency designated by the Issuer with the approval of the Bond Insurer, by notice to the Trustee.

“Special Tax Counsel” means a law firm, if any, subsequently designated by the Issuer having a national reputation in the field of federal taxation of Municipal Obligations, whose opinions are generally accepted by purchasers of municipal bonds and which is reasonably acceptable to the Trustee, the Bank and the Bond Insurer.

“State” means the Commonwealth of Pennsylvania.

“Swap Agreements” means the written agreements approved as to form and substance by the Bond Insurer, which may be entered into between the Issuer and the Swap Counterparty.

“Swap Counterparty” means one or more financial institutions approved by the Bond Insurer, which executes the Swap Agreement.

“Swap Payment” means, under a Swap Agreement, an amount payable to a Swap Counterparty equal to the amounts accruing on the notional amount specified in such Swap Agreement at a variable rate or a fixed rate computed in accordance with such Swap Agreement, but excluding any Termination Payment.

“Swap Rate” means the amounts determined by or with respect to a Swap Agreement, which rate shall not exceed the Maximum Rate.

“Swap Receipts” means the amounts payable by the Swap Counterparty, in respect of the notional principal amount pursuant to the terms of the Swap Agreements, but excluding any Termination Payments.

“Tax Agreement” means the Non-Arbitrage Certificate and Tax Agreement of the Issuer dated as of the date of delivery of the Bonds.

“Termination Payment” means an amount payable by the Issuer or the Swap Counterparty upon termination of a Swap Agreement.

“Underwriter” means Merrill Lynch & Co., as representative for Janney Montgomery Scott Inc., Legg Mason Wood Walker Incorporated, Dolphin & Bradbury, Inc. and First American Municipals, Inc., as purchasers of the Bonds pursuant to the Bond Purchase Agreement.

Section 1.02. Rules of Interpretation.

For all purposes of this Indenture, except as otherwise expressly provided or unless the context otherwise requires:

(a) This Indenture means this instrument as originally executed and as it may time from to time be supplemented or amended pursuant to the applicable provisions hereof.

(b) All references in this instrument to designated articles, sections and other subdivisions are to the designated articles, sections and other subdivisions of this instrument as originally executed, and as supplemented or amended. The words herein, hereof, hereunder, and herewith and other words of similar import refer to this Indenture as a whole and not to any particular article, section or other subdivision.

(c) The terms defined in Article I have the meanings assigned to them in this Article and include the plural as well as the singular.

(d) All accounting terms not otherwise defined herein have the meanings assigned to them in accordance with generally accepted accounting principles.

(e) The terms defined elsewhere in this Indenture have the meanings therein prescribed for them.

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

(g) The headings used in this Indenture are for convenience of reference only and shall not define or limit the provisions hereof.

(h) Terms in the singular include the plural and vice-versa.

(i) All references herein to time shall be time at the location of the principal corporate trust office of the Trustee, unless otherwise expressly stated.

ARTICLE II
THE BONDS

Section 2.01. Bonds Authorized.

There is hereby authorized the issuance of \$300,000,000 aggregate principal amount of Bonds, which shall be designated “Delaware Valley Regional Finance Authority, Local Government Revenue Bonds 1998 Series A, B and C,” to be issued as hereinafter provided for the purpose of financing or refinancing Projects in furtherance of the Program. No Bonds may be issued under the provisions of this Indenture except in accordance with this Article. The total principal amount of the Bonds that may be issued under this Indenture is hereby expressly limited to \$300,000,000.

The Bonds shall be dated the date of delivery thereof, shall be issued in the aggregate principal amounts as indicated below and shall mature as herein provided on:

\$250,000,000 1998 Series A Bonds maturing on August 1, 2028

\$25,000,000 1998 Series B Bonds maturing on August 1, 2018 - FLOATs

\$25,000,000 1998 Series C Bonds maturing on August 1, 2018 - RITES

Section 2.02. Issuance of the Bonds.

The Bonds shall be issuable only as fully-registered bonds, without coupons, in Authorized Denominations. The Bonds shall mature, bear interest at the rates, and be payable at the times set forth in the forms of the Bond set forth at Exhibit “A” hereto and as set forth at Exhibit “B” hereto. The Bonds shall be subject to redemption as provided in Article III.

The principal amount or the redemption price of the Bonds, as the case may be, shall be payable at the principal corporate trust office of the Trustee or its successor, upon presentation and surrender of the Bonds. Payments of interest on the Bonds shall be mailed to the persons in whose names the Bonds are registered on the books of the Trustee at the close of business on the Record Date next preceding each Interest Payment Date; provided that an owner of Bonds in an aggregate principal amount of at least \$1,000,000 may, by prior written instructions filed with the Trustee (which instructions shall include an agreement to pay the Trustee’s reasonable charges in connection therewith, and which instructions shall remain in effect until revoked by subsequent written instructions), direct that interest payments for any period be made by wire transfer to an account in the continental United States or other means acceptable to the Trustee.

If the date for payment of the principal of, premium, if any, or interest on the Bonds shall not be a Business Day, then the date for such payment shall be the next succeeding day which is a Business Day, and payment on such date shall have the same force and effect as if made on the nominal date of payment.

Section 2.03. Execution.

The Bonds shall be executed on behalf of the Issuer with the manual or facsimile signature of the Chairman or Vice-Chairman, and shall have impressed or imprinted thereon, by facsimile or otherwise, the official seal of the Issuer and shall be attested with the manual or facsimile signature of the Issuer's Secretary or Assistant Secretary. In case any officer of the Issuer whose signature or whose facsimile signature shall appear on the Bonds shall cease to be such officer before the delivery of such Bonds, such signature or facsimile signature shall nevertheless be valid and sufficient for all purposes, the same as if he had remained in office until delivery.

Section 2.04. Authentication.

No Bond shall be valid or obligatory for any purpose or entitled to any security or benefit under this Indenture unless and until a certificate of authentication on such Bond, substantially in the form set forth in Exhibit "A" hereto, has been duly executed and dated by the Trustee, and such executed certificate of the Trustee upon any such Bond shall be conclusive evidence that such Bond has been authenticated and delivered under this Indenture as of the date of authentication shown thereon. The Trustee's certificate of authentication on any Bond shall be deemed to have been executed by it if signed and dated by an authorized officer or signatory of the Trustee, but it shall not be necessary that the same officer or signatory sign and date the certificate of authentication on all of the Bonds.

Section 2.05. Form of the Bonds.

The Bonds shall be substantially in the forms set forth in Exhibit "A" hereto, with such variations, omissions and insertions as are permitted or required by this Indenture.

Section 2.06. Delivery of the Bonds.

Upon the execution and delivery of this Indenture, the Issuer shall execute and deliver the Bonds to the Trustee, and, upon receipt by the Trustee of the following, the Trustee shall authenticate and deliver the Bonds to the purchasers thereof against payment of the purchase price therefor as directed by the Issuer:

(a) A copy executed by an Authorized Officer of the Issuer, of the resolution or resolutions authorizing the issuance of the Bonds and the execution and delivery of this Indenture and providing for the sale of such Bonds to the initial purchasers thereof;

(b) A request and authorization to the Trustee on behalf of the Issuer and signed by an Authorized Officer of the Issuer to authenticate, date and deliver such Bonds to the purchasers upon payment to the Trustee, but for the account of the Issuer, of the amounts and in the manner specified in such request and authorization, which proceeds of such payment shall be deposited in the various Funds specified in, and pursuant to, Article V hereof;

(c) The opinion of Bond Counsel, as to the exclusion of interest on the Bonds from gross income for federal tax purposes, in form satisfactory to the Trustee and the Bond Insurer;

(d) Original, executed counterparts of this Indenture, the Investment Agreement, the Swap Agreements, if any, the Tax Agreement and the Bond Purchase Agreement; and

(e) Evidence of delivery to the Trustee of the executed original of the Bond Insurance Policy.

Section 2.07. Mutilated, Lost, Stolen or Destroyed Bonds; Undelivered Bonds.

(a) If any Bond is mutilated, lost, stolen or destroyed, the Issuer shall execute and the Trustee shall authenticate a new Bond of the same maturity and denomination as that Bond mutilated, lost, stolen or destroyed; provided that in the case of any mutilated Bond, such mutilated Bond shall first be surrendered to the Trustee, and in the case of any lost, stolen or destroyed Bond, there shall be first furnished to the Issuer, the Bond Insurer and the Trustee evidence of such loss, theft or destruction satisfactory to the Issuer, the Bond Insurer and the Trustee, together with an indemnity satisfactory to them. In the event any such Bond shall have matured or been called for redemption, instead of issuing a duplicate Bond, the Issuer may pay or cause to be paid the same upon receipt of the aforesaid indemnity. The Issuer and the Trustee may charge the owner of such Bond for their reasonable fees and expenses in connection with replacing any Bond mutilated, lost, stolen or destroyed.

(b) Every new Bond issued pursuant to this Section shall (i) constitute the same contractual obligation of the Issuer as the mutilated, lost, stolen or destroyed Bond, and (ii) be entitled to all of the benefits of this Indenture, equally and proportionally with any and all other Bonds issued and outstanding hereunder.

(c) All Bonds shall be held and owned on the express condition that the foregoing provisions of this Section are exclusive with respect to the replacement or payment of mutilated, lost, stolen or destroyed Bonds and, to the extent permitted by law, shall preclude any and all other rights and remedies with respect to the replacement or payment of negotiable instruments or other investment securities without their surrender, notwithstanding any law or statute to the contrary now existing or enacted hereafter.

Section 2.08. Transfer and Exchange of the Bonds; Persons Treated as Owners; Book Entry System.

(a) The Issuer shall cause to be kept at the corporate trust office of the Trustee a register for the registration, exchange and transfer of Bonds (the "Bond Register"). The Issuer hereby appoints the Trustee its registrar and transfer agent to keep such Bond Register and to make such registrations, exchanges and transfers as set forth herein and in the form of Bonds issued hereunder. The Issuer, the Trustee and any other paying agent of the Issuer may treat and consider the registered Owner of any Bond as the absolute owner thereof for all purposes, any notice to the contrary notwithstanding.

(b) Bonds may be transferred upon delivery to the Trustee of the Bond or Bonds to be transferred, accompanied by a written instrument of transfer in form and with guaranty of signature satisfactory to the Trustee, duly executed by the registered Owner of such Bond or Bonds or his duly authorized representative, containing written instructions of transfer.

No transfer of any Bond shall be effective until entered in the Bond Register. Bonds may be exchanged for Bonds of the same maturity and of authorized denomination or denominations in the same aggregate principal amount and bearing the same rate of interest. No exchange or transfer shall be required to be made (i) during a period beginning 15 days prior to the date of mailing of any notice of redemption of Bonds and ending on the day of such redemption or (ii) for any Bonds so selected for redemption in whole or in part.

In all cases of the transfer of Bonds, the Trustee shall enter the transfer of ownership in the registration books and shall authenticate and deliver in the name of the transferee or transferees a new fully registered Bond or Bonds of authorized denominations of the same maturity and interest rate for the aggregate principal amount which the registered owner is entitled to receive. No transfer of any Bond shall be effective until entered on the registration books.

(c) (i) Notwithstanding the foregoing provisions of this Article II, the Bonds shall initially be issued in the form of one fully-registered bond for the aggregate principal amount of the bonds of each Series and maturity, which bonds shall be registered in the name of Cede & Co., as nominee of DTC. Except as provided in Subparagraph (vii) below, all of the Bonds shall be registered in the registration books kept by the Trustee in the name of Cede & Co., as nominee of DTC; provided that if DTC shall request that the Bonds be registered in the name of a different nominee, the Trustee shall exchange all or any portion of the Bonds for an equal aggregate principal amount of Bonds registered in the name of such nominee or nominees of DTC. No person other than DTC or its nominee shall be entitled to receive from the Issuer or the Trustee either a Bond or any other evidence of ownership of the Bonds, or any right to receive any payment in respect thereof unless DTC or its nominee shall transfer record ownership of all or any portion of the Bonds on the registration books maintained by the Trustee, in connection with discontinuing the book entry system as provided in Subparagraph (vii) below or otherwise.

(ii) So long as the Bonds or any portion thereof are registered in the name of DTC, the principal or redemption price of and interest on such Bonds shall be paid to DTC or its nominee in accordance with the provisions of the Issuer's "Letter of Representations" on file with DTC, on the dates provided for such payments under this Indenture. Each such payment to DTC or its nominee shall be valid and effective to fully discharge all liability of the Issuer or the Trustee with respect to the principal or redemption price of or interest on the Bonds to the extent of the sum or sums so paid. In the event of the redemption of less than all of the Bonds Outstanding of any maturity, the Trustee shall not require surrender by DTC or its nominee of the Bonds so redeemed, but DTC (or its nominee) may retain such Bonds and make an appropriate notation on the Bonds certificate as to the amount of such partial redemption; provided that DTC shall deliver to the Trustee, in each case, a written confirmation of such partial redemption and thereafter the records maintained by the Trustee shall be conclusive as to the amount of the Bonds of such maturity which have been redeemed.

(iii) The Issuer and the Trustee shall treat DTC (or its nominee) as the sole and exclusive Owner of the Bonds registered in its name for the purposes of payment of the principal or redemption price of or interest on the Bonds, selecting the Bonds or portions thereof to be redeemed, giving any notice permitted or required to be given to Owners of Bonds under

this Indenture, registering the transfer of Bonds, obtaining any consent or other action to be taken by Owners of Bonds and for all other purposes whatsoever; and neither the Issuer nor the Trustee shall be affected by any notice to the contrary. Neither the Issuer nor the Trustee shall have any responsibility or obligation to any participant in DTC, any person claiming a beneficial ownership interest in the Bonds under or through DTC or any such participant, or any other person which is not shown on the registration books of the Trustee as being an Owner of Bonds, with respect to: (A) the Bonds; or (B) the accuracy of any records maintained by DTC or any such participants; or (C) the payment by DTC or any such participant of any amount in respect of the principal or redemption price of or interest on the Bonds; or (D) any notice which is permitted or required to be given to Owners of Bonds under this Indenture; or (E) the selection by DTC or any such participant of any person to receive payment in the event of a partial redemption of the Bonds; or (F) any consent given or other action taken by DTC as an Owner of Bonds.

(iv) So long as the Bonds or any portion thereof are registered in the name of DTC or any nominee thereof, all notices required or permitted to be given to the Owners of Bonds under this Indenture shall be given to DTC as provided in the Letter of Representations.

(v) In connection with any notice or other communication to be provided to Owners of Bonds pursuant to this Indenture by the Issuer or the Trustee with respect to any consent or other action to be taken by Owners of Bonds, DTC shall consider the date of receipt of notice requesting such consent or other action as the record date for such consent or other action, provided that the Issuer or the Trustee may establish a special record date for such consent or other action. The Issuer or the Trustee shall give DTC notice of such special record date not less than 15 calendar days in advance of such special record date to the extent possible.

(vi) Any successor Trustee shall, in its written acceptance of its duties under this Indenture, agree to take any actions necessary from time to time to comply with the requirements of the Letter of Representations.

(vii) The book-entry-only system for registration of the ownership of the Bonds may be discontinued at any time if either: (A) after notice to the Issuer and the Trustee, DTC determines to resign as securities depository for the Bonds; or (B) after notice to DTC and the Trustee, the Issuer determines that continuation of the system of book-entry-only transfers through DTC (or through a successor securities depository) is not in the best interest of the Issuer. In either of such events, unless the Issuer appoints a successor securities depository, the Bonds shall be delivered in registered certificate form to such persons, and in such maturities and principal amounts, as may be designated in writing by DTC, but without any liability on the part of the Issuer or the Trustee for the accuracy of such designation. Whenever DTC requests the Issuer and the Trustee to do so, the Issuer and the Trustee shall cooperate with DTC in taking appropriate action after reasonable written notice to arrange for another securities depository to maintain custody of certificates evidencing the Bonds.

Section 2.09. Cancellation of the Bonds.

All Bonds paid, redeemed or purchased, either at or before maturity, shall be delivered to the Trustee when such payment, redemption or purchase is made, and except as otherwise

provided herein, shall be canceled. Whenever any Outstanding Bond shall be delivered to the Trustee for cancellation pursuant to this Indenture, upon payment of the principal amount thereof or for replacement pursuant to Section 2.07 or for transfer or exchange pursuant to Section 2.08 the Trustee shall safeguard such Bond for such period of time as may be required by governmental regulations and thereafter promptly cancel the Bond in accordance with the Trustee's customary procedure.

Section 2.10. Temporary Bonds.

Pending the preparation of definitive Bonds, the Issuer may execute and the Trustee shall thereupon authenticate and deliver temporary Bonds. Temporary Bonds shall be issuable as registered Bonds of any Authorized Denomination, and substantially in the form of the definitive Bonds but with such omissions, insertions and variations as may be appropriate for temporary Bonds, all as may be determined by the Issuer. Every temporary Bond shall be executed by the Issuer and authenticated by the Trustee upon the same conditions, and with like effect, as the definitive Bonds. As promptly as practicable, the Issuer shall execute and furnish definitive Bonds and thereupon temporary Bonds may be surrendered in exchange therefor without charge at the principal corporate trust office of the Trustee, and the Trustee shall authenticate and deliver in exchange for such temporary Bonds a like aggregate principal amount of definitive Bonds. Until so exchanged the temporary Bonds shall be entitled to the same benefits under this Indenture as definitive Bonds. It shall not be necessary to prepare definitive Bonds so long as all Bonds are held under the book-entry system described in Section 2.08(c).

Section 2.11. Nonpresentment of the Bonds.

In the event any Bond shall not be presented for payment when the principal or redemption price thereof becomes due, either at maturity, at the date fixed for redemption, or otherwise, or if an interest check shall not be cashed, if funds sufficient to pay such Bond or interest shall have been made available to the Trustee for the benefit of the owner thereof, all liability of the Issuer to the owner thereof for the payment of the principal or redemption price of or interest on such Bond, as the case may be, shall forthwith cease, terminate and be completely discharged, and thereupon it shall be the duty of the Trustee to hold such funds, without liability to any Bondholder, any beneficial owner, or any other Person for interest thereon, solely for the benefit of the owner of such Bond, who shall thereafter be restricted exclusively to such funds for any claim of whatever nature on his part under this Indenture or on, or with respect to, said Bond, the principal or redemption price thereof or such interest thereon, as the case may be; provided that any money deposited with the Trustee for the payment of the principal or redemption price of or interest on any Bond and remaining unclaimed for 60 months after such principal or redemption price has become due and payable shall be paid to the Issuer, and the owner of such Bond or interest, as the case may be, shall thereafter look solely to the Issuer for the payment of such moneys; and all liability of the Trustee with respect to such trust money shall also thereupon cease.

Section 2.12. Bonds Limited Obligations; Source and Security for Payment.

The Bonds shall be limited and special obligations of the Issuer, payable solely from the Trust Estate, including amounts paid by the Participants pursuant to the Loan Agreements and Participant Bonds, Revenues and moneys available under the terms hereof and investments under the Investment Agreements. The Bonds and the payment thereof shall be solely secured, equally

and ratably by the pledge of the Trust Estate set forth in the granting clauses hereof, upon the terms and conditions set forth herein. There shall be no other recourse against the Issuer or any incorporator, member, director or officer of the Issuer, past, present or future, or any other property now or hereafter owned by it, except the Trust Estate. The Bonds are entitled to the benefits of this Trust Indenture equally and ratably both as to principal and interest with all other Bonds issued hereunder.

The obligation of the Issuer under the Swap Agreements, if any, to make Swap Payments shall also be secured by a pledge of the Trust Estate, pari-passu with the Bonds.

No recourse shall be had for the payment of the principal, interest or redemption price of the Bonds, or for any claim based thereon or on the Swap Agreements, if any, or on this Trust Indenture, against any incorporator, member, officer or employee, past, present or future, of the Issuer or of any successor body as such, either directly or through the Issuer or any such successor body, under any constitutional provision, statute or rule of law, or by the enforcement of any assessment or by any legal or equitable proceeding or otherwise, all such liability being by the acceptance hereof and, as a material part of the consideration for the issuance of the Bonds, expressly waived and released.

The Issuer shall not be obligated to pay the principal, interest, or redemption price of the Bonds except from the Trust Estate in the manner provided herein, and neither the faith and credit nor the taxing power of the Commonwealth of Pennsylvania or any political subdivision thereof, including the Issuer, is pledged to the payment of the principal amount, interest, or redemption price of the Bonds. Neither the Commonwealth of Pennsylvania nor any political subdivision thereof nor the Issuer nor any Participant shall be obligated to (a) exercise its ad valorem taxing power or any other taxing power in any form on any real or personal property within its territorial limits to pay the principal or interest on the Bonds or the redemption price thereof, or other costs incident thereto, or (b) to pay the same from any other funds except from the Trust Estate in the manner provided herein. It is further agreed between the Issuer and the registered owner of each Bond that such Bond and the indebtedness evidenced thereby shall not constitute a lien on any property of the Issuer but shall constitute a lien only on the Trust Estate in the manner provided in this Trust Indenture. THE BONDS ARE SOLELY AND EXCLUSIVELY LIMITED, SPECIAL OBLIGATIONS OF THE ISSUER AND DO NOT CREATE AN OBLIGATION OR DEBT OF THE ISSUER, THE COMMONWEALTH OF PENNSYLVANIA OR ANY POLITICAL SUBDIVISION THEREOF OR GOVERNMENTAL AGENCY EXISTING UNDER THE LAWS THEREOF WITHIN THE MEANING OF ANY STATUTORY OR CONSTITUTIONAL PROVISION WHATSOEVER.

The obligations of the Issuer for Termination Payments under the Swap Agreements and all rights of the Bond Insurer in connection therewith and with the Bond Insurance Policy, and all administrative expenses related to a payment under the Bond Insurance Policy shall also be secured by the Trust Estate, provided, however, that the claim upon and pledge of the Trust Estate in favor of the Bondholders and to secure the Swap Payments shall be prior and superior to the claim upon and pledge of the Trust Estate to secure such obligations of the Issuer under the Swap Agreements and rights of the Bond Insurer.

ARTICLE III

REDEMPTION OF THE BONDS

Section 3.01. No Optional Redemption of the Bonds.

The Bonds are not subject to optional redemption prior to their respective stated dates of maturity.

Section 3.02. Extraordinary Mandatory Redemption of the Bonds.

The Bonds are subject to extraordinary redemption, subject to certain conditions, in whole or in part, from unloaned proceeds in the Acquisition Fund, on any date on or after September 1, 2001 or from moneys in the Recycling Account (utilizing a “first in, first out” methodology) one year after a deposit therein, unless a Favorable Opinion of Bond Counsel is received. In the event such Favorable Opinion of Bond Counsel is not received, moneys in the Acquisition Fund or the Recycling Account shall be transferred to the Redemption Fund and shall be applied to purchase or redeem Bonds in the largest principal denomination that is less than or equal to the amount of such moneys, but only at such time as sufficient funds are available in the Redemption Fund, taking into account whether any Termination Payment under the Swap Agreements, if any, is required to be made. Subject to the provisions of Section 3.06(b) hereof, the Bonds shall be redeemed at the premiums set forth at Exhibit “B” hereto. Bonds shall be redeemed at the prices during the applicable redemption dates as are set forth on Exhibit “B” attached hereto. The further provisions set forth in Section 3.07(o) shall apply to redemption of FLOATs and RITES.

Amounts to be used for the extraordinary redemption of Bonds shall be deposited in the Redemption Fund and held and applied as provided in this Section 3.02. Upon deposit of moneys in the Redemption Fund, the Trustee shall provide notice thereof to the Administrator and request that the Administrator determine (i) the redemption price, on the redemption date, of an original principal amount of Bonds equal to such deposit, and (ii) the Termination Payment due in respect of a notional amount equal to such original principal amount. Such determination shall be made as to each series of Bonds so that, as far as is practicable, the largest aggregate principal amount of Bonds is to be redeemed from such deposit.

In the event that such deposit, and after any transfer of moneys from the Discretionary Fund after giving effect to such Termination Payment, is sufficient to effect the redemption of such Bonds in an aggregate principal amount equal to the amount so determined by the Administrator, the Trustee shall provide for a partial termination of the Swap Agreements, if any, in the notional amount equal to such original principal amount of Bonds, and shall apply such moneys (including any Termination Payment receivable by the Trustee in respect thereto) to the extraordinary mandatory redemption of such Bonds on the redemption date. In the event such moneys available are insufficient to so effect such extraordinary mandatory redemption, the Trustee shall retain such deposit in a separate account of the Redemption Fund until such time as the amount on deposit therein, together with investment income thereon after giving effect to any Termination Payment in respect of such principal amount, is sufficient to make such redemption. The investment income on such moneys in the Redemption Fund computed at the lesser of (i) the Permitted Investment Rate or (ii) the rate determined in accordance with the Swap Agreements,

if any, shall be transferred as received to the Revenue Fund. The Trustee shall request that the Administrator make new determinations of the redemption price and Termination Payments for the moneys in each such account of the Redemption Fund not less frequently than semiannually. No such redemption of Bonds shall be effected unless simultaneously therewith, the notional amount of the Swap Agreements, if any, shall be reduced so that the remaining notional amount of the Swap Agreements equals the remaining Outstanding principal amount of Bonds after such redemption.

Section 3.03. [Reserved].

Section 3.04. Notice of Redemption.

For Bonds being redeemed pursuant to Section 3.02 hereof, the Trustee shall prepare and send notice of each redemption to each Bondholder whose Bonds are being redeemed, and to the Administrator and the Bond Insurer by first class mail at least 15 days but not more than 30 days before each redemption date. The notice shall identify the Bonds or portions thereof to be redeemed and shall state (a) the redemption date, (b) the redemption price, (c) that the Bonds called for redemption must be surrendered to collect the redemption price, (d) the address at which the Bonds must be surrendered, (e) that interest on the Bonds called for redemption ceases to accrue on the redemption date, (f) the CUSIP number of the Bonds and (g) any condition to the redemption.

A copy of each notice of redemption shall also be sent by the Trustee by certified or registered mail to each securities depository (a "Depository") registered with the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended, two Business Days prior to mailing notice to other Bondholders, and to two national information services that disseminate redemption notices, provided that the Trustee may, in the alternative, provide for overnight, telecopied or other form of notice to a Depository acceptable to or requested by such Depository; provided further, that any failure to give the notice required by this paragraph shall not affect the validity of any proceeding for the redemption of Bonds.

With respect to any Bonds to be redeemed that have not been presented for redemption within 60 days after the redemption date, the Trustee shall prepare and the Trustee shall give a second notice of redemption to the holder of any such Bonds that have not been presented for redemption by first class mail, within 30 days of the end of such 60-day period; provided further, that any failure to give the notice required by this paragraph shall not affect the validity of any proceeding for the redemption of Bonds.

Failure by the Trustee to give any notice of redemption as to any particular Bonds shall not affect the validity of the call for redemption of any Bonds in respect of which no such failure has occurred. Any notice mailed as provided in the Bonds shall be conclusively presumed to have been given whether or not actually received by any holder.

Any provision hereof to the contrary notwithstanding, no notice of redemption of any Bonds, excepting any notice that refers to the Bonds that are the subject of a refunding, shall be given by the Trustee, unless provision has been made for the deposit with the Paying Agent of sufficient funds to redeem such Bonds prior to the giving of such notice as required herein.

In the event that any Bonds are called for redemption and the amounts required for payment of the redemption prices thereof are not on deposit with the Trustee on the date set for redemption, the Trustee shall notify the Bond Insurer and the registered owners of such Bonds that such redemption has been rescinded, and shall return any Bonds surrendered for redemption to the registered owners thereof; and the Issuer, the Trustee, the Bond Insurer, and the registered owners shall be restored to their prior position.

Section 3.05. Bonds Due and Payable on Redemption Date; Interest Ceases to Accrue.

On the redemption date, the redemption price of each Bond to be redeemed pursuant to Section 3.02 hereof shall become due and payable; and from and after such date, notice having been given and amounts having been made available and set aside for such redemption, notwithstanding that any Bonds called for redemption shall not have been surrendered, no further interest shall accrue on any Bonds called for redemption. From and after such date of redemption (such notice having been given and such amounts having been made available and set aside for such redemption) the Bonds to be redeemed shall not be deemed to be Outstanding hereunder, and the Issuer shall be under no further liability in respect thereof.

Notwithstanding the foregoing, in the event for any reason the moneys on deposit in the Redemption Fund are insufficient to pay the redemption price on the redemption date, the notice of redemption shall be rescinded, any Bonds surrendered or presented for redemption shall be returned by the Trustee to the owners thereof, and such mandatory redemption shall be canceled. In such event the Issuer, the Trustee and the Bondholders shall be restored to their former positions.

Section 3.06. Purchase in Lieu of Redemption; Selection of Bonds to Be Redeemed

(a) Purchase in Lieu of Redemption. Whenever moneys sufficient to redeem Bonds are held by the Trustee for redemption of the Bonds under any provision hereof, the Trustee shall endeavor to purchase such Bonds then Outstanding at the most advantageous price obtainable with reasonable diligence, such price not to exceed the principal amount thereof plus the amount of the premium, if any, which would be payable on the next redemption date to the holders of such Bonds if such Bonds should be called for redemption on such date from moneys set aside hereunder to be applied for such redemption. The Trustee shall pay the interest accrued on such Bonds to the date of delivery thereof from the Bond Fund and the purchase price from the fund or account in which such moneys are so held for the redemption of such Bonds, but no such purchase shall be made by the Trustee within the forty-five (45) day period immediately preceding any interest payment date on which such Bonds are subject to call for redemption, except from moneys in excess of the amounts set aside or deposited for the redemption of Bonds.

(b) Selection of Bonds to be Redeemed. (i) If less than all the Bonds are to be redeemed prior to maturity, the Bonds, or portions thereof from time to time, shall be redeemed among the various series of Bonds as the Issuer shall specify, consistent with the termination of related notional amounts under the Swap Agreement, if any, within any series, in the order of maturity as specified by the Issuer, in any principal amount which is an integral multiple of \$50,000 with respect to 1998 Series B Bonds or 1998 Series C Bonds or within a maturity of any Series or as allocated by the Trustee, by lot, together with interest accrued to the redemption

date; (ii) if less than all of the Bonds are to be redeemed, the particular Bonds, subject to the foregoing priorities, to be called for redemption shall be selected by DTC in accordance with its rules and procedures so long as DTC or its nominee is the sole registered Owner of the Bonds, or if DTC or its nominee is not the sole registered Owner, by lot or by such other method as the Trustee deems fair and appropriate, but in all cases so that as far as is practicable, the largest aggregate principal amount of Bonds is redeemed.

Section 3.07. Special Terms of FLOATs and RITES.

(a) Additional Definitions. Unless the context or usage otherwise requires, the terms defined in this Paragraph (a) shall, for all purposes of this Section, have the meanings set forth below. All other capitalized terms used in this section and not otherwise defined shall have the meaning given to such terms in Section 1.01. To the extent of any inconsistencies between the definitions in this Section 3.07(a) and in Section 1.01, the definitions in this Section 3.07(a) shall take precedence. All references in this section to a particular time of day shall be to prevailing Eastern United States time.

““AA” Composite Commercial Paper Rate,” means, on any date of determination, (i) the interest equivalent of the 30-day rate on commercial paper placed on behalf of issuers whose corporate bonds are rated “AA” by S&P, or the equivalent of such rating by S&P, or another nationally recognized securities rating agency as such 30-day rate is made available on a discount basis or otherwise by the Federal Reserve Bank of New York for the Business Day immediately preceding such date of determination, or (ii) if the Federal Reserve Bank of New York does not make available any such rate, then the arithmetic average of such rates, as quoted to the Auction Agent on a discount basis or otherwise, by the Commercial Paper Dealers, for the close of business on the Business Day immediately preceding such date of determination. If any Commercial Paper Dealer does not quote a commercial paper rate required to determine the “AA” Composite Commercial Paper Rate, the “AA” Composite Commercial Paper Rate shall be determined on the basis of the quotation or quotations furnished by the remaining Commercial Paper Dealer or Commercial Paper Dealers and any Substitute Commercial Paper Dealer or Substitute Commercial Paper Dealers selected by the Issuer to provide such quotation or quotations not being supplied by any Commercial Paper Dealer or Commercial Paper Dealers, as the case may be, or if the Issuer does not select any such Substitute Commercial Paper Dealer or Substitute Commercial Paper Dealers, by the remaining Commercial Paper Dealer or Commercial Paper Dealers. For purposes of this definition, the “interest equivalent” of a rate stated on a discount basis (a “discount rate”) for commercial paper on a given day’s maturity shall be equal to the product of (A) 100 times (B) the quotient (rounded upwards to the next higher one thousandth (.001) of 1%) of (I) the discount rate (expressed in decimals) divided by (II) the difference between (1) 1.00 and (2) a fraction, the numerator of which shall be the product of the discount rate (expressed in decimals) times the number of days in which such commercial paper matures, and the denominator of which shall be 360.

“After-Tax Equivalent Rate” on any date of determination, means the interest rate per annum equal to the product of:

- (i) the “AA” Composite Commercial Paper Rate on such date; and

- (ii) 1.00 minus the lower of the Statutory Corporate Tax Rate and the Statutory Personal Tax Rate on such date.

“Applicable Factor” means:

- (i) with respect to Regular FLOATs, the Initial Interest Period and each Interest Period immediately preceded by an Auction Date, the result of (A) the Applicable FLOATs Rate for such Interest Period minus (B) the Service Charge Rate on such Auction Date;
- (ii) with respect to Regular FLOATs, and each Interest Period not immediately preceded by an Auction Date, the Applicable FLOATs Rate for such Interest Period;
- (iii) with respect to Newly Separated FLOATs and each Interest Period, the Applicable FLOATs Rate for such Interest Period;
- (iv) with respect to Regular RITES and each Interest Period, the Applicable RITES Rate for such Interest Period;
- (v) with respect to Newly Fixed Option Bonds and each Interest Period immediately preceded by an Auction Date, the result of (A) the Fixed Rate minus (B) the product of (x) the Service Charge Rate on such Auction Date times (y) 1/2 times (z) 365/360, and rounding the resultant rate up to the next highest one-thousandth (.001) of 1%;
- (vi) with respect to Newly Fixed Option Bonds and each Interest Period not immediately preceded by an Auction Date, the Fixed Rate; and
- (vii) with respect to Permanently Fixed Bonds and Regular Fixed Option Bonds, the Fixed Rate.

“Applicable FLOATs Rate” shall have the meaning set forth in Subparagraph (g) of this section.

“Applicable Percentage,” on any date of determination, means the percentage determined (as such percentage may be adjusted pursuant to Paragraph (m) hereof) based on the lower of the credit ratings of FLOATs in effect at the close of business on the Business Day immediately preceding such date, as set forth below:

<u>Applicable Credit Ratings</u>		<u>Percentages</u>
<u>Moody’s</u>	<u>S&P</u>	
“Aaa”	“AAA”	175%
“Aa” to “Aal”	“AA” to “AA+”	175%

“A” to “A1”	“A-” to “A+”	175%
“Baa” to “Baa1”	“BBB-” to “BBB+”	200%
Below “Baa”	Below “BBB-”	265%

provided, that in the event the FLOATs are not rated by a nationally recognized securities rating agency, the Applicable Percentage shall be 265%. For purposes of this definition, S&P’s rating categories of “AAA,” “AA,” “A” and “BBB,” and Moody’s rating categories of “Aaa,” “A” and “Baa,” refer to and include the respective rating categories correlative thereto if either or both of such rating agencies have changed or modified their generic rating categories or if Moody’s or S&P no longer rate the FLOATs or have been replaced.

“Applicable RITES Rate” shall have the meaning set forth in Subparagraph (g) of this section.

“Auction” means periodic implementation of the Auction Procedures.

“Auction Agent” means The Chase Manhattan Bank, or any successor, appointed pursuant to Paragraph (s) of this section.

“Auction Agent Agreement” means the Auction Agent Agreement, dated as of August 1, 1998, by and between the Trustee and the Auction Agent, and any similar agreement with a successor Auction Agent, in each case as from time to time amended or supplemented.

“Auction Agent Fee Rate,” on any Auction Date, means the rate per annum at which the fee to be paid to the Auction Agent for the services rendered by it under the Auction Agent Agreement and the Broker Dealer Agreement with respect to such Auction Date accrues, which shall equal .025 of 1% per annum until changed pursuant to the Auction Agent Agreement and, thereafter, shall equal the rate per annum most recently agreed to by the Trustee and the Auction Agent pursuant to the Auction Agent Agreement.

“Auction Date” means the Business Day immediately preceding the first day of each Interest Period, other than:

- (i) an Interest Period which is immediately preceded by a Record Date at the close of business on which all of the Outstanding FLOATs were Fixed with RITES;
- (ii) each Interest Period commencing after the ownership of the FLOATs is no longer maintained in book-entry form by DTC;
- (iii) each Interest Period commencing after the occurrence and during the continuance of a Payment Default; or
- (iv) any Interest Period commencing less than two (2) Business Days after the cure of a Payment Default.

“Auction Procedures” means the procedures set forth in Paragraph (i) of this section.

“Auction Rate” shall have the meaning set forth in Subparagraph (g)(ii) of this section.

“Authorized Denomination” means, with respect to the FLOATs and the RITES, \$50,000 or any integral multiple thereof.

“Available FLOATs” shall have the meaning set forth in Paragraph (h) of this section.

“Bid” shall have the meaning set forth in Subparagraph (i)(i)(A) of this section.

“Bidder” shall have the meaning set forth in Subparagraph (i)(i)(A) of this section.

“Broker-Dealer” means Merrill Lynch & Co. or any other broker or dealer (each as defined in the Securities Exchange Act), commercial bank or other entity permitted by law to perform the functions required of a Broker-Dealer set forth in the Auction Procedures that (i) is a DTC Participant (or an affiliate of DTC Participant), (ii) has been selected by the Trustee and (iii) has entered into a Broker-Dealer Agreement that remains effective.

“Broker-Dealer Agreement” means each agreement between the Auction Agent and a Broker-Dealer pursuant to which the Broker-Dealer agrees to participate in Auctions as set forth in the Auction Procedures, as from time to time amended or supplemented.

“Broker-Dealer Fee Rate,” on any Auction Date, means the rate per annum at which the service charge to be paid to the Broker-Dealers for the services rendered by them with respect to such Auction Date accrues, which shall equal .250 of 1% per annum until changed by the Trustee pursuant to the Auction Agent Agreement and, thereafter, shall equal the rate per annum most recently determined by the Trustee pursuant to the Auction Agent Agreement.

“Business Day” means any day on which banks in the city where the Payment Office is located and in the City of New York, New York are open for business and is not a day on which the New York Stock Exchange is closed.

“Change of Preference Law” means, with respect to any Owner of FLOATs or RITES, any amendment to the Code or other statute enacted by the Congress of the United States or any temporary, proposed or final regulation promulgated by the United States Treasury after the date hereof which (i) changes or would change any deduction, credit or other allowance allowable in computing liability for any federal tax with respect to, or (ii) imposes or would impose or reduces or would reduce or increases or would increase any federal tax (including, but not limited to, preference or excise taxes) upon, any interest earned by any holder of Bonds the interest on which is excluded from federal gross income under Section 103 of the Code.

“Closing Date” means the date on which the Issuer initially issues the FLOATs and RITES.

“Commercial Paper Dealers” means Merrill Lynch & Co. and such other commercial paper dealer or dealers as the Issuer may from time to time appoint, or, in lieu of any thereof, their respective affiliates or successors.

“Commission” means the U. S. Securities and Exchange Commission.

“Existing Holder” means a person who is listed as the beneficial owner of FLOATs (which are not Fixed) in the records of the Auction Agent at the close of business on the Business Day prior to such Auction.

“Fixed” means:

- (i) when used with respect to FLOATs, Regular FLOATs the beneficial ownership of which has been linked with an equal aggregate principal amount of RITES (forming Newly Fixed Option Bonds) and recorded as such under CUSIP No. 246579EU6, _____ at DTC, or Newly Separated FLOATs the beneficial ownership of which has been linked with an equal aggregate principal amount of RITES (forming Regular Fixed Option Bonds or Permanently Fixed Bonds) and recorded as such under CUSIP No. 246579ET9 (for Regular Fixed Option Bonds) or CUSIP No. 246579EY8 (for Permanently Fixed Bonds) at DTC;
- (ii) when used with respect to RITES, RITES the beneficial ownership of which has been linked with an equal aggregate principal amount of Regular FLOATs (forming Newly Fixed Option Bonds) and recorded as such under CUSIP No. 246579EU6, _____ or Newly Separated FLOATs (forming Regular Fixed Option Bonds or Permanently Fixed Bonds) and recorded as such under CUSIP No. 246579ET9 (for Regular Fixed Option Bonds) or CUSIP No. 246579EY8 (for Permanently Fixed Bonds) at DTC.

“Fixed Percentage” means, as of any Redemption Record Date, the percentage obtained by dividing the aggregate principal amount of Outstanding FLOATs and RITES which are Fixed on such Redemption Record Date by the aggregate principal amount of Outstanding FLOATs and RITES on such Redemption Record Date.

“Fixed Rate” means 5.50% per annum.

“Fixing Request” shall have the meaning given to such term in the Broker-Dealer Agreement.

“Hold Order” shall have the meaning set forth in Subparagraph (i)(i)(A) of this section.

“Index,” on any date of determination, shall mean (i) the tax-exempt money market rate index for 30-day variable rate obligations prepared by Merrill Lynch & Co.

published on The BLOOMBERG provided through Bloomberg Financial Markets of Bloomberg L.P., or on Dalcomp Systems on such date of determination or, if such rate is not published by 9:00 a.m. on such date of determination, (ii) the interest index selected by the Market Agent representing the weighted average of the yield on tax-exempt commercial paper, or tax-exempt bonds bearing interest at a commercial paper rate or pursuant to a commercial paper mode, having a range of maturities or mandatory purchase dates between 25 and 36 days traded during the immediately preceding five (5) Business Days.

“Interest Amount” means the amount of interest distributable in respect of each \$1,000 in principal amount of the FLOATs and the RITES for any Interest Period or part thereof, as calculated in accordance with Paragraph (g) of this section.

“Interest Period” shall have the meaning set forth in Paragraph (g)(ii) of this section.

“Market Agent” means the market agent or market agents appointed pursuant to Paragraph (r) of this section, and its or their successors or assigns.

“Market Agent Agreement” means the Market Agent Agreement, dated as of August 1, 1998, by and between the Trustee and the Market Agent, and any similar agreement with a successor Market Agent, in each case as from time to time amended or supplemented.

“Maximum Rate,” on any date of determination, means the interest rate per annum equal to the lesser of:

- (i) the Applicable Percentage of the higher of (A) the After-Tax Equivalent Rate on such date and (B) the Index on such date; and
- (ii) 10.849% minus the Service Charge Rate on such date;

provided that, if the ownership of the FLOATs is no longer maintained in book-entry form by DTC, the Maximum Rate, on any date of determination, shall equal the lesser of (A) the Applicable Percentage of the higher of (I) the After-Tax Equivalent Rate on such date and (II) the Index on such date and (B) 10.849% per annum, and, provided further, that in no event shall the Maximum Rate be more than the maximum rate permitted by law.

“Minimum Rate,” on any date of determination, means the rate per annum equal to 90% (as such percentage may be adjusted pursuant to Paragraph (n) of this section of the lesser of:

- (i) the After-Tax Equivalent Rate on such date; and
- (ii) the Index on such date;

provided that in no event shall the Minimum Rate be more than the Maximum Rate.

“Newly Fixed Option Bonds,” on any Record Date, means FLOATs and RITES which are Fixed, but which were not Fixed at the close of business on the immediately preceding

Regular Record Date, and the beneficial ownership of which is recorded under CUSIP No. 246579EU6 _____ at DTC.

“Newly Separated FLOATs,” on any Record Date, means FLOATs which are not Fixed, but which were Fixed at the close of business on the immediately preceding Regular Record Date, and the beneficial ownership of which is recorded under CUSIP No. 246579EX0 _____ at DTC.

“Non-Payment Rate,” on any date of determination, means the interest rate per annum, equal to the lesser of:

- (i) 300% of the Index on such date (as such percentage may be adjusted pursuant to Paragraph (n) of this section); and
- (ii) 10.849% per annum;

provided that, in the event an Auction was held on the Business Day immediately preceding the first day of an Interest Period during which the FLOATs are to bear interest at the Non-Payment Rate, the Non-Payment Rate as determined pursuant to Clauses (i) or (ii) above shall be reduced by an amount equal to the Service Charge Rate on such date of determination, and provided further that in no event shall the Non-Payment Rate be more than the maximum rate permitted by law.

“Notice of Fee Change” means a notice of a change in the Auction Agent Fee Rate or the Broker-Dealer Fee Rate substantially in the form of Exhibit “C” to the Auction Agent Agreement.

“Order” shall have the meaning set forth in Subparagraph (i)(i)(A) of this section.

“Payment Date” means each Interest Payment Date and Principal Payment Date.

“Payment Default” means (i) the default by the Issuer in the due and punctual payment of any installment of interest with respect to the FLOATs or the RITES or (ii) the default by the Issuer in the due and punctual payment of any interest, principal or premium, if any, with respect to the FLOATs or the RITES at their maturity or pursuant to a mandatory redemption, which, in either case, is followed by failure of the Bond Insurer to make due and punctual payments to the owners of the FLOATs and the RITES under the Bond Insurance Policy of such installments or payments described in (i) and (ii) hereof.

“Permanently Fixed Bonds” means, on any Record Date, FLOATs and RITES which are Fixed and which were Fixed at the close of business on the immediately preceding Record Date and the Fixing Request for which designated such FLOATs and RITES to be permanently Fixed (or for which there was a Request to Permanently Fix) and the beneficial ownership of which is recorded under CUSIP No. 246579EY8 at DTC.

“Potential Holder” means any person, including any Existing Holder, who may be interested in acquiring FLOATs (or, in the case of an Existing Holder thereof, an additional principal amount of FLOATs).

“Record Date” means any Regular Record Date for the FLOATs and RITES or any Redemption Record Date.

“Redemption Date” when used with respect to any FLOATs and RITES to be redeemed means the date fixed for such redemption as to which notice has been given to the Trustee as contemplated by Paragraph (o) of this section.

“Redemption Record Date” means the record date selected by the Trustee pursuant to Paragraph (p) of this section for purposes of redemption of the FLOATs and RITES.

“Regular Fixed Option Bonds” means, on any Record Date, FLOATs and RITES which are Fixed and which were Fixed at the close of business on the immediately preceding Record Date and the Fixing Request for which designated such FLOATs and RITES to be subject to a Request to Separate, and the beneficial ownership of which is recorded under CUSIP No. 246579ET9 at DTC.

“Regular FLOATs” means, on any Record Date, FLOATs which are not Fixed and which are not Newly Separated FLOATs and the beneficial ownership of which is recorded under CUSIP No. 246579ES1 at DTC.

“Regular Record Date” means with respect to the FLOATs and the RITES, the second Business Day proceeding each Interest Payment Date.

“Regular RITES” means on any Record Date RITES which are not Fixed and the beneficial ownership of which is recorded under CUSIP No. 246579EZ5 at DTC.

“Representation Letter” means a representation letter from the Issuer, the Trustee and the Auction Agent to DTC as described in Paragraph (e) of this section.

“Request to Permanently Fix” shall have the meaning given to such term in the Broker-Dealer Agreement.

“Request to Separate” shall have the meaning given to such term in the Broker-Dealer Agreement.

“RITES” means the Bonds so designated by and issued under this Indenture.

“Securities Exchange Act” means the Securities Exchange Act of 1934, as amended.

“Sell Order” shall have the meaning set forth in Paragraph (i) of this section.

“Service Charge Rate,” on any Auction Date, means the sum of:

- (i) the Broker-Dealer Fee Rate on such Auction Date and;
- (ii) the Auction Agent Fee Rate on such Auction Date.

“Statutory Corporate Tax Rate” means, as of any date of determination, the highest tax rate bracket (expressed in decimals) now or hereafter applicable in each taxable year on the taxable income of every corporation as set forth in Section 11 of the Code or any successor section without regard to any minimum additional tax provision or provisions regarding changes in rates during a taxable year, which on the date hereof is 35%.

“Statutory Personal Tax Rate” means, as of any date of determination, the highest tax rate bracket (expressed in decimals) now or hereafter applicable in each taxable year on the taxable income of a natural person as set forth in Section 1 of the Code or any successor section without regard to any minimum additional tax provision or provisions regarding changes in rates during a taxable year, which on the date hereof is 39.6%.

“Submission Deadline” means 1:00 p.m. on any Auction Date or such other time on any Auction Date by which Broker-Dealers are required to submit Orders to the Auction Agent, as specified by the Auction Agent from time to time.

“Submitted Bid” shall have the meaning set forth in Subparagraph (iii)(i)(A) of this section.

“Submitted Hold Order” shall have the meaning set forth in Subparagraph (iii)(i)(A) of this section.

“Submitted Order” shall have the meaning set forth in Subparagraph (iii)(i)(A) of this section.

“Submitted Sell Order” shall have the meaning set forth in Subparagraph (iii)(i)(A) of this section.

“Subsequent Interest Period” shall have the meaning set forth in Subparagraph (g)(ii) of this section.

“Substitute Commercial Paper Dealer” means any such other commercial paper dealer or dealers as the Issuer may from time to time appoint, provided that neither such person nor any of its affiliates or successors shall be a Commercial Paper Dealer.

“Sufficient Clearing Bids” shall have the meaning set forth in Subparagraph (i)(iii)(A) of this section.

“Tender Date,” “Tender Demand,” “Tender Note,” and “Tender Price” shall have the meanings set forth in Paragraph (u) of this section.

“Winning Bid Rate” shall have the meaning set forth in Paragraph (i)(iii)(A) of this section.

(b) Timing of Actions.

Whenever in this section there is designated a time of day at or by which a certain action must be taken, such time shall be local prevailing Eastern time, except as otherwise

specifically provided in this section. If the date for making any payment or the last day for the performance of any act or the exercise of any right, as provided in this section, shall not be a Business Day, such payment must 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 section, except as otherwise specifically provided herein.

(c) Description of FLOATs and RITES.

- (i) The FLOATs shall be executed and delivered in the aggregate principal amount of \$25,000,000 and shall mature on August 1, 2018.

Interest with respect to the FLOATs shall be computed as set forth in Subparagraph (g)(ii) of this section.

- (ii) RITES. The RITES shall be executed and delivered in the aggregate principal amount of \$25,000,000 and shall mature on August 1, 2018.

Interest with respect to the RITES shall be paid as set forth in Paragraph (g)(iii) of this section.

(d) Form of FLOATs and RITES. The FLOATs and RITES shall be substantially in the forms set forth at Exhibit "A" attached hereto. The FLOATs and RITES may be printed, lithographed, photocopied or typewritten and shall be in such Authorized Denominations as may be determined by the Issuer.

(e) Book-Entry System.

- (i) With respect to FLOATs and RITES registered in the registration books in the name of the DTC nominee, the Issuer and the Trustee shall have no responsibility or obligation to any such DTC Participant or to any person on behalf of which such a DTC Participant holds an interest in the FLOATs and RITES. Without limiting the immediately preceding sentence, the Issuer and the Trustee shall have no responsibility or obligation with respect to (A) the accuracy of the records of DTC, any DTC nominee, or any DTC Participant with respect to any ownership interest in the FLOATs and RITES, (B) the delivery to any DTC Participant, any beneficial owner or any other person, other than an Owner as shown in the registration books, of any notice with respect to the FLOATs and RITES, including any notice of redemption, (C) the selection by DTC and its DTC Participants of the beneficial interest in the FLOATs and RITES to be redeemed in part, or (D) the payment to any DTC Participant, any beneficial owner or any other person, other than an Owner as shown in the registration books, of any amount with respect to principal of, premium, if any, or interest on the FLOATs and RITES. The Issuer and the Trustee

may treat and consider the person in whose name each of the FLOATs and RITES is registered in the registration books as the holder and absolute owner of such FLOATs and RITES for the purpose of payment of principal, premium, if any, and interest on such FLOATs and RITES, for the purpose of having notices of redemption and other matters with respect to such FLOATs and RITES, and for all other purposes whatsoever.

- (ii) So long as the ownership of the FLOATs is maintained in book-entry form by DTC, an Existing Holder may sell, transfer, or otherwise dispose of FLOATs that are not Fixed only pursuant to a Bid or Sell Order placed in an Auction or to or through a Broker-Dealer, provided that, in the case of all transfers other than pursuant to Auctions, such Existing Holder, its Broker-Dealer or its DTC Participant advises the Auction Agent of such transfer.

(f) Transfers Outside Book-Entry System.

If at any date DTC notifies the Issuer that it is unwilling or unable to continue as the securities depository with respect to the FLOATs and RITES or if at any date DTC shall no longer be registered or in good standing under the Securities Exchange Act or other applicable statute or regulation and a successor securities depository is not appointed by the Issuer, within 90 days after the Issuer receives notice or becomes aware of such condition, as the case may be, Paragraph (e) of this section shall no longer be applicable and the Trustee shall execute and deliver certificates representing the FLOATs and RITES as provided below. In addition, the Issuer may determine at any date, at the request of or with the consent of the Market Agent, which consent shall not be unreasonably withheld, that the FLOATs and RITES shall no longer be represented by global certificates and that the provisions of Paragraph (e) of this section hereof shall no longer apply to the FLOATs and RITES. In any such event, the Issuer shall execute and the Trustee shall authenticate and deliver certificates representing the FLOATs and RITES as provided below. FLOATs and RITES executed and delivered in exchange for global certificates pursuant to this paragraph (f) shall be registered in such names and Authorized Denominations as DTC, pursuant to instructions from the DTC Participants or otherwise, shall instruct the Issuer and the Trustee. The Trustee shall deliver such certificates representing the FLOATs and RITES to the persons in whose names such FLOATs and RITES are so registered, such delivery to be made on the Business Day immediately preceding the first day of an Interest Period.

(g) Interest With Respect to the FLOATs and RITES.

- (i) Interest with respect to the FLOATs, other than FLOATs which are fixed, shall accrue for each FLOATs Interest Period (as defined below) and shall be payable in arrears, on each Interest Payment Date and at maturity, provided that, if such Interest Payment Date is not a Business Day, interest otherwise payable on such Interest Payment Date shall be paid on the immediately preceding Business Day.
- (ii) The rate of interest on FLOATs for the initial FLOATs Interest Period shall be 3.915% per annum. As used herein, the term FLOATs Interest Period shall mean (A) the period from and including September 2, 1998 to, but excluding, September 30, 1998 and (B) the periods from and including an Interest Payment Date to, but excluding, the next Interest Payment Date. The rate of interest on the FLOATs for each subsequent FLOATs Interest Period, shall be equal to the sum of the rate of interest per annum that results from implementation of the Auction Procedures (the “Auction Rate”) and the Service Charge Rate; provided that:
 - (A) if a notice of an adjustment in the percentage used to determine the Maximum Rate, the Minimum Rate and the Non-Payment Rate shall have been given by the Market Agent in accordance with Paragraph (n) of this section and because of a failure to satisfy either of the conditions set forth in Clause (A) or (B) of Subparagraph (n)(iii) of this section such adjustment shall not have taken effect, then an Auction shall not be held on the Auction Date immediately preceding the next succeeding subsequent FLOATs Interest Period and the rate of interest for such subsequent FLOATs Interest Period shall equal the sum of the Maximum Rate on such Auction Date and the Service Charge Rate on such Auction Date;
 - (B) if, at the close of business on the Regular Record Date immediately preceding any subsequent FLOATs Interest Period all Outstanding FLOATs are Fixed, then an Auction shall not be held with respect to such subsequent FLOATs Interest Period and the rate of interest for such subsequent FLOATs Interest Period shall equal the Minimum Rate on the Business Day immediately preceding the first day of such subsequent FLOATs Interest Period; or
 - (C) if, on any Auction Date, an Auction is not held for any other reason, then the rate of interest for the next succeeding subsequent FLOATs Interest Period shall equal

the sum of the Maximum Rate on such Auction Date and the Service Charge Rate on such Auction Date.

Notwithstanding the foregoing:

- (I) if the Ownership of the FLOATs is no longer maintained in book-entry form by DTC, the rate of interest for any subsequent FLOATs Interest Period commencing after the delivery of certificates representing FLOATs pursuant to Paragraph (f) of this section shall equal the Maximum Rate on the Business Day immediately preceding the first day of such subsequent FLOATs Interest Period; or
- (II) if a Payment Default shall have occurred, Auctions shall be suspended and the rate of interest for the subsequent FLOATs Interest Period commencing immediately on or after such Payment Default and for each subsequent FLOATs Interest Period thereafter, to and including the subsequent FLOATs Interest Period, if any, during which, or commencing less than two (2) Business Days after, such Payment Default is cured in accordance with this Indenture, shall equal the Non-Payment Rate on the first day of each such Subsequent Interest Period, provided that if an Auction occurred on the Business Day immediately preceding any such Subsequent Interest Period, the rate of interest for such Subsequent Interest Period shall be the Non-Payment Rate plus the Service Charge Rate.

The rate per annum at which interest is payable on the FLOATs for any FLOATs Interest Period is herein referred to as the “Applicable FLOATs Rate.” Interest on the FLOATs shall be computed on the basis of a 360-day year for the number of days actually elapsed.

- (iii) The interest payable with respect to the RITES for each RITES Interest Period (as defined below) shall be the excess, if any, taken (without rounding) to one-thousandth of 1% (0.001%) of: (A) the product of (I) two times (II) the fixed rate of 5.50% per annum (the “Fixed Rate”) times (III) the principal amount of the 1998 Series C Bonds times (IV) the number of days in such RITES Interest Period (assuming a 360-day year consisting of twelve thirty-day months), divided by 360, minus (B) interest that has accrued on an equivalent amount of the 1998 Series B Bonds at the Applicable FLOATs Rate (including payments due to application of the Service Charge Rate)

during such RITES Interest Period. As used herein, the term RITES Interest Period shall mean (1) the period from and including the Series Issue Date to, but excluding, February 1, 1999 and (2) the period from and including an Interest Payment Date to, but excluding, the next Interest Payment Date.

The rate per annum at which interest is payable on the RITES for any Interest Period is herein referred to as the “Applicable RITES Rate.” Interest on the RITES shall be computed on the basis of a 365-day year for the number of days actually elapsed.

(h) Payments.

So long as the Bonds are registered in the name of DTC or DTC’s nominee, payment of interest (other than at maturity) and premium, if any, on, and of principal of, the Bonds shall be made to DTC by wire transfer provided proper wire instructions are received by the Trustee. Each Owner of FLOATs, by such Owner’s purchase of FLOATs, appoints the Trustee as its agent in connection with the payment by such Owner of its share, if any, of the amounts payable to the Auction Agent and the Broker-Dealers pursuant to Paragraph (j) of this section.

(i) Auction Procedures.

Subject to the provisions of Paragraph (g)(ii) of this section, Auctions shall be conducted on each Auction Date, if there is an Auction Agent on such Auction Date, in the following manner:

- (i) (A) prior to the Submission Deadline on each Auction Date:
 - (I) each Existing Holder of FLOATs may submit to a Broker-Dealer information as to:
 - (1) the principal amount of Outstanding FLOATs, if any, held by such Existing Holder which such Existing Holder desires to continue to hold without regard to the Auction Rate for the next succeeding FLOATs Interest Period;
 - (2) the principal amount of Outstanding FLOATs, if any, which such Existing Holder offers to sell if the Auction Rate for the next succeeding FLOATs Interest Period shall be less than the rate per annum specified by such Existing Holder; and/or
 - (3) the principal amount of Outstanding FLOATs, if any, held by such Existing

Holder which such Existing Holder offers to sell without regard to the Auction Rate for the next succeeding FLOATs Interest Period;

and

- (II) one or more Broker-Dealers may contact Potential Holders to determine the principal amount of FLOATs which each such Potential Holder offers to purchase if the Auction Rate for the next succeeding FLOATs Interest Period shall not be less than the rate per annum specified by such Potential Holder.

For the purposes hereof, the communication to a Broker-Dealer of information referred to in Clauses (I)(1), (I)(2), (I)(3), or (II) above is hereinafter referred to as an “Order” and collectively as “Orders” and each Existing Holder and each Potential Holder placing an Order is hereinafter referred to as a “Bidder” and collectively as “Bidders”; an Order containing the information referred to in (x) Clause (I)(1) of this paragraph is hereinafter referred to as a “Hold Order” and collectively as “Hold Orders,” (y) Clauses (I)(2) or (II) paragraph (i)(A) is hereinafter referred to as a “Bid” and collectively as “Bids” and (z) Clause (I)(3) of this paragraph is hereinafter referred to as a “Sell Order” and collectively as “Sell Orders.”

- (B) (I) Subject to the provisions of Subparagraph (ii) of this section, a Bid by an Existing Holder shall constitute an irrevocable offer to sell:
 - (1) the principal amount of Outstanding FLOATs specified in such Bid if the Auction Rate determined as provided in this Paragraph (i) shall be less than the rate specified therein; or
 - (2) such principal amount or a lesser principal amount of Outstanding FLOATs to be determined as set forth in Section 3.07(i)(iv)(A)(IV), if the Auction Rate determined as provided in this Section 3.07(i) shall be equal to the rate specified therein; or

- (3) such principal amount or a lesser principal amount of Outstanding FLOATs to be determined as set forth in Section 3.07(i)(iv)(B)(III), if the rate specified therein shall be higher than the Maximum Rate and Sufficient Clearing Bids do not exist.
 - (II) Subject to the provisions of Paragraph (i)(ii) of this section, a Sell Order by an Existing Holder shall constitute an irrevocable offer to sell:
 - (1) the principal amount of Outstanding FLOATs specified in such Sell Order; or
 - (2) such principal amount or a lesser principal amount of Outstanding FLOATs as set forth in Section 3.07(i)(iv)(B)(III), if Sufficient Clearing Bids have not been made.
 - (III) Subject to the provisions of Paragraph (i)(ii) of this section, a Bid by a Potential Holder shall constitute an irrevocable offer to purchase:
 - (1) the principal amount of Outstanding FLOATs specified in such Bid if the Auction Rate determined as provided in this Paragraph (i) shall be higher than the rate specified in such Bid; or
 - (2) such principal amount or a lesser principal amount of Outstanding FLOATs as set forth in Section 3.07(i)(iv)(A)(V), if the Auction Rate determined as provided in this Section 3.07(i) shall be equal to the rate specified in such Bid.
- (ii) (A) Each Broker-Dealer shall submit in writing to the Auction Agent prior to the Submission Deadline on each Auction Date all Orders obtained by such Broker-Dealer and shall specify with respect to each such order:
 - (I) the name of the Bidder placing such Order;
 - (II) the aggregate principal amount of FLOATs that are the subject of such Order;
 - (III) to the extent that such Bidder is an Existing Holder:

- (1) the principal amount of FLOATs, if any, subject to any Hold Order placed by such Existing Holder;
 - (2) the principal amount of FLOATs, if any, subject to any Bid placed by such Existing Holder and the rate specified in such Bid; and
 - (3) the principal amount of FLOATs, if any, subject to any Sell Order placed by such Existing Holder; and
- (IV) to the extent such Bidder is a Potential Holder, the rate specified in such Potential Holder's Bid.
- (B) If any rate specified in any Bid contains more than three figures to the right of the decimal point, the Auction Agent shall round such rate up to the next highest one thousandth (.001) of 1%.
- (C) If an Order or Orders covering all Outstanding FLOATs held by any Existing Holder is not submitted to the Auction Agent prior to the Submission Deadline, the Auction Agent shall deem a Hold Order to have been submitted on behalf of such Existing Holder covering the principal amount of Outstanding FLOATs held by such Existing Holder and not subject to an Order submitted to the Auction Agent.
- (D) None of the Issuer, the Trustee or the Auction Agent shall be responsible for any failure of a Broker-Dealer to submit an Order to the Auction Agent on behalf of any Existing Holder or Potential Holder.
- (E) If any Existing Holder submits through a Broker-Dealer to the Auction Agent one or more Orders covering in the aggregate more than the principal amount of Outstanding FLOATs held by such Existing Holder, such Orders shall be considered valid as follows and in the following order of priority:
- (I) all Hold Orders shall be considered valid, but only up to and including the aggregate principal amount of FLOATs held by such Existing Holder, and if the aggregate principal amount of FLOATs subject to such Hold Orders exceeds the aggregate principal amounts of FLOATs held by such Existing Holder, the aggregate principal amount of FLOATs subject to each such Hold Order shall be reduced pro rata to cover the aggregate principal amount of Outstanding FLOATs held by such Existing Holder;
 - (II) (1) any Bid shall be considered valid up to and including the excess of the principal amount of

Outstanding FLOATs held by such Existing Holder over the aggregate principal amount of FLOATs subject to any Hold Orders referred to in Clause (I) of this Subparagraph (E);

- (2) subject to Subclause (1) of this Clause (II), if more than one Bid with the same rate is submitted on behalf of such Existing Holder and the aggregate principal amount of Outstanding FLOATs subject to such Bids is greater than such excess, such Bids shall be considered valid up to and including the amount of such excess;
 - (3) subject to Subclauses (1) and (2) of this Clause (II), if more than one Bid with different rates is submitted on behalf of such Existing Holder, such Bids shall be considered valid first in the ascending order of their respective rates until the highest rate is reached at which such excess exists and then at such rate up to and including the amount of such excess; and
 - (4) in any such event, the aggregate principal amount of Outstanding FLOATs, if any, subject to Bids not valid under this Clause (II) shall be treated as the subject of a Bid by a Potential Holder at the rate therein specified; and
- (III) all Sell Orders shall be considered valid up to and including the excess of the principal amount of Outstanding FLOATs held by such Existing Holder over the aggregate principal amount of FLOATs subject to Hold Orders referred to in Clause (I) of this Subparagraph (E) and valid Bids referred to in Clause (II) of this Subparagraph (E).
- (F) If more than one Bid for FLOATs is submitted on behalf of any Potential Holder, each Bid submitted shall be a separate Bid with the rate and principal amount therein specified.
- (G) Any Bid or Sell Order submitted by an Existing Holder covering an aggregate principal amount of FLOATs not equal to \$50,000 or any multiple thereof shall be rejected and shall be deemed a Hold Order. Any Bid submitted by a Potential Holder covering an aggregate principal amount of FLOATs not equal to \$50,000 or any multiple thereof shall be rejected.

- (H) Any Bid submitted by an Existing Holder or a Potential Holder specifying a rate lower than the Minimum Rate shall be treated as a Bid specifying the Minimum Rate.
 - (I) Any Bid specifying a rate higher than the Maximum Rate will be treated as a Sell Order if submitted by an Existing Holder and will not be accepted if submitted by a Potential Holder.
 - (J) Any Order submitted in an Auction by a Broker-Dealer to the Auction Agent prior to the Submission Deadline on any Auction Date shall be irrevocable.
 - (K) The giving of a Tender Notice by a beneficial owner of RITES with respect to Regular FLOATs or Newly Separated FLOATs shall supersede any order given by the Existing Holder of such FLOATs with respect to such FLOATs for the Auction occurring on the Auction Date following the Tender Date specified in such Tender Notice.
 - (L) If a beneficial owner of RITES who submitted a Tender Demand fails to provide the Tender Price for the purchase of the FLOATs specified therein on the Tender Date therefor, such FLOATs shall be deemed to be subject to a Submitted Sell Order for the Auction occurring on the Auction Date following such Tender Date and such deemed Submitted Sell Order shall supersede any Order given by the Existing Holder of such FLOATs for such Auction.
- (iii) (A) Not earlier than the Submission Deadline on each Auction Date, the Auction Agent shall assemble all valid Orders submitted or deemed submitted to it by the Broker-Dealer (each such Order as submitted or deemed submitted by a Broker-Dealer being hereinafter referred to individually as a “Submitted Hold Order”, a “Submitted Bid” or a “Submitted Sell Order”, as the case may be, or as a “Submitted Order” and collectively as “Submitted Hold Orders,” “Submitted Bids” or “Submitted Sell Orders,” as the case may be, or as “Submitted Orders”) and shall determine:
- (I) the excess of the total principal amount of Outstanding FLOATs over the sum of the aggregate principal amount of Outstanding FLOATs subject to Submitted Hold Orders (such excess being hereinafter referred to as the “Available FLOATs”); and
 - (II) from the Submitted Orders whether:
 - (1) the aggregate principal amount of Outstanding FLOATs subject to Submitted Bids by Potential

Holders specifying one or more rates equal to or lower than the Maximum Rate;

exceeds or is equal to the sum of:

- (2) the aggregate principal amount of Outstanding FLOATs subject to Submitted Bids by Existing Holders specifying one or more rates higher than the Maximum Rate; and
- (3) the aggregate principal amount of Outstanding FLOATs subject to Submitted Sell Orders;

(in the event such excess or such equality exists, other than because the sum of the principal amounts of FLOATs in Subclauses (2) and (3) above is zero because all of the Outstanding FLOATs are subject to Submitted Hold Orders, the Submitted Bids in Subclause (1) above shall be referred to collectively as “Sufficient Clearing Bids”); and

- (III) if Sufficient Clearing Bids exist, the lowest rate specified in such Submitted Bids (the “Winning Bid Rate”) such that if:
 - (1) (aa) each such Submitted Bid from Existing Holders specifying such lowest rate and (bb) all other Submitted Bids from Existing Holders specifying lower rates were rejected, thus entitling such Existing Holders to continue to hold the principal amount of FLOATs subject to such Submitted Bids; and
 - (2) (aa) each such Submitted Bid from Potential Holders specifying such lowest rating and (bb) all other Submitted Bids from Potential Holders specifying lower rates were accepted;

the result would be that such Existing Holders described in Subclause (1) above would continue to hold an aggregate principal amount of Outstanding FLOATs which, when added to the aggregate principal amount of Outstanding FLOATs to be purchased by such Potential Holders described in Subclause (2) above, would equal not less than the Available FLOATs.

- (B) Promptly after the Auction Agent has made the determinations pursuant to Paragraph (i)(iii)(A) of this section, the Auction Agent shall advise the Issuer and the Trustee of the Maximum Rate and the Minimum Rate and the components thereof on the Auction Date and, based on such determinations, the Auction Rate for the next succeeding FLOATs Interest Period as follows:

- (I) if Sufficient Clearing Bids exist, that the Auction Rate for the next succeeding FLOATs Interest Period shall be equal to the Winning Bid Rate so determined;
- (II) if Sufficient Clearing Bids do not exist (other than because all of the Outstanding FLOATs are subject to Submitted Hold Orders), that the Auction Rate for the next succeeding Interest Period shall be equal to the Maximum Rate; or
- (III) if all Outstanding FLOATs are subject to Submitted Hold Orders, that the Auction Rate for the next succeeding FLOATs Interest Period shall be equal to the Minimum Rate.

Existing Holders shall continue to hold the principal amount of FLOATs that are subject to Submitted Hold Orders, and, based on the determinations made pursuant to Paragraph (i)(iii)(A) of this section, Submitted Bids and Submitted Sell Orders shall be accepted or rejected and the Auction Agent shall take such other action as set forth below:

- (iv) (A) If Sufficient Clearing Bids have been made, all Submitted Sell Orders shall be accepted and, subject to the provisions of Clauses (E) and (F) of this Subparagraph (i)(iv)(A), Submitted Bids shall be accepted or rejected as follows in the following order of priority and all other Submitted Bids shall be rejected:
 - (I) Existing Holders' Submitted Bids specifying any rate that is higher than the Winning Bid Rate shall be accepted, thus requiring each such Existing Holder to sell the aggregate principal amount of FLOATs subject to such Submitted Bids;
 - (II) Existing Holders' Submitted Bids specifying any rate that is lower than the Winning Bid Rate shall be rejected, thus entitling each such Existing Holder to continue to hold the aggregate principal amount of FLOATs subject to such Submitted Bids;
 - (III) Potential Holders' Submitted Bids specifying any rate that is lower than the Winning Bid Rate shall be accepted;
 - (IV) each Existing Holders' Submitted Bid specifying a rate that is equal to the Winning Bid Rate shall be rejected, thus entitling such Existing Holders to continue to hold the aggregate principal amount of FLOATs subject to such Submitted Bid, unless the aggregate principal amount of Outstanding

FLOATs subject to all such Submitted Bids shall be greater than the principal amount of FLOATs (the “remaining principal amount”) equal to the excess of the Available FLOATs over the aggregate principal amount of FLOATs subject to Submitted Bids described in Clauses (II) and (III) of this Subparagraph (i)(iv)(A), in which event such Submitted Bid of such Existing Holder shall be rejected in part, and such Existing Holder shall be entitled to continue to hold the principal amount of FLOATs subject to such Submitted Bid, but only in an amount equal to the aggregate principal amount of FLOATs obtained by multiplying the remaining principal amount by a fraction, the numerator of which shall be the principal amount of Outstanding FLOATs held by such Existing Holder subject to such Submitted Bid and the denominator of which shall be the sum of the principal amount of Outstanding FLOATs subject to such Submitted Bids made by all such Existing Holders that specified a rate equal to the Winning Bid Rate; and

(V) each Potential Holder’s Submitted Bid specifying a rate that is equal to the Winning Bid Rate shall be accepted, but only in an amount equal to the principal amount of FLOATs obtained by multiplying the excess of the aggregate principal amount of available FLOATs over the aggregate principal amount of FLOATs subject to Submitted Bids described in Clauses (II), (III) and (IV) of this Subparagraph (i)(iv)(A) by a fraction, the numerator of which shall be the aggregate principal amount of outstanding FLOATs subject to such Submitted Bid and the denominator of which shall be the sum of the principal amounts of Outstanding FLOATs subject to Submitted Bids made by all such Potential Holders that specified a rate equal to the Winning Bid Rate.

(B) If Sufficient Clearing Bids have not been made (other than because all of the Outstanding FLOATs are subject to Submitted Hold Orders), subject to the provisions of Section 3.07(i)(iv)(D), Submitted Orders shall be accepted or rejected as follows in the following order of priority and all other Submitted Bids shall be rejected:

- (I) Existing Holders' Submitted Bids specifying any rate that is equal to or lower than the Maximum Rate shall be rejected, thus entitling such Existing Holders to continue to hold the aggregate principal amount of FLOATs subject to such Submitted Bids;
 - (II) Potential Holders' Submitted Bids specifying any rate that is equal to or lower than the Maximum Rate shall be accepted; and
 - (III) each Existing Holders' Submitted Bids specifying any rate that is higher than the Maximum Rate and the Submitted Sell Order of each Existing Holder shall be accepted, thus entitling each Existing Holder that submitted any such Submitted Bid or Submitted Sell Order to sell the FLOATs subject to such Submitted Bid or Submitted Sell Order, but in both cases only in an amount equal to the aggregate principal amount of FLOATs obtained by multiplying the aggregate principal amount of FLOATs subject to Submitted Bids described in Clause (B) of this Paragraph (i)(iv) by a fraction the numerator of which shall be the aggregate principal amount of Outstanding FLOATs held by such Existing Holder subject to such Submitted Bid or Submitted Sell Order and the denominator of which shall be the aggregate principal amount of outstanding FLOATs subject to all such Submitted Bids and Submitted Sell Orders.
- (C) If all Outstanding FLOATs are subject to Submitted Hold Orders, all Submitted Bids shall be rejected.
- (D) If, as a result of the procedures described in Subparagraphs (A) or (B) of this Paragraph (i)(iv), any Existing Holder would be entitled or required to sell, or any Potential Holder would be entitled or required to purchase, a principal amount of FLOATs that is not equal to \$50,000 or any multiple thereof, the Auction Agent shall, in such manner as in its sole discretion it shall determine, round up or down the principal amount of FLOATs to be purchased or sold by any Existing Holder or Potential Holder so that the principal amount of FLOATs purchased or sold by each Existing Holder or Potential Holder shall be equal to \$50,000 or any multiple thereof.

- (E) If, as a result of the procedures described in Subparagraph (B) of this Paragraph (i)(iv), any Potential Holder would be entitled or required to purchase less than \$50,000 principal amount of FLOATs, the Auction Agent shall, in such manner as in its sole discretion it shall determine, allocate FLOATs for purchase among Potential Holders so that only FLOATs in principal amounts of \$50,000 or any multiple thereof are purchased by any Potential Holder, even if such allocation results in one or more of such Potential Holders not purchasing any FLOATs.
- (v) Based on the results of each Auction, the Auction Agent shall determine the aggregate principal amount of FLOATs to be purchased and the aggregate principal amount of FLOATs to be sold by Potential Holders and Existing Holders on whose behalf each Broker-Dealer submitted Bids or Sell Orders and, with respect to each Broker-Dealer, to the extent that such aggregate principal amount of FLOATs to be sold differs from such aggregate principal amount of FLOATs to be purchased, determine to which other Broker-Dealer or Broker-Dealers acting for one or more purchasers such Broker-Dealer shall deliver, or from which other Broker-Dealer or Broker-Dealers acting for one or more sellers such Broker-Dealer shall receive, as the case may be, FLOATs.
- (vi) The Authority may not submit an Order in any Auction, nor may it purchase, call for redemption or otherwise acquire FLOATs or RITES unless it purchases, calls for redemption or otherwise acquires (A) Permanently Fixed Bonds, Regular Fixed Option Bonds or Newly Fixed Option Bonds or (B) an equal aggregate principal amount of FLOATs and RITES on the day of any purchase, redemption or other acquisition.
- (j) Calculation of Interest Payments for the FLOATs and the RITES.
 - (i) The Trustee shall determine not later than 12:00 Noon on the Business Day next succeeding an Interest Payment Date whether a Payment Default has occurred. If a Payment Default has occurred, the Trustee shall, not later than 1:00 p.m. on such Business Day, send a notice thereof, in substantially the form of Exhibit "G" to the Auction Agent Agreement, to the Auction Agent by telecopy or similar means and, if such Payment Default is cured, the Trustee shall immediately send a notice, in substantially the form of Exhibit "H" to the Auction Agent Agreement, to the Auction Agent by telecopy or similar means.

- (ii) The aggregate amount of interest payable by the Authority with respect to the FLOATs and RITES on each Interest Payment Date therefor shall be calculated by or determined as set forth in Section 3.07(g) hereof or as provided in Subparagraph (iii) or (iv) hereof.
- (iii) Interest on Regular Fixed Option Bonds and Permanently Fixed Bonds shall be payable on each RITES Interest Payment Date at an interest rate per annum equal to the Fixed Rate applicable to the RITES which were Fixed to create such Regular Fixed Option Bonds or Permanently Fixed Option Bonds. Interest on Newly Fixed Option Bonds shall be payable on the Interest Payment Date at an interest rate per annum equal to the Fixed Rate applicable to the RITES which were Fixed to create such Newly Fixed Option Bonds; provided, however, that the amount payable to an owner of a Newly Fixed Option Bond shall be reduced by the sum of (i) interest on the FLOATs that were Fixed to create such Newly Fixed Option Bonds (“the Fixed FLOATs”) that was accrued and unpaid on the Fixed FLOATs during such RITES Interest Period, plus (ii) the Service Charge accrued but unpaid (in respect of an Auction Date that has occurred) on such Fixed FLOATs and increased by the amount, if any, of interest accrued, but unpaid, on such Fixed FLOATs as of the beginning of such RITES Interest Period.
- (iv) The interest payable on Newly Separated FLOATs shall be equal to the sum of (i) the interest calculated at the Auction Rate or the Maximum Rate, as the case may be, and (ii) the Service Charge Rate (or, in certain circumstances, the Non-Payment Rate), in each case for each Interest Period beginning on or after the later of (a) the immediately preceding RITES Interest Payment Date and (b) the immediately preceding FLOATs Interest Payment Date on which such FLOATs were not Fixed.

(k) Calculation of Maximum, Rate Minimum Rate and Non-Payment Rate With Respect to FLOATs. The Auction Agent shall calculate the Maximum Rate and the Minimum Rate on each Auction Date. If all Outstanding FLOATs are Fixed at the close of business on any Regular Record Date, the Auction Agent shall calculate the Minimum Rate on the Business Day immediately preceding the first day of the next succeeding subsequent FLOATs Interest Period. If the ownership of the FLOATs is no longer maintained in book-entry form by DTC, the Trustee shall calculate the Maximum Rate on the Business Day immediately preceding the first day of each subsequent FLOATs Interest Period commencing after the delivery of certificates representing the FLOATs pursuant to Paragraph (f) of this section. If a Payment Default shall have occurred, the Trustee shall calculate the Non-Payment Rate on the first day of (A) each subsequent FLOATs Interest Period commencing after the occurrence and during the continuance of such Payment Default and (B) any subsequent FLOATs Interest Period commencing less than two (2) Business Days after the cure of any Payment Default. The Program Administrator shall calculate the Applicable Factors and the “AA” Composite

Commercial Paper Rate, for each such subsequent FLOATs Interest Period. The Trustee's determination of the Applicable Factors and the "AA" Composite Commercial Paper Rate shall (in the absence of manifest error) be final and binding upon all parties.

(l) Computation of Interest Distributable to FLOATs and RITES.

The amount of interest distributable to Holders of Regular FLOATs, Newly Separated FLOATs, Regular RITES, Regular Fixed Option Bonds, Permanently Fixed Bonds and Newly Fixed Option Bonds, respectively, in respect of each \$1,000 in principal amount thereof for any FLOATs Interest Period or RITES Interest Period, whichever may be applicable, or part thereof shall be calculated by applying the Applicable Factor for Regular FLOATs, Newly Separated FLOATs, Regular RITES, Regular Fixed Option Bonds, Permanently Fixed Bonds and Newly Fixed Option Bonds, respectively, for such FLOATs Interest Period or RITES Interest Period or part thereof to the principal amount of \$1,000, multiplying such sum by the actual number of days in the FLOATs Interest Period or RITES Interest Period or part thereof concerned divided by 360, and rounding the resultant figure to the nearest cent (half a cent being rounded upwards).

(m) Notification of Rates, Amounts and Payment Dates.

- (i) So long as the ownership of FLOATs and RITES is maintained in book-entry form by the Securities Depository, the Trustee shall request, by 10:00 A.M. on the third Business Day immediately preceding the first day of each FLOATs Interest Period or RITES Interest Period, whichever is applicable, that DTC deliver to the Trustee a position listing showing at the close of business on the immediately succeeding Regular Record Date the aggregate principal amounts of Regular FLOATs, Newly Separated FLOATs, Regular RITES, Regular Fixed Option Bonds, Permanently Fixed Bonds and Newly Fixed Option Bonds, respectively; by 11:00 A.M. on the Business Day following each such Regular Record Date, the Trustee shall have obtained such a position listing from DTC. On the basis of such position listing, the Trustee shall determine the aggregate amounts of interest distributable on the next succeeding Interest Payment Date to the Existing Holders of Regular FLOATs, Newly Separated FLOATs, Regular RITES, Regular Fixed Option Bonds, Permanently Fixed Bonds and Newly Fixed Option Bonds, respectively. So long as the ownership of the FLOATs and the RITES is maintained in book-entry form by DTC, the Trustee shall advise DTC of each Regular Record Date at least two (2) Business Days prior thereto.
- (ii) Promptly after the Closing Date and each Interest Payment Date, and in any event at least ten (10) days prior to the next Interest Payment Date following the Closing Date or such Interest Payment Date, as the case may be, the Trustee shall advise:

- (A) the Auction Agent, so long as no Payment Default has occurred and is continuing and the ownership of the FLOATs is maintained in book-entry form by DTC, of (I) such next Interest Payment Date and (II) the amount payable to the Auction Agent on the Auction Date pursuant to Subparagraphs (j)(iii) and (iv) of this section; and
- (B) DTC, so long as the ownership of the FLOATs or the RITES is maintained in book-entry form by DTC, of the Applicable Factors and the Interest Amounts.

In the event that any day that is scheduled to be an Interest Payment Date shall be changed after the Trustee shall have given the notice referred to in Clause (A) of the preceding sentence, the Trustee shall, not later than 9:15 A.M. on the Business Day next preceding the earlier of the new Interest Payment Date or the old Interest Payment Date, by such means as the Trustee deems practicable, give notice of such change to the Auction Agent, so long as no Payment Default has occurred and is continuing and the ownership of the FLOATs is maintained in book-entry form by DTC.

- (iii) By 11:00 A.M. on each Interest Payment Date, the Trustee, upon receipt from the Market Agent, shall advise the Auction Agent of the Applicable RITES Rate for the RITES Interest Period commencing on such Interest Payment Date.

(n) Adjustment in Percentages.

- (i) The Market Agent shall adjust the percentage used in determining the Minimum Rate, the Applicable Percentage used in determining the Maximum Rate and the percentage of the Index used in determining the Non-Payment Rate, if any such adjustment is necessary, in the judgment of the Market Agent, to reflect any Change of Preference Law such that FLOATs paying the Maximum Rate, FLOATs paying the Minimum Rate and FLOATs paying the Non-Payment Rate shall have substantially equal market values before and after such Change of Preference Law. In making any such adjustment, the Market Agent shall take the following factors, as in existence both before and after such change of Preference Law, into account:
 - (A) short-term taxable and tax-exempt market rates and indices of such short-term rates;

- (B) the market supply and demand for short-term tax-exempt securities;
 - (C) yield curves for short-term and long-term tax-exempt securities or obligations having a credit rating that is comparable to the credit rating of the FLOATs and RITES;
 - (D) general economic conditions; and
 - (E) economic and financial factors present in the securities industry that may affect or that may be relevant to the FLOATs and RITES.
- (ii) The Market Agent shall communicate its determination to adjust the percentage used in determining the Minimum Rate, the Applicable Percentages used in determining the Maximum Rate and the percentage of the Index used in determining the Non-Payment Rate pursuant to Paragraph (n)(i) of this section by means of a written notice delivered at least ten (10) days prior to the Auction Date on which the Market Agent desires to effect the change to the Issuer, the Trustee and the Auction Agent in substantially the form attached to the Auction Agent Agreement as, or containing substantially the information contained therein. Such notice shall be effective only if it is accompanied by an opinion of Bond Counsel to the effect that such adjustment is authorized by this Indenture, is permitted under the Act and shall not have an adverse effect on the exclusion of interest on the Bonds from gross income for federal income tax purposes.
- (iii) An adjustment in the percentage used to determine the Minimum Rate, the Maximum Rate and the Non-Payment Rate shall take effect on an Auction Date only if:
- (A) The Trustee and the Auction Agent receive, by 11:00 A.M. on the Business Day immediately preceding such Auction Date, a certificate from the Market Agent by telecopy or similar means, in substantially the form attached hereto as, or containing substantially the information contained therein, (I) authorizing the adjustment of the percentage used to determine the Minimum Rate, the Applicable Percentages used to determine the Maximum Rate and the percentage of the Index used to determine the Non-Payment Rate which shall be specified in such authorization, and (II) confirm that Bond Counsel expects to be able to give an opinion on or prior to such Auction Date to the effect that the adjustment in the percentage used to determine the Minimum Rate, the Applicable Percentage

used to determine the Maximum Rate and the percentage of the Index used to determine the Non-Payment Rate is authorized by this Section 3.07(n), is permitted under the Act, and shall not have an adverse effect on the exclusion of interest on the Bonds from gross income for federal income tax purposes;

- (B) the Trustee shall not have delivered to the Auction Agent by 12:15 P.M. on such Auction Date, notice that a Payment Default has occurred; and
- (C) the Trustee and the Auction Agent receive by 9:30 A.M. on such Auction Date, an opinion of Bond Counsel to the effect that the adjustment in the percentage used to determine the Minimum Rate, the Applicable Percentages used to determine the Maximum Rate and the percentage of the Index used to determine the Non-Payment Rate is authorized by the Resolution and this Indenture, are permitted under the Act and shall not have an adverse effect on the exclusion of interest on the Bonds from gross income for federal income tax purposes.

If any of the conditions referred to in Clause (A) above are not met, the existing percentage used to determine the Minimum Rate, the Applicable Percentages used to determine the Maximum Rate and the percentage of the Index used to determine the Non-Payment Rate shall remain in effect and the rate of interest on FLOATs for the next succeeding FLOATs Interest Period, except as provided in Paragraph (g) of this section, shall be determined in accordance with the Auction Procedures. If any of the conditions referred to in Clause (B) or (C) above are not met, the existing percentage used in determining the Minimum Rate, the percentage of the Index used in determining the Non-Payment Rate and the Applicable Percentages used in determining the Maximum Rate shall remain in effect and the rate of interest on the FLOATs for the next succeeding FLOATs Interest Period shall equal the sum of the Maximum Rate on the Auction Date and the Service Charge Rate.

- (o) Redemption of FLOATs and RITES. The FLOATs and RITES shall be subject to redemption prior to their stated maturity only as set forth below:

Notwithstanding any other provision in this Indenture (A) no FLOATs shall be redeemed or delivered to the Trustee for cancellation on any date, unless an equal aggregate principal amount of RITES is redeemed or

delivered to the Trustee for cancellation on the same date; and (B) no RITES shall be redeemed or delivered to the Trustee for cancellation on any date, unless an equal aggregate principal amount of FLOATs is redeemed or delivered to the Trustee for cancellation on the same date.

(p) Selection of FLOATs and RITES for Redemption.

- (i) So long as the ownership of the FLOATs and the RITES is maintained in book-entry form by DTC, the FLOATs and RITES to be redeemed in part on any Redemption Date shall be selected in the following manner: (A) an amount equal to the Fixed Percentage of the aggregate principal amount of the FLOATs and of the RITES of each maturity to be redeemed on such Redemption Date shall be selected from the Permanently Fixed Bonds, Regular Fixed Option Bonds and Newly Fixed Option Bonds (on a pro rata basis in accordance with the relative principal amounts thereof), (B) the remaining amount of RITES to be redeemed shall be selected from Regular RITES and (C) the remaining amount of the FLOATs to be redeemed shall be selected from Regular FLOATs and Newly Separated FLOATs (on a pro rata basis in accordance with the relative principal amounts thereof); provided, however, that if any principal amount selected in such manner is not equal to \$50,000, the Trustee shall, in such manner as, in its sole discretion, it shall determine, round up or down the principal amounts so determined. The Trustee shall give DTC and the Auction Agent at least two (2) Business Days' notice of the record date selected by it for the purpose of a redemption (each a "Redemption Record Date"), which shall comply with the requirements of Paragraph (q) of this Section, and obtain from DTC a position listing showing at the close of business as of such Redemption Record Date the aggregate principal amount of Regular FLOATs, Newly Separated FLOATs, Regular RITES, Permanently Fixed Bonds, Regular Fixed Option Bonds and Newly Fixed Option Bonds, respectively. On the basis of such position listing, the Trustee shall calculate the Fixed Percentage as of the Redemption Record Date and determine therefrom the principal amounts to be prepaid and the Redemption Prices per \$1,000 (plus interest accrued and unpaid to the Redemption Date) of Regular FLOATs, Newly Separated FLOATs, Regular RITES, Permanently Fixed Bonds, Regular Fixed Option Bonds and Newly Fixed Option Bonds, respectively.
- (ii) If the ownership of the FLOATs and the RITES is no longer maintained in book-entry form by the Securities Depository, the FLOATs and the RITES to be redeemed shall be selected by the Trustee by lot; provided, however, that the principal amount of the portion of any FLOATs or RITES to be redeemed shall be in an Authorized Denomination.

(q) Notice of Redemption. When redemption is authorized or required pursuant to Paragraph (o) of this section, the Trustee shall give notice (a “Redemption Notice”), at the expense of the Issuer, of the redemption of the FLOATs and RITES; provided, however, that neither failure of any Owner to receive such notice or any defect in such notice shall affect the sufficiency of the proceedings for the redemption of FLOATs and RITES. Such Redemption Notice shall specify: (i) the FLOATs and RITES or designated portions thereof (in the case of redemption of the FLOATs and RITES in part but not in whole) which are to be redeemed, (ii) the date of redemption, (iii) the place or places where the redemption will be made, including the name, address and phone number of any paying agent, (iv) the Redemption Price in the case of the FLOATs and the RITES, expressed per \$1,000 of Regular FLOATs, Newly Separated FLOATs, Regular RITES, Permanently Fixed Bonds, Regular Fixed Option Bonds and Newly Fixed Option Bonds to be redeemed, (v) the CUSIP numbers (if any) assigned to the FLOATs and RITES to be redeemed, (vi) the certificate numbers of the FLOATs and RITES to be redeemed in whole or in part and, in the case of FLOATs and RITES to be redeemed in part only, the amount of such FLOATs and RITES to be redeemed, and (vii) the name of the issue, the original issue date and stated maturity date of each of the FLOATs and RITES to be redeemed in whole or in part. Such Redemption Notice shall further state that on the specified date there shall become due and payable upon each FLOATs and RITES or portion thereof being redeemed, the Redemption Price, together with interest accrued to the Redemption Date and that from and after such date interest with respect thereto shall cease to accrue and be payable. The Trustee shall give such Redemption Notice by first-class mail, postage prepaid, not more than thirty (30) days and not less than fifteen (15) days prior to, but not earlier than the Interest Payment Date immediately preceding, the Redemption Date. Such notice shall be mailed a second time to any Owners owning FLOATs and RITES that have been called for redemption if such Owner has not presented such FLOATs or RITES for payment of the Redemption Price within sixty (60) days after the Redemption Date. Failure to mail any such notice to any Owner or any defect in any notice so mailed shall not affect the validity of the proceedings for the redemption of the FLOATs and RITES of any other Owners. Notwithstanding the foregoing, so long as the registered Owner of the all of the FLOATs and RITES is DTC, notice of redemption need only be sent to DTC.

(r) Market Agent.

The Trustee shall enter into the Market Agent Agreement with Merrill Lynch & Co., as the initial Market Agent. The Market Agent shall serve as such under the terms and provisions hereof and of the Market Agent Agreement. The Market Agent, including any successor appointed by the Trustee pursuant hereto, shall (i) be a member of the National Association

of Securities Dealers, Inc. having capitalization of at least \$25,000,000, and (ii) be authorized by law to perform all the duties imposed upon it by this Indenture and the Market Agent Agreement. The Market Agent may be removed by the Trustee at any time upon and pursuant to the written direction of the Owners of 66-2/3% of the aggregate principal amount of the FLOATs and the RITES then Outstanding, provided that such removal shall not take effect until the appointment by the Owners or the Trustee of a successor Market Agent. The Market Agent may resign upon thirty (30) days written notice delivered to the Trustee. The Trustee shall use its best efforts to appoint a successor Market Agent that is a qualified institution, effective as of the effectiveness of any such resignation or removal.

(s) Auction Agent.

- (i) The Trustee shall enter into the Auction Agent Agreement with The Chase Manhattan Bank, as the initial Auction Agent for the FLOATs. The Auction Agent shall (A) (I) be a bank or trust company duly organized under the laws of the United States of America or any state or territory thereof having its principal place of business in the Borough of Manhattan, in the City of New York, or such other location as approved by the Trustee and the Market Agent in writing and having a combined capital stock, surplus and undivided profits of at least \$15,000,000, or (II) be a member of the National Association of Securities Dealers, Inc., having a capitalization of at least \$15,000,000, and (B) be authorized by law to perform all the duties imposed upon it under the Auction Agent Agreement. The Auction Agent may at any time resign and be discharged of the duties and obligations created by this Indenture by giving at least ninety (90) days' notice to the Trustee, the Authority and the Market Agent. The Auction Agent may be removed at any time by the Trustee, upon the written direction of the Owners of 66-2/3% of the aggregate principal amount of the FLOATs and the RITES then Outstanding, by an instrument signed by such Owners or their attorneys and filed with the Auction Agent, the Trustee and the Market Agent upon, at least, ninety (90) days' notice, provided that, if required by the Market Agent, an agreement in substantially the form of the Auction Agent Agreement shall be entered into with a successor Auction Agent.
- (ii) In the event that the Auction Agent shall resign or be removed or be dissolved, or if the property or affairs of the Auction Agent shall be taken under the control of any state or federal court or administrative body because of bankruptcy or insolvency, or for any other reason, the Trustee shall use its best efforts to appoint a successor Auction Agent.

- (iii) The Auction Agent is acting on behalf of the Trustee in connection with Auctions. In the absence of bad faith or gross negligence on its part, the Auction Agent shall not be liable for any action taken, suffered or omitted or for any error of judgment made by it in the performance of its duties under the Auction Agent Agreement and shall not be liable for any error of judgment made in good faith unless the Auction Agent shall have been negligent in ascertaining (or failing to ascertain) the pertinent facts.
- (iv) In the event of a change in the Auction Agent Fee Rate pursuant to the Auction Agent Agreement, the Auction Agent shall give a Notice of Fee Change to Existing Holders of FLOATs in accordance with the Auction Agent Agreement, and the Trustee shall mail by first-class mail, postage prepaid, to all Owners of FLOATs and RITES a Notice of Fee Change within two (2) Business Days of such change.
- (t) Broker-Dealers.
 - (i) The Auction Agent shall enter into a Broker-Dealer Agreement with Merrill Lynch & Co. as the initial Broker-Dealer. The Trustee may, from time to time, approve one or more additional persons to serve as Broker Dealers under Broker-Dealer Agreements. Any such Broker-Dealer shall (A) be a member of the National Association of Securities Dealers, Inc., having capitalization of at least \$25,000,000 and (B) be authorized by law to perform all the duties imposed upon it by this Indenture and the Broker-Dealer Agreement.
 - (ii) In the event of a change in the Broker-Dealer Fee Rate pursuant to the Auction Agent Agreement, the Auction Agent shall give a Notice of Fee Change to the Existing Holders in accordance with the Auction Agent Agreement, and the Trustee shall mail by first-class mail, postage prepaid, a Notice of Fee Change to all Owners of FLOATs and RITES within two (2) Business Days of such change.
- (u) Tender of FLOATs.
 - (i) Any beneficial owner of RITES may notify a Broker-Dealer that such beneficial owner intends to submit a Bid for a specified principal amount of FLOATs on the next succeeding Auction Date in order to Fix the same with all or a portion of such RITES and that if such Bid is unsuccessful, in whole or in part, such beneficial owner requires that FLOATs (which may be Regular FLOATs or Newly Separated FLOATs or any combination thereof) in an aggregate principal amount equal to the unsuccessful portion of

such Bid be tendered to such beneficial owner for purchase on the seventh Business Day preceding the next succeeding Auction Date following the Auction in which such Bid proved unsuccessful in whole or in part (a “Tender Date”) at a price equal to the principal amount of FLOATs being purchased plus accrued interest to the Tender Date less an amount equal to the Service Charge, if any, applicable to any such Regular FLOATs multiplied by a fraction, the numerator of which is the number of days from and including the immediately preceding Interest Payment Date to, but not including, the Tender Date and the denominator of which is the number of days in the Interest Period in which such Tender Date occurs (the “Tender Price”) by book-entry transfer of such FLOATs to the account of the Agent Member (as defined in the Auction Agent Agreement) of such beneficial owner identified in such notice.

- (ii) If any such Bid is unsuccessful, in whole or in part, such Broker-Dealer shall give DTC, the Auction Agent and the Trustee written notice (a “Tender Demand”) stating that such beneficial owner of RITES is the beneficial owner of a specified principal amount of RITES and that such beneficial owner wishes to purchase an equal principal amount of FLOATs on a specified Tender Date for Fixing with such RITES. Any Tender Demand shall be given to the Securities Depository, the Trustee and the Auction Agent no later than the Business Day following the Auction in which such Bid proved unsuccessful.
- (iii) On the second Business Day following the day of DTC receipt of a Tender Demand, the Securities Depository shall select by lot in such manner as it shall determine from a position listing of the aggregate stated amounts of Regular FLOATs and Newly Separated FLOATs as of the close of business on the date of such Tender Demand, the Regular FLOATs and Newly Separated FLOATs to be tendered. DTC shall give the Agent Member for the Regular FLOATs or Newly Separated FLOATs so selected and the Auction Agent written notice (a “Tender Notice”) thereof. Such Tender Notice shall specify the Tender Date set forth in such Tender Demand, the amount of Regular FLOATs and Newly Separated FLOATs to be tendered by such Agent Member on the Tender Date and the Tender Price thereof. Each Tender Notice shall be mailed to such Agent Member and the Auction Agent by first class mail postage prepaid no later than the second Business Day following the day of DTC’s receipt of such Tender Demand. On receipt of the Tender Notice, the Auction Agent may contact such Agent Member to request such Agent Member to disclose to the Auction Agent the Existing Holders.

- (iv) The FLOATs specified in a Tender Notice are subject to mandatory tender on the Tender Date specified therein. On such Tender Date the beneficial owner of RITES who caused the Tender Demand to be submitted shall forward such Tender Price to such beneficial owner's Broker-Dealer and such Broker-Dealer shall forward such Tender Price in immediately available funds by 2:00 P.M. The Securities Depository shall deliver such FLOATs against payment therefor by the Broker-Dealer by book-entry transfer on the Tender Date to the account of the Broker-Dealer without any action on the part of or on behalf of the Existing Holder or Holders of the FLOATs. Upon receipt of such FLOATs on the Tender Date, the Broker-Dealer shall deliver such FLOATs against payment therefor by book-entry transfer to the account of the Agent Member specified by the beneficial owner of RITES, if not such Broker-Dealer. Such beneficial owner of RITES and the Broker-Dealer who submitted the Tender Demand shall thereupon take all actions required to have such RITES and the Regular FLOATs or Newly Separated FLOATs so purchased Fixed pursuant to Paragraph (u) of this section prior to the next succeeding Closing Period.
- (v) The giving of a Tender Notice with respect to Regular FLOATs or Newly Separated FLOATs shall supersede any Order given by the Existing Holder of such FLOATs with respect to such FLOATs for the Auction occurring on such Auction Date following the Tender Date specified in the Tender Notice.
- (vi) In the event that any beneficial owner of RITES who has submitted a Tender Demand fails to provide the Tender Price for the purchase of the FLOATs specified therein on the Tender Date therefor, the purchase of such FLOATs may not take place on such Tender Date, and in such event such FLOATs shall be deemed to be subject to a Submitted Sell Order for purposes of the next succeeding Auction. The foregoing sentence shall not, however, be deemed to limit the obligations of a beneficial owner of RITES to pay the Tender Price specified in any Tender Demand given by or on behalf of such beneficial owner, or to reimburse any Broker-Dealer or other person on account of the payment of such Tender Price.

Each beneficial owner shall be required, if such beneficial owner should receive any payment in connection with any tender transaction to which it is not entitled (as a result of failure of a beneficial owner of RITES to provide the Tender Price or otherwise), to take such actions (including return of funds and repayment of interest to any party who provided funds to such beneficial owner which such party was not obligated to provide) so

that all interested parties (including any Broker-Dealer) are restored to the positions which would have obtained if the tender transaction were effected or not effected, as the case may be, in accordance with the provisions described above.

- (v) Credit Ratings. The Issuer shall take all reasonable action necessary to enable at least two (2) nationally recognized statistical rating organizations (as that term is used in the rules and regulations of the Commission under the Securities Exchange Act) to provide credit ratings for the FLOATs. The Issuer shall immediately notify the Trustee of a change in any such credit rating.

- (w) Notices.
 - (i) The Trustee shall cause the Market Agent to provide the Trustee and, so long as no Payment Default has occurred and is continuing and the ownership of the FLOATs is maintained in book-entry form by DTC, the Auction Agent, with notice of any change in the Statutory Corporate Tax Rate or the Statutory Personal Tax Rate.

 - (ii) The Issuer shall use its best efforts to provide the Trustee and, so long as no Payment Default has occurred and is continuing and the ownership of the FLOATs is maintained in book-entry form by DTC, the Auction Agent, with notice of any change in the maximum rate permitted by law on the FLOATs/RITES. As of the date of adoption of this Indenture, there is no such maximum rate.

- (x) Notice of Events of Default and Payment Default.
 - (i) If the Issuer determines that an Event of Default has occurred with respect to FLOATs/RITES under this Indenture, the Issuer shall promptly notify the Trustee thereof.

 - (ii) So long as the ownership of the FLOATs is maintained in book-entry form by DTC, upon the occurrence of a Payment Default, the Trustee shall immediately send a notice thereof in substantially the form of Exhibit “D” hereto to the Auction Agent and Market Agent by telecopy or similar means.

 - (iii) So long as the ownership of the FLOATs is maintained in book-entry form by DTC, the Trustee shall immediately send a notice, in substantially the form of Exhibit “H” to the Auction Agent Agreement, to the Auction Agent by telecopy or similar means if a Payment Default has been cured or waived in accordance with this Indenture.

- (y) Form of FLOATs and RITES. The FLOATs and RITES shall be substantially in the respective forms set forth in Exhibit “A” hereto, with such variations, omissions and insertions as are required or permitted by this Indenture.

ARTICLE IV

BOND INSURANCE POLICY; BOND INSURER PROVISIONS

Section 4.01. Required Consents of AMBAC.

(a) Any provision of this Indenture expressly recognizing or granting rights in or to AMBAC may not be amended in any manner which affects the rights of AMBAC hereunder without the prior written consent of AMBAC.

(b) Unless otherwise provided in this section, AMBAC consent shall be required in addition to Bondholder consent, when required, for the following purposes: (i) execution and delivery of any supplemental indenture or any amendment, supplement or change to or modification of the Loan Agreements; (ii) removal of the Trustee and selection and appointment of any successor trustee; and (iii) initiation or approval of any action not described in (i) or (ii) above which requires Bondholder consent.

(c) Any reorganization or liquidation plan with respect to the Issuer must be acceptable to AMBAC. In the event of any reorganization or liquidation, AMBAC shall have the right to vote on behalf of all Bondholders who hold AMBAC-insured Bonds, absent a default by AMBAC, under the Bond Insurance Policy insuring such Bonds.

Section 4.02. Information and Notices to be Provided to AMBAC.

(a) While the Bond Insurance Policy of AMBAC is in effect, the Issuer shall cause to be furnished to AMBAC (to the attention of the Surveillance Department, unless otherwise indicated), the following:

- (i) as soon as practicable after the filing thereof, a copy of any financial statement of the Issuer, and a copy of any audit and annual report of the Issuer;
- (ii) a copy of any notice to be given to the registered Owners of the Bonds, including, without limitation, notice of any redemption of or defeasance of Bonds, and any certificate rendered pursuant to this Indenture relating to security for the Bonds;
- (iii) notice from the Administrator if the rating threshold in Section 6.02(e)(i) is exceeded and, on the first Business Day of each calendar quarter, a certificate from the Administrator demonstrating that the Loans are in compliance with the covenants contained in Section 6.02(e) herein;
- (iv) a copy of all swap agreements including any amendments entered into by the Issuer and any swap counterparty related to the Program; and

- (v) such additional information as it may reasonably request, including, but not limited to, any documents related to the Issuer's Program, the related bond issuances thereunder and loans originated with the proceeds of such bond issuances.

The Trustee shall notify AMBAC of any failure of the Issuer to provide relevant notices, certificates, etc.

(b) The Issuer shall permit AMBAC to discuss its affairs, finances and accounts, or any information AMBAC may reasonably request regarding the security for the Bonds, with appropriate officers thereof. The Issuer shall permit AMBAC to have access to the Project and have access to, and to make copies of, all books and records relating to the Bonds at any reasonable time.

(c) AMBAC shall have the right to direct an accounting at the Issuer's expense, and the Issuer's failure to comply with such direction within thirty (30) days after receipt of written notice of the direction from AMBAC shall be deemed a default hereunder, provided, however, that if compliance cannot occur within such period, then such period may be expanded so long as compliance is begun within such period and diligently pursued, but only if such extension would not materially adversely affect the interests of any registered owner of the Bonds.

(d) Notwithstanding any other provision of this Indenture, the Issuer and the Trustee shall immediately notify AMBAC if at any time there are insufficient moneys to make any payments of principal and/or interest as required on the Bonds, and immediately upon the occurrence of any Event of Default hereunder.

(e) AMBAC shall be included as a party to be notified under any Continuing Disclosure Agreement with respect to the Bonds.

Section 4.03. Payment Procedure Pursuant to the Bond Insurance Policy.

So long as the Bond Insurance Policy of AMBAC is in full force and effect, the Issuer and the Trustee agree to comply with the following provisions:

(a) At least one (1) day prior to all Interest Payment Dates, the Trustee shall determine whether there shall be sufficient funds in the Funds to pay the principal of or interest on the Bonds on such Interest Payment Date. If the Trustee determines that there shall be insufficient funds in such Funds, the Trustee shall so notify AMBAC. Such notice shall specify the amount of the anticipated deficiency, the Bonds to which such deficiency is applicable and whether such Bonds shall be deficient as to principal or interest, or both. If the Trustee has not so notified AMBAC at least one (1) day prior to an Interest Payment Date, AMBAC shall make payments of principal or interest due on the Bonds on or before the first (1st) day next following the date on which AMBAC shall have received notice of nonpayment from the Trustee.

(b) The Trustee shall, after giving notice to AMBAC as provided in (a) above, make available to AMBAC and, at AMBAC's direction, to the United States Trust Company as

insurance trustee for AMBAC or any successor insurance trustee (the “Insurance Trustee”), the registration books of the Issuer maintained by the Trustee and all records relating to the Funds maintained under this Indenture.

(c) The Trustee shall provide AMBAC and the Insurance Trustee with a list of registered Owners of Bonds entitled to receive principal or interest payments from AMBAC under the terms of the Bond Insurance Policy, and shall make arrangements with the Insurance Trustee (i) to mail checks or drafts to the registered Owners of Bonds entitled to receive full or partial interest payments from AMBAC and (ii) to pay principal upon Bonds surrendered to the Insurance Trustee by the registered owners of Bonds entitled to receive full or partial principal payments from AMBAC.

(d) The Trustee shall at the time it provides notice to AMBAC pursuant to Paragraph (a) above, notify registered Owners of Bonds entitled to receive the payment of principal or interest thereon from AMBAC (i) as to the fact of such entitlement, (ii) that AMBAC shall remit to them all or a part of the interest payments next coming due upon proof of Bondholder entitlement to interest payments and delivery to the Insurance Trustee, in form satisfactory to the Insurance Trustee, of an appropriate assignment of the registered Owner’s right to payment, (iii) that should they be entitled to receive full payment of principal from AMBAC, they must surrender their Bonds (along with an appropriate instrument of assignment in form satisfactory to the Insurance Trustee to permit ownership of such Bonds to be registered in the name of AMBAC) for payment to the Insurance Trustee, and not the Trustee, and (iv) that should they be entitled to receive partial payment of principal from AMBAC, they must surrender their Bonds for payment thereon first to the Trustee, who shall note on such Bonds the portion of the principal paid by the Trustee, and then, along with an appropriate instrument of assignment in form satisfactory to the Insurance Trustee, to the Insurance Trustee, which shall then pay the unpaid portion of principal.

(e) In the event that the Trustee has notice that any payment of principal of or interest on a Bond which has become due for payment and which is made to a Bondholder by or on behalf of the Issuer has been deemed a preferential transfer and theretofore recovered from its registered Owner pursuant to the Bankruptcy Code by a trustee in bankruptcy in accordance with the final nonappealable order of a court having competent jurisdiction, the Trustee shall at the time AMBAC is notified pursuant to Paragraph (a) above, notify all registered Owners that in the event that any registered Owner’s payment is so recovered, such registered Owner shall be entitled to payment from AMBAC to the extent of such recovery if sufficient funds are not otherwise available, and the Trustee shall furnish to AMBAC its records evidencing the payments of principal of and interest on the Bonds which have been made by the Trustee and subsequently recovered from registered Owners and the dates on which such payments were made.

(f) In addition to those rights granted AMBAC under this Indenture, AMBAC shall, to the extent it makes payment of principal of or interest on Bonds, become subrogated to the rights of the recipients of such payments in accordance with the terms of the Bond Insurance Policy, and to evidence such subrogation (i) in the case of subrogation as to claims for past due interest, the Trustee shall note AMBAC’s rights as subrogee on the registration books of the Issuer maintained by the Trustee upon receipt from AMBAC of proof of the payment of interest

thereon to the registered Owners of the Bonds, and (ii) in the case of subrogation as to claims for past due principal, the Trustee shall note AMBAC's rights as subrogee on the registration books of the Issuer maintained by the Trustee upon surrender of the Bonds by the registered Owners thereof together with proof of the payment of principal thereof.

Notwithstanding any other provision of this Indenture, in determining whether the rights of the Bondholders shall be adversely affected by any action taken pursuant to the terms and provisions of this Indenture, the Trustee shall consider the effect on the Bondholders as if there were no Bond Insurance Policy.

Section 4.04. Third Party Beneficiaries.

To the extent that this Indenture confers upon or gives or grants to AMBAC any right, remedy or claim under or by reason of this Indenture, AMBAC is hereby explicitly recognized as being a third party beneficiary hereunder and may enforce any such right, remedy or claim conferred, given or granted hereunder.

Nothing in this Indenture expressed or implied is intended or shall be construed to confer upon, or to give or grant to, any person or entity, other than the Issuer, the Trustee, AMBAC, and the registered owners of the Bonds, any right, remedy or claim under or by reason of this Indenture or any covenant, condition or stipulation hereof, and all covenants, stipulations, promises and agreements in this Indenture contained by and on behalf of the Issuer shall be for the sole and exclusive benefit of the Issuer, the Trustee, AMBAC, and the registered owners of the Bonds.

Section 4.05. Bond Insurer Default.

All provisions regarding consents, directions, appointments or requests by the Bond Insurer shall be deemed to not require such consents, directions, appointments or requests by the Bond Insurer and shall be read as if the Bond Insurer were not mentioned therein during any time in which the Bond Insurer is in default in its obligation to make payments under the Bond Insurance Policy, unless a substitute Bond Insurance Policy has been procured, in which case such other Bond Insurer shall be deemed to be the "Bond Insurer" herein, and shall have the right to give all consents, directions, appointments or requests hereunder.

ARTICLE V

REVENUES AND FUNDS

Section 5.01. Source of Payment of the Bonds.

The Bonds are not deemed to constitute a debt, a liability or a pledge of the full faith and credit of the Issuer or of the State or any political subdivision thereof, but the Bonds shall be payable solely from the Revenues. Neither the State, nor any political subdivision thereof, nor the Issuer, shall be obligated to pay the principal of the Bonds or the interest thereon or other costs incident thereto, except from the Revenues and moneys pledged therefor, in the manner herein provided, and neither the full faith and credit nor the taxing power of the State, the Issuer, or any other political subdivision thereof, is pledged to the payment of the principal of the Bonds or the interest thereon or other costs incident thereto.

Section 5.02. Creation of Funds and Accounts.

There are hereby created by the Issuer and ordered established the following funds and accounts to be held by the Trustee: (a) the Revenue Fund and the Clearing Account of the Revenue Fund; (b) the Acquisition Fund and the Recycling Account therein; (c) the Program Expense Fund; (d) the Redemption Fund; (e) the Bond Fund; (f) the Rebate Fund; (g) the Discretionary Fund; (h) the Debt Service Reserve Fund; and (i) the Cost of Issuance Fund. The Trustee is hereby authorized to create accounts and subaccounts in the Funds hereby created in order to segregate moneys or to accomplish any other administrative purpose.

Subject to the provisions of the Tax Agreement, all funds in the Acquisition Fund and the Recycling Account, the Discretionary Fund, and the Debt Service Reserve Fund shall be invested by the Trustee, as directed by the Authority, in the Investment Agreement. In the event the Investment Agreement is no longer in effect and no replacement Investment Agreement is established for the Trustee, all funds in such accounts and Funds shall be invested in Eligible Investments with maturities as directed by the Issuer.

Section 5.03. Payments into, and Use of Moneys in, the Acquisition Fund and Recycling Account.

(a) The Trustee shall deposit into: (i) the Acquisition Fund, the portion of the Bond proceeds determined pursuant to Section 5.11 hereof; and (ii) the Recycling Account, to the extent described in Subsection 5.03(b)(4) and Section 5.05 hereof, the portion of the Repayments representing payments of principal on Participant Bonds.

(b) Moneys in the Acquisition Fund and the Recycling Account shall be used as set forth below:

- (i) Moneys in the Acquisition Fund and the Recycling Account, in an amount equal to the Initial Amount, upon a Closing, shall be allocated for the purchase at par of Participant Bonds in principal amount equal to the Initial Amount, and applied to such purchase by payment to the Participant.

- (ii) Moneys in the Acquisition Fund and the Recycling Account shall be transferred to the Rebate Fund pursuant to Section 5.07(b) hereof.
- (iii) On the Acquisition Fund Termination Date, the balance in the Acquisition Fund shall be transferred to the Redemption Fund and held and applied to redeem Bonds pursuant to Section 3.02, unless prior to the date established for such redemption, the Trustee receives a Favorable Opinion of Bond Counsel. On the first Business Day of the first month commencing after the one year anniversary of the Acquisition Fund Termination Date, there shall be transferred to the Redemption Fund the amount then on deposit in the Acquisition Fund, unless the Trustee receives a Favorable Opinion of Bond Counsel. Thereafter, the Acquisition Fund shall be closed, and all moneys that otherwise would be deposited therein shall be deposited in the Bond Fund.
- (iv) Repayments representing payments of principal on Participant Bonds, including Liquidation Proceeds, shall be deposited into the Redemption Fund from the Revenue Fund pursuant to Section 5.05 hereof; except that, if there are no funds in the Acquisition Fund or if the Trustee receives a Favorable Opinion of Bond Counsel, Repayments constituting principal under the Loan Agreements shall be deposited into the Recycling Account. Moneys in the Recycling Account shall be disbursed under, and subject to the restrictions described in, Subsections 5.03(b)(i) and 5.03(b)(v) hereof.
- (v) Unless the Trustee receives a Favorable Opinion of Bond Counsel with respect to the failure to purchase or redeem Bonds as described herein, one year after the date (the “Recycling Deposit Date”) of each deposit to the Recycling Account pursuant to Subsection 5.03(b)(iv) hereof, the Trustee shall determine if the total amount withdrawn from the Recycling Account and used to purchase Participant Bonds during such year pursuant to Subsection 5.03(b)(i) hereof is less than the total amount deposited into the Recycling Account pursuant to Subsection 5.03(b)(iv) hereof on the Recycling Deposit Date, and, if so, the Trustee shall transfer such difference to the Redemption Fund and purchase or redeem, pursuant to Section 3.02 hereof, an amount of Bonds equal to such difference.

(c) Subject to application for the purposes of the Acquisition Fund and the Recycling Account, and except as otherwise provided in the Tax Agreement, moneys in the Acquisition Fund and the Recycling Account shall be invested in the Investment Agreement as described in Section 8.01. Earnings on moneys in the Acquisition Fund and the Recycling Account, computed at the lesser of (i) the Permitted Investment Rate or (ii) the rate determined

in accordance with the Swap Agreements, if any, shall be credited, as received, to the Revenue Fund; the balance of such earnings shall be credited to the Discretionary Fund.

Section 5.04. Payment of Bonds; Payments to Counterparty.

The Trustee shall make payments when due of principal of and interest on Bonds, and the amounts due as Swap Payments, if any, as follows:

- and (a) FIRST, from any Available Moneys held by the Trustee in the Bond Fund;
- and (b) SECOND, from any moneys available in the Debt Service Reserve Fund,
- (c) LAST, from any other moneys in the Trust Estate available to the Trustee for such purposes.

Notwithstanding the foregoing, payments of Termination Payments shall be paid only after payment in full of all amounts then due on all Bonds then Outstanding.

Section 5.05. Payments into Revenue Fund; Use of Moneys.

- (a) There shall be deposited into the Revenue Fund, as and when received:
 - (i) all Repayments of the Participants transferred from the Clearing Account, and all Swap Receipts, if any;
 - (ii) all moneys contributed by the Issuer;
 - (iii) all amounts received from subsequent swap arrangements, if any, as set forth in Section 6.01 hereof;
 - (iv) all earnings on Funds invested hereunder computed at the lesser of (i) the Permitted Investment Rate, or (ii) the rate determined in accordance with the Swap Agreements; if any, and
 - (v) moneys transferred from other Funds under this Indenture.
- (b) Moneys in the Revenue Fund shall be used for the following payments and transfers on the following dates and in the following order of priority:
 - (i) on each Interest Payment Date, to the Bond Fund, to pay the debt service due on the Bonds, and to pay to the Swap Counterparties, if any, an amount due under any Swap Agreements or any subsequent Swap arrangement, if any, entered into by the Issuer;
 - (ii) on each maturity date, to the Bond Fund, to pay maturing principal of the Bonds;

- (iii) as received, to the Redemption Fund, Repayments constituting principal on Participant Bonds pursuant to the Loan Agreements, unless such Repayments are transferred to the Recycling Account pursuant to Section 5.03(b)(4) hereof;
- (iv) on the first day of each month, to the Program Expense Fund, amounts required to pay Administrative Fees and Expenses;
- (v) as necessary, to the Debt Service Reserve Fund, to the extent required to replenish any deficiency therein; and
- (vi) on June 30th of each year, commencing [June 30, 1999], to the Discretionary Fund, the balance, if any, in excess of amounts not exceeding one (1) month's projected Repayments as shall be determined by the Administrator to be necessary to be retained in the Revenue Fund.

Section 5.06. Payments into, and Use of Moneys in, the Redemption Fund.

All Termination Payments made by the Swap Counterparty, if any, and all amounts transferred pursuant to Sections 5.03(b) and 5.05 hereof shall be promptly deposited in the Redemption Fund and, subject to Section 5.07(b) hereof, applied to the redemption of Bonds on the earliest possible date upon which such Bonds may be redeemed in accordance with Section 3.02 hereof.

After provisions for the purchase or redemption of all Bonds required to be redeemed have been made pursuant to this section, the Trustee shall pay to the Discretionary Fund, the balance in the Redemption Fund, to be used for the purposes thereof.

Section 5.07. Payments into, and Use of Moneys in, the Rebate Fund.

(a) Any provision hereof to the contrary notwithstanding, amounts credited to the Rebate Fund shall be free and clear of any lien hereunder. In accordance with Treasury Regulation §1.148-7(b)(6), the Issuer hereby elects to apply the spending exceptions under Section 148(f)(2) of the Code separately to each Loan.

(b) The Issuer shall, at the expense of each Participant, engage and furnish information to the Rebate Analyst to calculate, not later than sixty (60) days after the end of each fifth Bond Year for the Bonds and not later than sixty (60) days after the payment in full of all Outstanding Bonds, the amount of Excess Earnings on a Loan by Loan basis as of the end of each such fifth Bond Year or the date of such final payment. Based on information provided by the Rebate Analyst, the Rebate Analyst shall notify each Participant in writing of that amount and of the amount then on deposit in the Rebate Fund applicable to each Loan. If the amount then on deposit in the Rebate Fund is less than such Excess Earnings, the Participant shall, within five (5) days after receipt of the aforesaid notice from the Rebate Analyst, pay to the Trustee for deposit in the Rebate Fund an amount sufficient to cause the Rebate Fund to contain an amount equal to such Excess Earnings attributable to such Participant. If the Participant does not pay the required amount within five days after receipt of the aforesaid notice from the Rebate Analyst, the Rebate Analyst shall immediately transfer to the Rebate Fund, that amount, first, from the

Discretionary Fund, second, from the Acquisition Fund (including the Recycling Account), and third, from the Redemption Fund, to the extent of moneys available therein. Within 60 days after the end of the fifth Bond Year and every fifth Bond Year thereafter, the Trustee, acting on behalf of the Issuer, shall pay to the United States in accordance with Section 148(f) of the Code, from the moneys then on deposit in the applicable account in the Rebate Fund, an amount equal to 90% of the Excess Earnings earned from the date of the original delivery of the Bonds to the end of such fifth Bond Year (less the amount of Excess Earnings, if any, previously paid to the United States pursuant to this Section). Within 60 days after the payment in full of all Outstanding Bonds, the Trustee shall pay to the United States in accordance with Section 148(f) of the Code, from the moneys then on deposit in the applicable account in the Rebate Fund, an amount equal to 100% of the Excess Earnings earned from the date of the original delivery of the Bonds to the date of such payment (less the amount of Excess Earnings, if any, previously paid to the United States pursuant to this Section). All computations of Excess Earnings pursuant to this section shall treat the amount or amounts, if any, previously paid to the United States pursuant to this Section as amounts on deposit in the Rebate Fund.

(c) The Rebate Analyst shall provide the Issuer with records of the computations made pursuant to this Section and the Issuer shall maintain such records for six (6) years following receipt thereof.

(d) Notwithstanding anything to the contrary contained herein, semi-annually, as of each Interest Payment Date, the Rebate Analyst shall calculate the estimated amount (the “Semi-Annual Rebate Estimate”) that shall be required to be paid to the United States of America in order to preserve the exclusion of interest on the Bonds from gross income of the Owners thereof for federal income tax purposes. To the extent the Semi-Annual Rebate Estimate exceeds the amount then on deposit in the Rebate Fund, the Trustee shall, 30 days after notice to the Bond Insurer, the Issuer, and the Administrator, transfer to the Rebate Fund, first from the Discretionary Fund, and to the extent the same is insufficient therefor, then from the Acquisition Fund, the Recycling Account or the Redemption Fund, and with the consent of the Bond Insurer, the Debt Service Reserve Fund, amounts sufficient to cure such deficiency.

(e) To the extent the amount on deposit at any time in the Rebate Fund exceeds the Semi-Annual Rebate Estimate (such amount is referred to as the Annual Rebate Excess), the net amount transferred to the Rebate Fund from any other Fund shall be returned to such Fund.

(f) Neither the Administrator, the Bond Insurer nor the Trustee shall have any duty or responsibility to independently verify any of the calculations or instructions with respect to transfers by the Trustee to the Rebate Fund (or related assessments of the Participants) or withdrawals from the Rebate Fund, and shall be fully protected in relying solely upon the directions of the Issuer or the Rebate Analyst in this regard. Under no circumstances whatsoever shall the Trustee be liable to the Issuer, any Participant, any Bondholder or any other person for any loss of tax-exempt status of the Bonds, or any claims, demands, damages, liabilities, losses, costs or expenses resulting therefrom or in any way connected therewith, so long as the Trustee acts only in accordance with the Indenture and the directions of the Issuer or the Rebate Analyst.

Section 5.08. Use of Moneys in the Cost of Issuance Fund.

Moneys in the Cost of Issuance Fund shall be used to pay the costs of issuing the Bonds, all printing expenses in connection with this Indenture, the Loan Agreements, the preliminary and final official statement and any subsequent disclosure documents for the Bonds, and the Bonds, Blue Sky fees and expenses, if any, fees and expenses of any Rating Agencies, any initial premiums of the Bond Insurer with respect to the Bond Insurance Policy (which shall specifically be paid with proceeds of the Bonds and which may be wired directly by the Underwriter), any Underwriter's fees not paid in the form of Underwriter's discount, the fees and expenses of Bond Counsel, counsel to the Bond Insurer, counsel to the Trustee, counsel to the Underwriter, counsel to the Issuer, and other special counsel, any accounting expenses incurred in connection with determining that the Bonds are not arbitrage bonds, the Trustee's initial fee for the Bonds, the initial fee of the Issuer and the Administrator, the fee of Accountants or consultants for verification services to the Issuer, and the costs of any market demand study or survey. Such costs shall be paid on the date of original authentication and delivery of the Bonds or not later than the 180th day thereafter, upon the submission of requisitions to the Trustee by an Authorized Officer of the Issuer stating the amount to be paid, to whom it is to be paid and the reason for such payment, each such requisition to include a certificate signed by an Authorized Officer of the Issuer stating that the amount of such requisition is justly due and owing and has not been the subject of another requisition which was paid and is a proper expense of issuing such Bonds. Moneys in the Cost of Issuance Fund shall be invested in the Investment Agreement and all earnings on moneys in the Cost of Issuance Fund shall be credited to the Discretionary Fund as received. Any funds remaining in the Cost of Issuance Fund on February 28, 1999 shall be transferred to the Discretionary Fund.

Section 5.09. Amounts in the Debt Service Reserve Fund.

(a) The amounts in the Debt Service Reserve Fund shall be applied to pay the principal and interest on the Bonds as the same become due, only when the amounts available for such purposes in the Bond Fund in accordance herewith are insufficient to make such payments. Amounts in the Debt Service Reserve Fund shall also be used to make Swap Payments to the Swap Counterparty, if any, to the extent moneys in the Bond Fund are insufficient for such purpose.

(b) Any amounts drawn from the Debt Service Reserve Fund pursuant to Section 5.09(a) on account of a Participant Default shall be restored from amounts recovered in connection with such Participant Default.

(c) Earnings on the Debt Service Reserve Fund computed at the lesser of (i) the Permitted Investment Rate or (ii) the rate determined in accordance with the Swap Agreements shall be retained therein until the amount on deposit in the Debt Service Reserve Fund is equal to the Reserve Requirement; thereafter, such earnings shall be transferred to the Revenue Fund. The balance of such earnings shall be transferred to the Discretionary Fund.

Section 5.10. Amounts in the Discretionary Fund.

There shall be deposited in the Discretionary Fund the amounts provided for in this Indenture. All amounts representing investment income on the Funds and accounts hereunder in excess of amounts computed at the lesser of (x) the Permitted Investment Rate and (y) the rate

determined in accordance with the Swap Agreements, if any, shall be deposited in the Discretionary Fund.

(a) Upon the direction of the Administrator, with the approval of the Bond Insurer which approval shall not, from the point of view of the Bond Insurer, be unreasonably withheld, prior to Parity, amounts in the Discretionary Fund shall be applied to pay the following:

- (i) Any Administrative Fees and Expenses, to the extent the same are not paid from other sources and available to the Trustee.
- (ii) The costs or expenses related to the making or funding of any Loan, or the issuance of any Participant Bond as the evidence thereof.
- (iii) To reduce the amount due from any Participant with respect to any Monthly Finance Charge applicable to such Participant.
- (iv) To make any Termination Payments to the Swap Counterparty which may be provided for upon termination or partial termination of the Swap Agreements, if any.
- (v) To pay to the Issuer any amounts which, in the opinion of Bond Counsel, shall not adversely affect the exclusion of interest on the Bonds from gross income for federal tax purposes.
- (vi) To make any deposits to the Rebate Fund occasioned by a change in interpretation or application of federal tax law.

(b) At the direction of the Administrator, the Trustee shall use moneys in the Discretionary Fund for any of the following:

- (i) To deposit into the Rebate Fund any amount required to be deposited therein and for which amounts are not otherwise available to the Trustee, including amounts, if any, required to make an Extraordinary Payment.
- (ii) To pay interest, principal, or redemption prices on Bonds when the other moneys available to the Trustee are insufficient therefor.

(c) Where Parity exists and so long as Parity is maintained, moneys in the Discretionary Fund may be used at the direction of the Issuer for any lawful purpose.

Section 5.11. Application of the Bond Proceeds; Issuer Moneys.

The proceeds of the Bonds, and moneys provided by the Issuer on the date hereof, shall be deposited with the Trustee as follows:

(a) To the Cost of Issuance Fund, the sum of \$2,797,425, representing Bond proceeds of \$2,047,425 and moneys of the Issuer in the amount of \$750,000, to be applied in accordance with Section 5.08;

(b) To the Debt Service Reserve Fund, \$30,000,000, which is the Reserve Requirement;

(c) To the Revenue Fund for transfer to the Bond Fund pursuant to Section 5.05(a) hereof, \$1,420,833.34, representing accrued interest on the Bonds;

(d) To the Revenue Fund, the sum of \$1,000,000 representing a portion of the moneys of the issuer; and

(e) To the Acquisition Fund, the sum of \$287,381,617.37 representing the balance of the proceeds received from the sale of the Bonds.

Section 5.12. Program Expense Fund.

The amounts from time to time in the Program Expense Fund shall be disbursed to, or on the order of, the Issuer, to pay Administrative Fees and Expenses.

Section 5.13. Moneys to Be Held in Trust.

All moneys required to be deposited with or paid to the Trustee for the account of any Fund established under any provision of this Indenture shall be held by the Trustee in trust, and except for moneys deposited with or paid to the Trustee for the redemption of Bonds, notice of the redemption of which has been duly given, or held pursuant to Section 2.12, or held in the Rebate Fund, shall, while held by the Trustee, constitute part of the Trust Estate and be subject to the security interest created hereby.

Section 5.14. Payment of Excess Moneys.

Subject to Section 2.12 and Article IX, any amounts remaining in any Fund created pursuant to Section 5.02 after full payment of the Bonds and all amounts due the Bond Insurer under the Bond Insurance Policy (including any rebate liability and the reasonable fees, charges and expenses with respect to the issuance of the Bonds under Section 5.08) and of any bonds issued to refund the same and of the fees, charges and expenses of the Trustee, the Issuer, the Administrator, the Bond Insurer, and the Rebate Analyst (and of the trustee and paying agents for, and other parties rendering services related to, any refunding bonds), shall be paid to the Issuer.

Section 5.15. Reports from the Trustee; Examination of Books.

The Trustee shall furnish to the Issuer, the Administrator, the Rebate Analyst and the Bond Insurer within two (2) weeks following each Anniversary Date, statements of the activity and assets held in the Funds created pursuant to Section 5.02. The Trustee shall, at the written request of the Bond Insurer, the Administrator, the Issuer or the Rebate Analyst, permit representatives of such parties to examine the books and records of the Trustee relating to the Funds.

Section 5.16. Certain Verifications.

The Issuer, the Trustee, the Administrator, the Rebate Analyst and/or the Bond Insurer from time to time may cause a firm of Accountants or consultants to supply the Issuer, the Trustee, the Administrator, the Rebate Analyst and the Bond Insurer with such information as the Issuer, the Trustee, the Rebate Analyst or the Bond Insurer may request in order to determine in a manner reasonably satisfactory to the Issuer, the Trustee, the Rebate Analyst, the Administrator and the Bond Insurer all matters relating to (a) any audits of the Issuer, if and to the extent such audits relate to the Bonds, (b) the sufficiency of projected cash flow receipts and disbursements on the Loan Agreements, the Swap Agreements, if any, the Investment Agreement and Funds described herein to pay the principal and redemption price of and interest on the Bonds and the Swap Payments, if any and Swap Receipts, if any; and (c) the actuarial yields on the Loan Agreements, the investments held under the Indenture, and on the Bonds, as the same may relate to any data or conclusions necessary to verify that the Bonds are not arbitrage bonds within the meaning of Section 148 of the Code or to permit investment of amounts in the Funds in compliance with the Code and this Indenture. Payment for costs and expenses incurred in connection with supplying the foregoing information shall be paid from moneys in the Discretionary Fund. Any and all such reports shall be delivered by the Administrator to the Bond Insurer and the Trustee.

Section 5.17. Effect of Certain Loan Agreement Defaults under Loan Agreements; Assignment of Loan Agreements.

Upon the occurrence of a Loan Agreement Default, the Trustee shall immediately notify the Issuer, the Administrator and the Bond Insurer.

Upon any default by a Participant in the payment when due of any principal, premium, if any, or interest on a Participant Bond, the Trustee shall immediately notify the Administrator and the Bond Insurer. Upon written direction of the Bond Insurer, the Trustee shall take all action available to it as owner of the Participant Bond in its representative capacity, to make demand for, and enforce, collect, settle and recoup all payments due under the Participant Bond.

If, as a result of any such payment default by a Participant, the amounts on deposit in the Bond Fund are insufficient to make the payments required to be made therefrom, the Trustee shall, upon written direction from the Bond Insurer, draw upon the Debt Service Reserve Fund for the amount necessary to pay principal or interest on the Bonds. If, after application of the foregoing sentence, the amounts on deposit in the Revenue Fund are insufficient for the purposes thereof, the Trustee shall, but only upon written direction from the Bond Insurer, draw upon the Bond Insurance Policy in the principal amount of the defaulted Loan, plus any unpaid interest thereon.

ARTICLE VI

LOAN AGREEMENTS

Section 6.01. Terms and Conditions.

Moneys in the Acquisition Fund and the Recycling Account shall be used to purchase Participant Bonds to provide funds to Participants to finance or refinance the Cost of Projects, under Loan Agreements setting forth the terms and conditions, and upon submission of the documents, contained in this Article VI, and not otherwise. Loans may be made bearing interest at the Loan Weekly Rate or at a Loan Fixed Rate. In connection with any Loans made at a Loan Fixed Rate, the Issuer may enter into subsequent swap arrangements. The Administrator shall provide to the Issuer, the Trustee and a Participant recommendations concerning the terms and provisions it believes should be included in the details of each Loan Agreement.

Section 6.02. Restrictions on Program.

The following restrictions shall apply to all Loan Agreements:

(a) Each Loan Agreement shall be in substantially the form attached as Exhibit C hereto, unless otherwise approved by the Bond Insurer and Administrator;

(b) Each Loan Agreement shall be secured by a pledge of the full faith, credit, and taxing power of the Participant or its Guarantor;

(c) Each Loan Agreement shall provide for estimated level annual debt service or for more level overall annual debt service, and the final maturity of each Loan Agreement shall be on or before the maturity date of the Bonds;

(d) No Closing shall occur unless the Issuer and the Trustee have received the written approval of the Administrator;

(e) The consent of the Bond Insurer, which may be given or withheld in its sole discretion, is required for the Closing or assignment of a Loan if the Participant, its Guarantor, or the provider of a municipal bond insurance policy or financial guaranty policy that secures the loan repayments of the Participant (each a "Participant Credit Enhancer") does not have a published rating of "A3" or higher by Moody's or "A-" or higher by S&P unless, after giving effect to the Loan:

- (i) the principal amount outstanding of loans from all of the loan programs of the Issuer which are entitled to the benefits of the covenants contained in the Covenant Agreement originally adopted on April 9, 2001, by the Authority and amended and restated on August 3, 2009, that do not have published ratings for Participants, Guarantors, or Participant Credit Enhancers of "A3" or higher from Moody's or "A-" or higher from S&P will not exceed 10% of

the total funds available to originate loans from all of the series of bonds of the Issuer,

- (ii) the principal amount outstanding of loans from the Bonds that do not have published ratings for Participants, Guarantors, or Participant Credit Enhancers of “A3” or higher from Moody’s or “A-” or higher from S&P will not exceed 25% of the total funds available to originate loans from the Bonds, and
- (iii) a certificate from the Administrator has been delivered to the Bond Insurer certifying that the covenants contained in (i) and (ii) above have been satisfied;

(f) No Closing or assignment of a Loan shall occur following a failure by the Bond Insurer to honor a draw on the Bond Insurance Policy:

(g) No Closing or assignment of a Loan shall occur without the consent of the Bond Insurer, which may be given or withheld in its sole discretion, if the underlying ratings of the Issuer are reduced below “Aa3” by Moody’s and “AA-” by S&P;

(h) No Closing shall occur unless the Issuer and the Trustee have either an opinion of Bond Counsel to the effect that the interest on the Participant Bond is excluded from gross income for federal income tax purposes and such Participant Bond is not a private activity bond under the Code, or has received a Favorable Opinion of Bond Counsel, and

(i) The Authority shall deliver to the Bond Insurer a binder with the Loan Agreement, Participant Bond, and all documents required for Closing as soon as practical after the Closing or assignment of a Loan.

Section 6.03. Disbursement Period.

The Trustee shall fund Loans from the proceeds in the Acquisition Fund or the Recycling Account, as the case may be, by purchasing Participant Bonds from Participants to finance or reimburse the Cost of Projects on a “first come, first served basis,” in the order that all necessary requirements are met, until such date as there are no longer any unloaned funds on deposit in the Acquisition Fund or the Recycling Account, or until the Acquisition Fund Termination Date or Recycling Deposit Date, respectively, whichever occurs earlier. Notwithstanding the foregoing, the Trustee, upon the written direction of the Issuer or Administrator, may reserve proceeds in the Acquisition Fund and the Recycling Account for funding of a Loan to a Participant at a future date prior to the applicable Acquisition Fund Termination Date or Recycling Deposit Date.

Section 6.04. Agreement Term and Repayments.

(a) The Loan Agreement Term shall be a term commencing on the Commencement Date and ending on a date determined by the Administrator, such date to be not later than the earlier of (i) the date set forth in Section 8.1 of the Loan Agreement; or (ii) the date of the end of the period which is equal to 120% of the useful life of the Project. The principal of the Participant Bonds shall be repaid in such amounts on such dates as set forth herein and in the related Loan Agreement. The portion of each Repayment constituting interest and Monthly Finance Charges, if any, shall be calculated by the Administrator monthly (and recalculated when necessary) as provided in Section 4.2 of the related Loan Agreement.

(b) During each Loan Weekly Rate Period, each Loan bearing interest at the Loan Weekly Rate shall bear interest at a rate provided to the Trustee by the BMA Calculation Agent as of the close of business on the Business Day immediately preceding the first day of each Loan Weekly Rate Period. In addition, each Loan shall require payment of any additional amount as determined by the Administrator from time to time as necessary to make all Repayments. The calculation and verification of interest payable on the Loans as provided in this Indenture shall be conclusive and binding on the Issuer, the Administrator, the Participants, the Bond Insurer, the Trustee and the Bondholders, absent manifest error.

If the Trustee shall not have received the BMA Calculation Agent's determination of a Loan Weekly Rate for any week, the Loan Weekly Rate shall be the rate specified for such period in the Swap Agreements, if any, or if no such rate is determinable, the rate shall be the same as the Loan Weekly Rate for the immediately preceding week. If the Trustee shall not have determined a Loan Weekly Rate for a second successive week or for any reason cannot determine the Loan Weekly Rate for any week as hereinbefore provided, the Loan Weekly Rate for such week shall be the rate specified for such period in the Swap Agreements, if any, or if no such rate is determinable, the rate shall be a rate per annum equal to 100% of the rate published in the then most recent edition of The Bond Buyer for 30-day prime tax-exempt commercial paper or, if The Bond Buyer no longer publishes such information, such other publication or provider of such information as the Trustee (or, upon failure of the Trustee to so designate, the Administrator) may select.

The first Loan Weekly Rate determined for each Loan Weekly Rate Period shall apply to the period commencing on the first day of such Loan Weekly Rate Period and ending on the next succeeding Wednesday (or the next succeeding Business Day, if such Wednesday is not a Business Day). Thereafter, each Loan Weekly Rate shall apply to the period commencing on Thursday (or if the date of determination is not a Wednesday, on the next following Business Day) and ending on the next succeeding date of determination, or if earlier, on the last day of the Loan Weekly Rate Period.

Promptly following the receipt from the BMA Calculation Agent of its determination of each Loan Weekly Rate, the Trustee shall give notice thereof to the Bond Insurer, the Administrator and the Issuer. The failure to give any such notice shall not affect the change in the Loan Weekly Rate.

The Trustee shall notify the Bond Insurer, the Administrator and the Issuer in writing (which may be in telecopy form) or by telephone promptly confirmed in writing by 4:00

p.m. on the last Wednesday of each month (or if such Wednesday is not a Business Day, on the next succeeding Business Day) of the Loan Weekly Rates set for each week in such month.

Using the Loan Weekly Rates determined as set forth in the foregoing paragraphs of this Subsection (b), the Administrator shall calculate the amount of interest payable on the Loans.

(c) Loans bearing interest at a Loan Fixed Rate shall bear the interest rate determined by the Administrator at the time of origination of the Loan or conversion from the Loan Weekly Rate.

(d) Notwithstanding any provision herein to the contrary, the interest rate on the Loans shall never be greater than the Maximum Rate. The Loan Agreements shall provide for interest not in excess of the Maximum Rate.

Section 6.05. Application Submissions.

Prior to approving an application, the Issuer and the Bond Insurer shall have received a completed application in the form approved by the Issuer and the Bond Insurer, including all financial and other information specified therein.

Section 6.06. Closing Time and Place.

Closings shall take place at the office of the Trustee or at such other place as may be mutually agreeable to the Issuer, the Trustee, the Administrator, the Bond Insurer and the Participants.

Section 6.07. Closing Submissions.

Prior to or at each Closing, the Trustee, the Administrator, the Bond Insurer and the Issuer shall have received the following documents from the related Participant:

(a) a counterpart of the Loan Agreement executed by the parties thereto and endorsed by the Issuer to the Trustee; and

(b) the original Participant Bonds in principal amount equal to the Participant's Initial Amount, registered in the name of the Trustee, bearing interest and maturing as to principal and interest in accordance with the Loan Agreement.

All opinions and certificates required under this section and under the Loan Agreement shall be dated the date of Closing and all such opinions shall be addressed to the Issuer, the Trustee and the Bond Insurer. Interest on the Participant Bonds shall commence to accrue on the date of Closing. The Issuer shall deliver to the Bond Insurer copies of each of the items referred to in this section and in the Loan Agreements promptly after each Closing.

Section 6.08. Modifications of Forms of Loan Agreements, Resolutions, and Tax Agreement.

The Issuer may approve modifications to the form of Resolutions or Loan Agreements, so long as such modifications do not adversely affect the interest of Bondholders and so long as all such modifications which materially change the undertakings set forth therein are approved by the Bond Insurer; provided that no material change may be made in the form of any tax agreement executed by a Participant, except with a Favorable Opinion of Bond Counsel.

Section 6.09. Program Monitoring.

The Administrator shall prepare periodic reports to the Issuer and the Trustee setting forth the status of any Loan applications received by it, stating the amount of Loans then outstanding, projecting the anticipated use of moneys in the Acquisition Fund and providing any recommendations it may have concerning the making of additional Loans.

The Administrator shall also monitor the activities of the Trustee and compliance with the requirements imposed hereunder.

The Administrator may engage or employ a person or firm acceptable to the Issuer (the "Loan Origination Agent") to perform all or a portion of its duties under the Indenture and any Loan Agreement, and upon due authorization by the Administrator, such Loan Origination Agent shall be authorized to act on behalf of the Administrator in such matters. All provisions of this Indenture calling for notices to be given to the Administrator shall also be deemed to provide for such notices to be sent to any Loan Origination Agent then engaged by the Administrator, upon filing of the address thereof with the Trustee.

ARTICLE VII

SERVICING OF AGREEMENTS

Section 7.01. Servicing.

The Trustee shall provide enforcement of the obligations of the Participants. The Trustee shall transmit to each Participant an invoice reflecting the amounts computed to be due on each Loan.

The Administrator shall review all Loan applications, Loan Agreements and Participant Bonds, and assist the Participants in processing Loan applications. The Administrator shall assist Participants with any inquiries or requests made subsequent to the closing of a Loan. The Administrator shall also perform any other duties which have been delegated to the Administrator by the Issuer pursuant to agreement with the Administrator.

Section 7.02. Defaults.

The Trustee shall, in accordance with the terms and provisions of this Indenture, including without limitation, Section 11.01(a) hereof, all at the direction of, or with the consent of, the Bond Insurer, enforce, and take all reasonable steps, actions and proceedings necessary for the enforcement of all terms, covenants and conditions of all Participant Bonds and Loan Agreements, including the prompt payment of Repayments and all other amounts due thereunder. The Trustee shall promptly notify the Bond Insurer and the Administrator of the occurrence of any Loan Agreement Default of which it has knowledge. The Trustee shall not (without the prior written consent of the Bond Insurer), except pursuant to Section 7.04, release the obligations of any Participant under any Loan Agreement and shall at all times, to the extent permitted by law, defend, enforce, preserve and protect the rights and privileges of the Owners of the Bonds and of the Trustee under or with respect to each Loan Agreement; provided that this provision shall not be construed to prevent the Trustee, with the consent of the Bond Insurer, from settling a default under any Participant Bond, Loan Agreement or any document securing them on terms as the Trustee shall determine to be in the best interests of the Owners of the Bonds; provided that no such settlement which adversely affects the interests of the Issuer shall be agreed to or become effective without the written consent of the Issuer. The Issuer hereby appoints the Trustee its agent and attorney-in-fact for purposes of enforcing all rights under the Loan Agreements or any document securing them, which enforcement may be delegated to the Bond Insurer in accordance with Article IV.

Section 7.03. Bond Insurer Requirements.

In connection with its activities provided for hereunder, the Trustee agrees to comply with the directions of and any reasonable requirements imposed by the Bond Insurer.

Section 7.04. Payment or Prepayment by Participants.

Upon the payment of all sums due and to become due under a Loan Agreement, including all Repayments due under the applicable Participant Bonds, or the prepayment of a Loan Agreement by a Participant by payment of the Optional Prepayment Price pursuant to Section 6.1 of a Loan Agreement, the Trustee shall cancel the Loan Agreement on behalf of the

Issuer and shall surrender to the Participant its Participant Bonds, and shall take any other action required of the Trustee under the Loan Agreement and shall execute in its own name all relevant documents in connection with such actions (and the Trustee is hereby appointed the Issuer's agent and attorney-in-fact for purposes of taking any act, including the presentation for payment and collection of the Participant Bonds and the execution and delivery of any document, required by this Section).

Section 7.05. Loan Agreement Files.

All documents received by the Trustee with regard to a particular Agreement shall be retained by the Trustee in a file pertaining to that Agreement (a "Loan Agreement File"). The Loan Agreement File shall be kept at the principal office of the Trustee and shall be available for inspection by the Issuer, the Program Administrator, the Trustee and the Bond Insurer at reasonable times and under reasonable circumstances. The Trustee shall provide the Bond Insurer, upon its request, with a copy of the contents of each Loan Agreement File.

Section 7.06. Trustee, Administrator and Issuer Not to Impair Tax Exemption of the Bonds.

The Trustee, the Administrator and the Issuer shall not take any action, or omit to take any action, or permit any action, except actions required hereunder and under the Loan Agreements, which is within each of its respective control to be taken or omitted, which would to the actual knowledge of each of its respective officers, impair the exclusion of interest on the Bonds from gross income of the owners thereof for federal income tax purposes.

Section 7.07. Additional Duties of Administrator.

In connection with the administration of the Program, the Administrator shall perform the following services, with the assistance of the Bond Insurer as applicable:

- (a) Participate in the establishment of the Program and coordinate the development of the Program with involved parties,
- (b) Provide information and market and promote the Program to all potential Participants through written materials and presentations, and attendance at conferences and seminars as representative of the Program,
- (c) Initiate contact with potential Participants for the purpose of presenting and explaining the Program,
- (d) Act as originator and processor of each Loan,
- (e) Consult with government officials and give advice and assistance as to the Participant's eligibility, the application procedure, any required security, and related matters prior to the filing of a Loan application,
- (f) Upon the request of a Participant, meet with the governing body or officials of the Participant to explain the Program and the application procedure,

(g) Assist any potential Participant in the preparation of its Loan application and gathering of information and documentation required by the Bond Insurer,

(h) Receive filed applications, review them for completeness and forward them to the Bond Insurer for approval,

(i) Report to the Trustee and the Bond Insurer any information of which it has actual knowledge concerning the condition of a Participant that could potentially cause a default,

(j) Review each Loan Agreement, including the related Participant Bond, and approve the same in accordance with the parameters of the Program established hereunder and by the Issuer from time to time and in accordance with the Participant's application,

(k) Provide information requested by the Issuer and Trustee to enable the Issuer and Trustee to comply with the requirements of continuing disclosure, including the requirements of Rule 15(c)2-12 of the Securities and Exchange Commission, and

(l) Review and approve all applications for disbursements by the Trustee.

ARTICLE VIII

INVESTMENT OF MONEYS

Section 8.01. Investment of Moneys in Funds.

(a) Subject to the provisions of the Tax Agreement, all Bond proceeds and other moneys deposited in any Funds (other than the Rebate Fund) shall be initially invested in the Investment Agreement.

(b) The Trustee is hereby directed to enter into the Investment Agreement and to invest amounts thereunder in accordance with the terms of such Investment Agreement and is hereby instructed to give all notices and to take all other actions necessary (i) to make withdrawals from such Investment Agreement in order to make timely payments of principal or redemption price, interest, fees and expenses due hereunder and (ii) to make timely deposits or redeposits of proceeds as required hereunder.

Eligible Investments and Eligible Participant Investments acquired as an investment of moneys in any Fund created by this Indenture shall be credited to such Fund. For the purpose of determining the amount in any Fund at any time in accordance with this Indenture, except as otherwise provided herein, all Eligible Investments and Eligible Participant Investments credited to such Fund shall be valued at fair market value. The value of Eligible Investments and Eligible Participant Investments in each Fund shall be determined upon acquisition and annually thereafter as of each Anniversary Date. The value of Eligible Investments and Eligible Participant Investments so determined as of any such date shall constitute the “Value of Eligible Investments” for purposes of this Indenture until the next date of valuation.

All interest, profits and other income earned, net of any losses suffered (herein called the “net earnings from investment of moneys”), in any Fund created by this Indenture shall be deposited as set forth in Article V.

Subject to the provisions hereof, investments in any and all Funds created by this Indenture may be commingled for purposes of making, holding and disposing of investments. Notwithstanding provisions herein for transfer to or holding in particular Funds amounts received, or such commingling, the Trustee shall at all times account for such investments in the Funds to which they are credited and otherwise as provided in this Indenture. The Trustee may act as principal or agent in the acquisition or disposition of any Eligible Investment and Eligible Participant Investments. The Trustee may sell at the best price obtainable, or present for redemption, any Eligible Investment or Eligible Participant Investment to the credit of any Fund created by this Indenture whenever it shall be necessary in order to provide moneys to meet any required payment, transfer, withdrawal or disbursement from such Fund, and the Trustee shall not be liable for any loss resulting from such investment.

All moneys required to be deposited with or paid to the Trustee for the account of any Fund (other than the Rebate Fund) established under any provision of this Indenture shall be held by the Trustee in trust and shall constitute part of the Trust Estate while held by the Trustee; provided, however, that moneys deposited with or held by the Trustee for the purchase of Bonds

on or after any date on which such Bonds are required to be purchased in accordance with this Indenture, for the redemption of Bonds on or after the redemption date of such Bonds, or for the payment of the principal or redemption price of or interest on Bonds on or after the date on which such amounts shall have become due, shall be held and applied solely for the purchase, redemption or payment of such Bonds or the payment of such interest, as the case may be.

The Trustee shall not invest any funds held by it for the payment of the principal or redemption price of the Bonds after the date established for maturity or redemption thereof.

Notwithstanding any provision to the contrary contained herein, all moneys subject to investment under this Indenture shall be invested in Eligible Investments.

The Trustee shall prepare monthly reports of the investments held under the Indenture, including the balances on deposit in each Fund and account, the investment income for such month, and the maturities and interest rates then in effect for such investments. Such reports shall be promptly filed with the Issuer and the Administrator. The Administrator shall review such reports and advise the Trustee and the Issuer of any discrepancies or concerns regarding such investments.

Section 8.02. Arbitrage.

The Issuer hereby covenants for the benefit of each Owner of the Bonds that it shall not take any action or fail to take any action with respect to the investment of the proceeds of any Bonds or any other funds of the Issuer, including amounts received from the investment of any of the foregoing, which based upon the facts, estimates, and circumstances known on the date of authentication and delivery of the Bonds, would result in constituting the Bonds “arbitrage bonds” within the meaning of Section 148 of the Code in force and effect on the date of such authentication and delivery, and the Issuer shall not take any deliberate action motivated by arbitrage which would have such result.

In the event the Issuer is of the opinion that it is necessary to restrict or limit the yield on the investment of any money paid to or held by the Trustee hereunder in order to avoid classification of the Bonds as “arbitrage bonds” within the meaning of such Code, the Issuer may issue to the Trustee a written instrument to such effect (along with appropriate written instructions), in which event the Trustee shall take such action as is necessary so to restrict or limit the yield on such investment in accordance with such instrument and instructions, irrespective of whether the Trustee shares such opinion. The Trustee may conclusively rely upon such instructions and shall be responsible for no loss resulting from investment of any money held hereunder in accordance with such instructions.

ARTICLE IX

DISCHARGE OF INDENTURE

Section 9.01. Discharge of Indenture.

If the Issuer shall pay or cause to be paid (other than by the Bond Insurer), or there shall be otherwise paid or provision for payment made to or for the Owners of the Bonds, the principal of and interest due or to become due thereon at the times and in the manner stipulated therein, and shall pay or cause to be paid all sums of money due or to become due according to the provisions hereof, and shall have paid all amounts due or to become due under the Swap Agreements, if any (or the obligations of the Issuer and the Trustee under the Swap Agreements, if any, shall otherwise have been terminated), then these presents and the estate and rights hereby granted shall cease, terminate and be void, whereupon the Trustee shall cancel and discharge the lien of this Indenture, and execute and deliver to the Issuer such instruments in writing as shall be requisite to cancel and discharge the lien hereof, and release, assign and deliver unto the Issuer any and all of the estate, right, title and interest in and to any and all rights assigned or pledged to the Trustee or otherwise subject to the lien of this Indenture; provided that if there remain unpaid obligations under the Bond Insurance Policy or any amounts owed to the Trustee, the Bond Insurer, or the Administrator, then no such transfer of the Trust Estate shall occur until such moneys have been used (including any Repayments received after the Bonds are paid) to satisfy such obligations.

Notwithstanding the foregoing, those provisions of this Indenture relating to the maturity of the Bonds, interest payments and dates thereof, redemption provisions, exchange and transfer of Bonds, replacement of mutilated, destroyed, lost or stolen Bonds, the safekeeping and cancellation of Bonds, nonpresentment of Bonds, the holding of moneys in trust, the rights afforded the Bond Insurer or the Swap Counterparty herein, if any, and the duties of the Trustee in connection with all of the foregoing, shall remain in effect and shall be binding upon the Trustee and the Bondholders notwithstanding the release and discharge of the lien of this Indenture.

Any Bond shall be deemed to be paid within the meaning of this Article, and shall not be entitled to the benefits of the Bond Insurance Policy, when payment of the principal of such Bond, plus interest thereon to the due date thereof (whether such due date by reason of maturity or upon redemption as provided in this Indenture, or otherwise), either

(a) shall have been made or caused to have been made in accordance with the terms thereof, or

(b) shall have been provided for by irrevocably depositing with the Trustee, in trust and exclusively for such payment, (i) moneys sufficient to make such payment, (ii) non-callable direct general obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America, maturing as to principal and interest in such amounts and at such times as shall insure the availability of sufficient moneys to make such payments, or (iii) a combination of such moneys and obligations, and all necessary

and proper fees and expenses of and other amounts owing to the Trustee, the Bond Insurer, the Administrator or the Issuer, with respect to which such deposit is made shall have been paid or deposited with the Trustee. At such times as a Bond shall be deemed to be paid hereunder, as aforesaid, it shall no longer be secured by or entitled to the benefits of this Indenture, and all liability of the Issuer with respect to such Bond shall cease, terminate, and be completely discharged and extinguished except for the purposes of registration and exchange of Bonds, and replacement of mutilated, lost, stolen or destroyed Bonds, and the holders thereof shall be entitled to payment solely out of the moneys or securities so deposited.

Notwithstanding the foregoing, no deposit under the immediately preceding paragraph shall be deemed a payment of such Bonds as aforesaid unless:

(a) such deposit is made either from the proceeds of refunding bonds or there shall have been delivered to the Trustee an opinion of Bankruptcy Counsel to the effect that payment of such moneys to Bondholders would not constitute a voidable preference under Section 547 of the Bankruptcy Code in the event the Issuer or a Participant were to become a debtor under the Bankruptcy Code;

(b) the Trustee has received a letter from each Rating Agency then rating the Bonds that such deposit shall not cause the rating then assigned to the Bonds by such Rating Agency to be lowered or eliminated; and

(c) the Issuer shall have given the Trustee, in form satisfactory to the Trustee, irrevocable instructions:

- (i) stating the date when the principal of each such Bond is to be paid, whether at maturity or on a redemption date (which shall be any redemption date permitted or required by this Indenture);
- (ii) to call for redemption pursuant to this Indenture any Bonds to be redeemed prior to maturity pursuant to (i) hereof, and
- (iii) to mail, as soon as practicable, in the manner prescribed by Article III hereof, a notice to the Owners of such Bonds and the Bond Insurer that such deposit has been made with the Trustee and that said Bonds are deemed to have been paid in accordance with this Article and stating the maturity or redemption date upon which moneys are to be available for the payment of the principal or redemption price, if applicable, of said Bonds as specified in Clause (i) of this paragraph.

Any moneys so deposited with the Trustee as provided in this Article may at the direction of the Issuer also be invested and reinvested in Government Obligations, maturing in the amounts and times as hereinbefore set forth, and all income from all Government Obligations in the hands of the Trustee pursuant to this Article which is not required, as evidenced by a report of an Accountant, for the payment of the Bonds and interest thereon with respect to which such moneys shall have been so deposited, shall be used as otherwise permitted by this Indenture.

No such deposit under this Article shall be made or accepted hereunder and no use made of any such deposit unless the Trustee shall have received an Opinion of Bond Counsel to the effect that such deposit and use would not cause the Bonds to be treated as arbitrage bonds within the meaning of Section 148 of the Code.

Notwithstanding any provision of any other Article of this Indenture which may be contrary to the provisions of this Article, all moneys or Government Obligations set aside and held in trust pursuant to the provisions of this Article for the payment of the Bonds (including interest thereon) shall be applied to and used solely for the payment of the particular Bonds (including interest thereon) with respect to which such moneys or obligations have been so set aside in trust.

Anything in Article XII to the contrary notwithstanding, if moneys or obligations have been deposited or set aside with the Trustee pursuant to this Article for the payment of the Bonds and such Bonds shall not have in fact been actually paid in full, no amendment to the provisions of this Article shall be made without the consent of the Owner of each Bond affected thereby.

Notwithstanding anything herein to the contrary, in the event that the principal and/or interest due on the Bonds shall be paid by AMBAC pursuant to the Bond Insurance Policy, the Bonds shall remain Outstanding for all purposes, not be defeased or otherwise satisfied and not be considered paid by the Issuer, and the assignment and pledge of the Trust Estate and all covenants, agreements and other obligations of the Issuer to the registered Owners shall continue to exist and shall run to the benefit of AMBAC, and AMBAC shall be subrogated to the rights of such registered Owners.

ARTICLE X

DEFAULT PROVISIONS AND REMEDIES OF TRUSTEE AND BONDHOLDERS

Section 10.01. Defaults; Events of Default.

If any of the following events occurs, it is hereby defined as and declared to be and to constitute an “Event of Default”:

(a) A continuing default in the payment of interest or principal of any Bond (whether at maturity, by acceleration, or redemption or otherwise);

(b) Any other default in the payment or default in the performance or observance of any covenant, agreement or condition on the part of the Issuer contained in this Indenture or in the Bonds (other than defaults mentioned in Section 10.01(a)) and failure to remedy the same after notice of the default pursuant to Section 10.11; or

(c) Receipt by the Trustee of notice from the Bond Insurer that an Event of Default has occurred under the Bond Insurance Policy accompanied by a demand by the Bond Insurer that the Trustee declare the Bonds to be immediately due and payable.

Section 10.02. Acceleration and Duty to Draw on Bond Insurance Policy.

(a) Upon the occurrence of an Event of Default described in Section 10.01(a) or (c), the Trustee shall, by notice to the Issuer, the Bondholders, and the Administrator, but only with the written consent of the Bond Insurer, declare the entire unpaid principal of and interest on the Bonds immediately due and payable and, thereupon, the entire unpaid principal of and interest on the Bonds shall forthwith become immediately due and payable.

Upon the occurrence of an Event of Default described in Section 10.01(b), the Trustee may, with the written consent of the Bond Insurer, and if requested by the Bond Insurer or the holders of 25% in aggregate principal amount of Bonds then Outstanding, shall, by notice to the Issuer, the Administrator, the Bondholders and the Bond Insurer, declare the entire unpaid principal of and interest on the Bonds immediately due and payable and, thereupon, the entire unpaid principal of and interest on the Bonds shall forthwith become due and payable.

Anything in this Article X to the contrary notwithstanding, so long as the Bond Insurance Policy is in effect and the Bond Insurer has honored all proper drawings under the Bond Insurance Policy, without the prior written consent of the Bond Insurer, the Trustee shall not have the right to declare the principal of all Bonds and the interest accrued thereon to become immediately due and payable as a result of the occurrence of an Event of Default under Section 10.01(a) or (b).

If the Bonds are accelerated, the Issuer shall forthwith pay to the holders of the Bonds the entire unpaid principal of and accrued interest on the Bonds, but only from the Revenues herein specifically pledged for such purpose. In the event the Trustee fails to accelerate as required by

this Section 10.02(a), the owners of a majority in aggregate principal amount of Bonds Outstanding shall have the right to take such actions. Notwithstanding anything to the contrary in this Indenture, unless the Bond Insurer otherwise directs, there shall be no redemption of less than all of the Bonds if there shall have occurred and be continuing an Event of Default.

(b) Upon the acceleration of the maturity of the Bonds, by declaration or otherwise, the Trustee shall immediately draw upon the Bond Insurance Policy for the aggregate unpaid principal amount of the Bonds and all interest accrued thereon, which shall be applied immediately as set forth in Section 10.03. Upon such acceleration, interest on the Bonds shall cease to accrue as of the date of declaration of such acceleration.

Section 10.03. Disposition of Amounts Drawn on Bond Insurance Policy; Assignment of Rights to Contest.

(a) All amounts drawn on the Bond Insurance Policy by the Trustee in accordance with Section 10.02(b) shall be held by the Trustee in the Revenue Fund, and shall be applied immediately to the payment of principal and interest accrued on the Bonds unless, prior to or with the proceeds of the draw on the Bond Insurance Policy, the Trustee receives written instructions from the Bond Insurer to use such proceeds to purchase all Bonds. If such instructions are received by the Trustee, such draw proceeds shall be immediately applied to the purchase of the Bonds, the acceleration of the Bonds shall be canceled, and the Bonds shall become Bonds registered in the name of the Bond Insurer.

(b) The Trustee hereby assigns to the Bond Insurer all its rights to contest or otherwise dispute in the Trustee's name, place and stead and at the Bond Insurer's sole election and cost, any claim of preferential transfer made by a bankruptcy trustee, debtor-in-possession or other similar official with respect to any amount paid to the Trustee by or on behalf of the Issuer to be applied to principal or redemption price of the Bonds, to the extent of payments made to the Trustee pursuant to a drawing under the Bond Insurance Policy. The Trustee shall cooperate with and assist the Bond Insurer in any such contest or dispute as the Bond Insurer may reasonably request; provided, however, that the Bond Insurer shall reimburse the Trustee for its reasonable costs incurred in connection with providing such cooperation and assistance. The Trustee shall give the Bond Insurer prompt notice of any claim of preferential transfer of which the Trustee has knowledge. The foregoing assignment shall not be deemed to confer upon the Bond Insurer any right to contest or otherwise dispute any claim of preferential transfer with respect to any amount as to which there has been no drawing under the Bond Insurance Policy.

Section 10.04. Remedies; Rights of Bondholders.

Upon the occurrence of an Event of Default, the Trustee shall have the following rights and remedies:

(a) The Trustee may pursue any available remedy at law or in equity or by statute at the direction of or with the consent of the Bond Insurer to enforce the payment of the principal of and interest on the Bonds then Outstanding, including enforcement of any rights of the Issuer or the Trustee hereunder or under the Loan Agreements or any documents securing them.

(b) The Trustee may by action or suit in equity require the Issuer to account as if it were the trustee of an express trust for the Bond Insurer and the Owners of the Bonds and shall then take such action with respect to the Loan Agreements as the Trustee at the direction of or with the consent of the Bond Insurer shall deem necessary or appropriate and in the best interest of the Bondholders, subject to the terms of the Loan Agreements, including the sale or assignment of part or all of the Loan Agreements.

(c) Upon the filing of a suit or other commencement of judicial proceedings to enforce any rights of the Trustee and of the Bondholders under this Indenture, the Trustee shall be entitled, as a matter of right, to the appointment of a receiver or receivers of the Trust Estate and of the revenues, issues, earnings, income, products and profits thereof, pending such proceedings, with such powers as the court making such appointment shall confer.

(d) The Trustee may, with the consent of the Bond Insurer, pursue any remedy available at law or in equity to remedy any default under the Bond Insurance Policy or any other Event of Default.

If an Event of Default shall have occurred, the Trustee may, and if requested so to do by the Bond Insurer (but subject to Section 10.03) or, with the written consent of the Bond Insurer, by the Owners of 25% or more in aggregate principal amount of all Bonds then Outstanding, and in either case indemnified as provided in Section 11.01(l), shall be obligated to exercise such one or more of the rights and powers conferred by this section as the Trustee, being advised by Counsel, shall deem most expedient in the interests of the Bondholders.

No right or remedy by the terms of this Indenture conferred upon or reserved to the Trustee (or to the Bondholders) or the Bond Insurer is intended to be exclusive of any other right or remedy, but each and every such right or remedy shall be cumulative and shall be in addition to any other right or remedy given to the Trustee, to the Bondholders or to the Bond Insurer hereunder as now or hereafter existing at law or in equity or by statute. The assertion or employment of any right or remedy shall not prevent the concurrent or subsequent assertion or exercise of any other right or remedy.

No delay or omission in exercising any right or remedy accruing upon any default or Event of Default shall impair any such right or remedy or shall be construed to be a waiver of any such default or Event of Default or acquiescence therein; and every such right or remedy may be exercised from time to time and as often as may be deemed expedient.

No waiver of any default or Event of Default hereunder, whether by the Trustee, the Bondholders or the Bond Insurer, shall extend to or shall affect any subsequent default or Event of Default or shall impair any rights or remedies consequent thereon.

Section 10.05. Right of Bond Insurer to Direct Proceedings.

Anything in this Indenture to the contrary notwithstanding, upon the occurrence and continuance of an Event of Default as defined herein, AMBAC shall be entitled to control and direct the enforcement of all rights and remedies granted to the Bondholders or the Trustee for the benefit of the Bondholders under this Indenture, including, without limitation: (a) the right to accelerate the principal of the Bonds as described in this Indenture, and (b) the right to annul any declaration of acceleration, and AMBAC shall also be entitled to approve all waivers of Events of Default.

Section 10.06. Appointment of Receivers.

Upon the occurrence of an Event of Default and the filing of a suit or other commencement of judicial proceedings to enforce any rights of the Trustee and of the Bondholders under this Indenture, the Trustee shall be entitled, as a matter of right, to the appointment of a receiver or receivers of the Trust Estate and of the revenues, issues, earnings, income, products and profits thereof, pending such proceedings, with such powers as the court making such appointment shall confer.

Section 10.07. Application of Moneys.

All moneys received by the Trustee pursuant to any right given or action taken under the provisions of this Article shall, after payment of the costs and expenses of the proceedings resulting in the collection of such moneys and of the fees, expenses, liabilities and advances incurred or made by the Trustee (including fees and expenses of its counsel), the Bond Insurer or the Issuer, be deposited in the Revenue Fund, along with any other moneys available for such purposes; provided, however, that no proceeds from any advance upon the Bond Insurance Policy shall be used for any purpose other than payment of the principal or interest on the Bonds. All such moneys in the Revenue Fund shall be applied as follows:

(a) Unless the principal of all the Bonds shall have become due and payable, all such moneys shall be applied:

FIRST - To the payment to the persons entitled thereto of all amounts payable pursuant to Section 5.05, provided that, as to installments of interest, payments shall be made in the order of the maturity of the installments of such interest and provided further that if the amount available shall not be sufficient to pay in full any particular installment of interest, then to the payment thereof ratably, according to the amounts due on such installment, to the persons entitled thereto, without any discrimination or privilege;

SECOND - To the payment to the persons entitled thereto of the unpaid redemption price which shall have become due pursuant to a call for redemption (other than the Bonds called for redemption for the payment of which moneys are held pursuant to the other provisions of this Indenture) and, if the amount available shall not be sufficient to pay in full the Bonds due on any particular date, then to the payment thereof ratably, according to the amount of principal due on such date, to the persons entitled thereto without any discrimination or privilege;

THIRD - To be held as provided in Article V for the payment to the persons entitled thereto, as the same shall become due, of the amounts payable pursuant to this Indenture (including principal of the Bonds due upon call for redemption) and, if the amount available shall not be sufficient to pay in full amounts due on any particular date, payment thereof shall be made ratably according to the priorities set forth in Subparagraphs FIRST and SECOND above.

(b) If the principal amount of all the Bonds shall have become due, all such moneys shall be applied to the payment of the principal amount thereof and accrued interest then due and unpaid upon the Bonds, without preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest, or of any Bond over any other Bond, ratably, according to the amounts due respectively for principal and interest, to the persons entitled thereto without any discrimination or privilege, and then amounts payable pursuant to Section 5.05 to be paid next, unless the Bond Insurer directs that they be paid prior to principal and interest.

(c) On a parity with the payments in Paragraphs (a) and (b) above, such moneys shall also be applied to pay all amounts due under the Swap Agreements, if any.

(d) All amounts received by the Trustee from any payment under the Bond Insurance Policy shall be applied exclusively to the payment of the principal and interest on the Bonds.

Whenever moneys are to be applied pursuant to the provisions of this Section, such moneys shall be applied at such times, and from time to time, as the Trustee shall determine, having due regard to the amount of such moneys available for application and the likelihood of additional moneys becoming available for such application in the future. Whenever the Trustee shall apply such funds, it shall fix the date (which shall be an Interest Payment Date unless the Trustee shall deem another date more suitable) upon which such application is to be made and upon such date interest on the amounts of Bonds to be paid on such dates shall cease to accrue. The Trustee shall by first class mail, postage prepaid, notify Bondholders of the Record Date and the time and place at which defaulted principal and interest is to be paid. Such notice shall be mailed to the persons in whose name the Bonds are registered at the close of business on the fifth day preceding the date of mailing. The Trustee shall not be required to make payment of principal to the owner of any Bond until such Bond shall be presented to the Trustee for appropriate endorsement or for cancellation if fully paid.

Whenever all principal or redemption prices on all Bonds have been paid under the provisions of this Section and all expenses and charges of and other amounts payable to the Trustee, the Bond Insurer, the Administrator and the Issuer have been paid, any balance remaining in the Funds shall, subject to the provisions of Article IX, be paid to the Issuer as provided in Section 5.14.

Section 10.08. Remedies Vested in the Trustee.

Except as otherwise provided in Article IV hereof, all rights of action (including the right to file proof of claims) under this Indenture or under any of the Bonds may be enforced by the Trustee without the possession of any of the Bonds or the production thereof in any trial or other proceeding related thereto and any such suit or proceeding instituted by the Trustee shall be brought in its name as Trustee without the necessity of joining as plaintiffs any owners of the Bonds, and any recovery of judgment shall be for the equal and ratable benefit of the owners of all the Outstanding Bonds, and the Bond Insurer, in accordance with their respective interests in the Trust Estate.

Section 10.09. Termination of Proceedings.

In case the Trustee, the Bond Insurer or any Owner of any Bonds shall have proceeded to enforce any right under this Indenture by the appointment of a receiver or otherwise, and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely, then and in every such case the Issuer, the Trustee, the Bond Insurer, the Swap Counterparty, if any, and the Bondholders shall be restored to their former positions and rights hereunder, respectively, and with regard to the property herein subject to this Indenture, and all rights, remedies and powers of the Trustee and the owners of the Bonds shall continue as if no such proceedings had been taken.

Section 10.10. Waivers of Events of Default.

The Trustee may, at its discretion with the written consent of the Bond Insurer, and at the direction of the Bond Insurer shall, waive any Event of Default hereunder and its consequences and may rescind any declaration of acceleration of all the Bonds, and shall do so upon the written request of the Bond Insurer or, with the consent of the Bond Insurer, the Swap Counterparty, if any, and the Owners of (a) a majority in aggregate principal amount of Bonds then Outstanding in respect of which default in the payment of principal and/or interest exists, or (b) a majority in aggregate principal amount of all Bonds then Outstanding in the case of any other default; provided, however, that there shall not be waived without the consent of the holders of all Bonds then Outstanding (i) any default in the payment of the principal of any Outstanding Bond at the date of maturity specified therein or date of prior redemption or (ii) any default in the payment when due of the interest on any Outstanding Bond, unless prior to such waiver all arrears of interest or all arrears of payments of principal or redemption price then due (other than accelerated principal), as the case may be, with interest on overdue principal and redemption price and interest at the rate borne by such Bond and all expenses of the Trustee in connection with such default, shall have been paid or provided for, and in case of any such waiver or rescission, or in case any proceeding taken by the Trustee on account of any such default shall have been discontinued or abandoned or determined adversely, then and in every such case the Issuer, the Trustee and the Bondholders shall be restored to their former positions and rights hereunder, respectively, but no such waiver or rescission shall extend to any subsequent or other default, or impair any consequent right thereon. If any amounts due to the Bond Insurer have not been paid, the Trustee shall not waive any Event of Default described in Section 10.01(b) without the written consent of the Bond Insurer. No waiver hereunder shall affect the rights of third parties to payment of amounts provided for hereunder.

Section 10.11. Notice of Defaults under Section 10.01 (b); Opportunity of the Issuer to Cure Such Defaults.

Anything herein to the contrary notwithstanding, no default under Section 10.01(b) shall constitute an Event of Default until actual notice of such default by registered or certified mail shall be given to the Issuer and the Administrator by the Trustee or the Bond Insurer, or with the consent of the Bond Insurer, the Owners of not less than 25% in aggregate principal amount of all Bonds then Outstanding, and the Issuer shall have had 60 days after receipt of such notice to correct said default or cause said default to be corrected, and shall not have corrected said default or caused said default to be corrected within the applicable period; provided, however, if said default be such that it cannot be corrected within the applicable period, it shall not constitute an Event of Default if corrective action is instituted by the Issuer within the applicable period and diligently pursued until the default is corrected.

With regard to any alleged default concerning which notice is given to the Issuer under the provisions of this section, the Issuer hereby grants the Trustee and the Bond Insurer full power and authority, on behalf of the Issuer, to perform any covenant or obligation alleged in said notice to constitute a default, in the name and stead of the Issuer, with full power to do any and all things and acts to the same extent that the Issuer could do and perform any such things and acts and with power of substitution.

ARTICLE XI

THE TRUSTEE

Section 11.01. Acceptance of the Trusts.

The Trustee hereby accepts the trusts imposed upon it by this Indenture, and agrees to perform said trusts, but only upon and subject to the following express terms and conditions:

(a) The Trustee, prior to the occurrence of an Event of Default hereunder or under a Loan Agreement of which the Trustee is deemed to have notice and after the curing of all Events of Default which may have occurred, undertakes to perform such duties and only such duties as are specifically set forth in this Indenture and the Loan Agreements. In case an Event of Default hereunder or under a Loan Agreement of which the Trustee is deemed to have notice has occurred (which has not been cured or waived), the Trustee shall exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in their exercise, as a prudent Trustee would exercise or use under the circumstances in the conduct of his own affairs; provided, however, that the Trustee shall in any event follow the instructions of the Bond Insurer when required to do so by this Indenture.

(b) The Trustee may execute any of the trusts or powers hereof and perform any of its duties by or through attorneys, agents, or receivers, but the Trustee shall not be responsible for any misconduct or negligence on the part of any agent or attorney appointed with due care by it hereunder, and the Trustee shall be entitled to advice of counsel concerning all matters of trusts hereof and the duties hereunder and under the Loan Agreements, and may in all cases pay such reasonable compensation to all such attorneys, agents, and receivers as may reasonably be employed in connection with the trusts hereof and under the Loan Agreements. The Trustee may act upon the opinion or advice of any attorneys (who may but need not be the attorney or attorneys for the Issuer, the Bond Insurer or a Participant), approved by the Trustee in the exercise of reasonable care. The Trustee shall not be responsible for any loss or damage resulting from any action or nonaction in good faith in reliance upon such opinion or advice.

(c) The Trustee shall not be responsible for any recital herein (except recitals of the Trustee), or in the Bonds (except in respect to any certificate of authentication endorsed on the Bonds by the Trustee) or in the Loan Agreements, or for the validity of the execution by the Issuer of this Indenture or of any supplements hereto or instruments of further assurance, or for the sufficiency of the security for the Bonds issued hereunder or intended to be secured hereby.

(d) The Trustee shall not be accountable for the use of any Bonds authenticated or delivered hereunder. The Trustee may become the Owner of Bonds secured hereby with the same rights which it would have if not the Trustee.

(e) The Trustee shall not be required to take notice or be deemed to have notice of any default hereunder or under a Loan Agreement or Participant Bond, except a failure by a Participant to make payments when due under a Loan Agreement or on Participant Bonds, or a failure by the Issuer to cause to be made any of the payments of principal or redemption prices of, or interest on, the Bonds when due unless the Trustee shall be specifically notified in

writing of such default by the Issuer or by any Owner of Bonds, the Bond Insurer or a state or federal court. All notices or other instruments required by this Indenture or by a Loan Agreement to be delivered to the Trustee must, in order to be effective, be delivered at the principal corporate trust office of the Trustee, and in the absence of such notice so delivered the Trustee may conclusively assume there is no default except as aforesaid.

(f) The Trustee shall be protected in acting upon and shall be conclusively entitled to rely upon any notice, request, consent, certificate (including the certificates of the officials of the Participants required pursuant to Section 6.07 hereof and under the Loan Agreements), order, affidavit, letter, telegram or other paper or document believed to be genuine and correct and to have been signed or sent by the proper person or persons including any such documents signed by an Authorized Officer of the Issuer. The Trustee shall not unreasonably withhold its consent, approval or action to any reasonable request of the Issuer. Any action taken by the Trustee pursuant to this Indenture upon the request of the Issuer or upon the consent of any person who at the time of making such request or giving such consent is the Owner of any Bond shall be conclusive and binding upon all future Owners of the same Bond and of Bonds issued in exchange therefor or in place thereof.

(g) As to the existence or nonexistence of any fact or as to the sufficiency or validity of any instrument, paper or proceeding, the Trustee shall be entitled in good faith to rely upon a Certificate signed by an Authorized Officer of the Issuer as sufficient evidence of the facts therein contained, and prior to the occurrence of a default of which the Trustee has notice or is deemed to have notice pursuant to Section 11.01(e) hereof, shall also be at liberty to accept a similar Certificate to the effect that any particular dealing, transaction or action is necessary or expedient, but may at its discretion secure such further evidence deemed necessary or advisable, but shall in no case be bound to secure the same. The Trustee may accept a Certificate of the Chairman or the Secretary of the Issuer under its seal to the effect that a resolution in the form therein set forth has been adopted by the Issuer as conclusive evidence that such resolution has been duly adopted and is in full force and effect.

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

(i) At any and all reasonable times, the Trustee, the Bond Insurer, the Administrator and the duly authorized agents, attorneys, experts, engineers, accountants and representatives of any of said Persons shall have the right to inspect any and all of the books, papers and records of the Issuer pertaining to the revenues and receipts under the Loan Agreements and the Bonds, and to take such memoranda from and in regard thereto as may be desired.

(j) The Trustee shall not be required to give any bond or surety in respect of the execution of the said trusts and powers or otherwise in respect of the premises granted herein.

(k) Notwithstanding anything elsewhere in this Indenture contained, the Trustee shall have the right, but shall not be required, to demand, in respect of the authentication of any Bonds, the withdrawal of any cash, or any action whatsoever within the purview of this

Indenture, any showings, certificates, opinions, appraisals or other information, or corporate action or evidence thereof, in addition to that by the terms hereof required as a condition of such action, by the Trustee deemed desirable for the purpose of establishing the right of the Issuer to the authentication of any Bonds, the withdrawal of any cash, or the taking of any other action by the Trustee.

(l) Before taking any action under this Indenture (including, without limitation, any action in response to an instruction received from the Bond Insurer or the Bondholders), the Trustee may require that a satisfactory indemnity bond be furnished for the reimbursement of all expenses which it may incur and to protect it against all liability, except liability which is adjudicated to have resulted from its gross negligence or willful misconduct, by reason of any action so taken, but the Trustee may not require indemnity as a condition to declaring the principal of or interest on the Bonds to be due immediately under Section 10.02 or to drawing on the Bond Insurance Policy or to taking action under the Bond Insurance Policy or in making payment of the principal or redemption price of, or interest on, Bonds when due, or assigning and delivering a defaulted Loan and related Participant Bond to the Bond Insurer in accordance with Section 5.17 hereof.

(m) All moneys received by the Trustee shall, until used or applied or invested as herein provided, be held in trust for the purposes for which they were received, but need not be segregated from other funds, except to the extent required herein or by law. The Trustee shall not be under any liability for interest on any moneys received hereunder except such as may be agreed upon.

(n) For purposes of determining if funds are Available Moneys, the Trustee shall not be deemed to have notice of any bankruptcy filing unless the Trustee shall be specifically notified of such filing in writing.

Section 11.02. Fees, Charges and Expenses of the Trustee.

The Trustee shall be entitled to payment and reimbursement for reasonable fees for its services rendered hereunder and all advances, counsel fees and other expenses reasonably and/or necessarily made or incurred by the Trustee in connection with such services, but solely from moneys deposited in the Revenue Fund and available therefor pursuant to Sections 5.05 and 10.07. Upon an Event of Default, but only upon an Event of Default, the Trustee shall have a first lien with right of payment prior to payment on account of principal or redemption price of or interest on any Bond upon the Trust Estate (other than moneys from a drawing on the Bond Insurance Policy) for the foregoing fees, charges and expenses incurred by it.

Section 11.03. Notice to Certain Persons If Default Occurs.

If the Trustee becomes aware of an Event of Default, then the Trustee shall promptly give written notice thereof by first-class mail to the Owners of all Bonds then Outstanding, shown by the registration books kept at the principal corporate trust office of the Trustee, and to the Bond Insurer, the Administrator and the Issuer.

Section. 11.04. Intervention by the Trustee.

In any judicial proceeding to which the Issuer is a party and which, in the opinion of the Trustee and its counsel, has a substantial bearing on the interests of Owners of the Bonds, the Trustee may intervene on behalf of the Bondholders and shall do so if requested in writing by the Bond Insurer or, with the consent of the Bond Insurer, the Owners of at least 25% of the aggregate principal amount of the Bonds then Outstanding.

Section 11.05. Resignation by the Trustee.

The Trustee and any successor Trustee may at any time resign from the trusts hereby created by giving 60 days' written notice by first-class mail to the Issuer, the Bond Insurer, the Administrator and the Owner of each Bond; provided, however, that in no event shall such resignation take effect until the appointment of a successor Trustee and the acceptance of such appointment by such successor as provided in Sections 11.08 and 11.09. Upon receiving such notice of resignation, the Issuer shall promptly appoint a successor Trustee, with the written consent of the Bond Insurer. If no successor Trustee shall have been so appointed and accepted such appointment within 60 days of mailing the notice of such resignation to the Owners of the Bonds, the resigning Trustee may petition any court of competent jurisdiction for the appointment of a successor Trustee, or the Owners of at least 25% of the aggregate principal amount of the Bonds may petition any such court for the appointment of a successor Trustee. Such court may thereupon, after such notice, if any, as it may deem proper, appoint a successor Trustee as provided in Sections 11.08 and 11.09.

Section 11.06. Removal of the Trustee.

The Trustee may be removed at any time for just cause, by the Bond Insurer or, with the consent of the Bond Insurer pursuant to Article IV hereof, by an instrument or concurrent instruments in writing delivered to the Issuer, the Trustee, the Bond Insurer and the Administrator and signed by the Owners of a majority in aggregate principal amount of all Bonds then Outstanding.

With the consent of the Bond Insurer, the Issuer may remove the Trustee at any time for just cause so long as there is no default by the Issuer and no Event of Default then in existence or continuing under this Indenture.

Section 11.07. Successor Trustee by Merger.

Any corporation or association into which any Trustee hereunder may be merged or converted, with which it may be consolidated, or to which it may transfer or sell all or substantially all or its assets, or any corporation or association resulting from any merger, conversion, consolidation or sale to which any Trustee hereunder shall be a party, shall be the successor trustee under this Indenture, without the execution or filing of any paper or any further act on the part of the parties hereto, anything herein to the contrary notwithstanding, provided, however, that any such successor corporation or association continuing to act as Trustee hereunder shall meet the requirements of Sections 11.09 and 11.10(d) hereof, and if such corporation or association does not meet the aforesaid requirements, a successor Trustee shall be appointed pursuant to this Article XI.

Section 11.08. Appointment of a Successor Trustee by the Bondholders; Temporary Trustee.

In case the Trustee hereunder shall resign or be removed, or be dissolved, or shall be in course of dissolution or liquidation, or otherwise become incapable of acting hereunder, or in case it shall be taken under the control of any public officer or officers, or of a receiver appointed by a court, a successor may be appointed by the Owners of a majority in aggregate principal amount of all Bonds then Outstanding by an instrument or concurrent instruments in writing signed by such Owners, or by their attorneys in fact, duly authorized and a copy of which shall be delivered personally or sent by registered mail to the Issuer, the Administrator, and the Bond Insurer. Nevertheless, in case of such vacancy or resignation, the Bond Insurer shall appoint a temporary Trustee to fill such vacancy until a successor Trustee shall be appointed by the Bondholders in the manner above prescribed; and any such temporary Trustee so appointed by the Bond Insurer shall immediately and without further act be superseded by any Trustee so appointed by such Bondholders. Notice of the appointment of a successor Trustee shall be given in the same manner as provided herein with respect to the resignation of a Trustee.

Notwithstanding any other provision of this Indenture, no removal, resignation or termination of the Trustee shall take effect until a successor, acceptable to AMBAC, shall be appointed.

Section 11.09. Concerning Any Successor Trustee.

Every successor Trustee appointed hereunder shall be a trust company or bank in good standing located in or incorporated under the laws of the State, duly authorized to exercise trust powers and subject to examination by federal or state authority, having a reported capital and surplus of not less than \$50,000,000 and acceptable to AMBAC.

Every successor Trustee appointed hereunder shall execute, acknowledge and deliver to its predecessor and also to the Issuer an instrument in writing accepting such appointment hereunder, and thereupon such successor, without any further act, deed or conveyance, shall become fully vested with all the estates, properties, rights, powers, trusts, duties and obligations of its predecessors; but any such predecessor shall, nevertheless, on the written request of the Issuer, or of the successor Trustee, execute and deliver an instrument transferring to such successor Trustee all the estates, properties, rights, powers and trusts of such predecessor hereunder; and every predecessor Trustee shall deliver all securities, moneys, documents and other property held by it as Trustee hereunder to its successor hereunder. Should any instrument in writing from the Issuer be required by any successor Trustee for more fully and certainly vesting in such successor the estate, rights, powers and duties hereby vested or intended to be vested in the predecessor, any and all such instruments in writing shall, on request, be executed, acknowledged and delivered by the Issuer. The resignation of any Trustee and the instrument or instruments removing any Trustee and appointing a successor hereunder, together with all other instruments provided for in this Article, shall be filed or recorded by the successor Trustee in each recording office where this Indenture shall have been filed or recorded.

Section 11.10. Appointment of Co-Trustee.

(a) If at any time or times the Issuer or the Trustee shall have determined, or shall have been advised by counsel satisfactory to it, that it is necessary or prudent to appoint a

Co-Trustee under this Section in order to (i) separate (or provide for the joint undertaking of) certain of the rights, powers, duties and obligations conferred or imposed upon the Trustee; (ii) comply with the legal requirements of any applicable jurisdiction; or (iii) effectuate the exercise of the powers, rights or remedies of the Trustee hereunder, then the Trustee and/or Issuer shall be entitled, without the consent of any Participant, and regardless of whether an Event of Default hereunder shall have occurred, to appoint one or more additional institutions (which each shall meet the specifications for a successor trustee under Section 11.09 hereof) to serve as a co-trustee hereunder (a “Co-Trustee”), with such powers as may be provided in the instrument of appointment, and to vest in each such institution any property, title, right or power deemed necessary or desirable, subject to the provisions of this Section 11.10.

(b) Each Co-Trustee shall, to the extent permitted by applicable law, be appointed subject to the following terms:

(i) The rights, powers, duties and obligations conferred or imposed upon any such Co-Trustee shall not be greater than those conferred or imposed upon the Trustee.

(ii) The Issuer, or the Trustee, may at any time accept the resignation of and the Issuer may remove any Co-Trustee appointed under this Section 11.10 in the same manner as stated in this Article XI with respect to resignation and removal of the Trustee.

(iii) No Co-Trustee under this Indenture shall be liable by reason of any act or omission of the Trustee or any other Co-Trustee appointed under this Indenture.

(iv) Anything herein contained to the contrary notwithstanding, no power given to any Co-Trustee hereunder shall be separately exercised by such Co-Trustee except at the written direction of the Issuer with notice to the Trustee.

(c) Should any instrument in writing from the Issuer be required by the Co-Trustee so appointed or removed by the Trustee in order to vest in and confirm to it such properties, rights, powers, trusts, duties and obligations, any and all such instruments in writing shall, on request, be executed, acknowledged and delivered by the Issuer. In case any Co-Trustee, or a successor shall become incapable of acting, resign or be removed, all the estates, properties, rights, powers, trusts, duties and obligations of such Co-Trustee, so far as permitted by law, shall vest in and be exercised by the Trustee.

(d) In addition to being subject to and meeting the requirements of the provisions of Sections 11.05, 11.06 and 11.09, any Trustee or Co-Trustee appointed hereunder shall resign if requested by the Issuer, or may be removed by the Issuer, if the long-term unsecured senior debt rating (not taking into account any third party credit enhancement) of such Trustee or Co-Trustee, as applicable, is below “A2” as determined by Moody’s or below “A” as determined by S&P.

(e) The written consent of the Bond Insurer shall be required prior to the appointment of a separate Trustee or Co-Trustee under this Indenture..

Section 11.11. Certain Notices.

The Trustee shall give notice to each Rating Agency of (a) any change of the Trustee under this Article XI, (b) any change, modification, alteration, termination, expiration, amendment of or supplement to this Indenture, any Loan Agreement or the Bond Insurance Policy authorized under Articles IX, XII and XIII hereof, (c) any defeasance or redemption, in full or in part, of the Bonds, or (d) any expiration, termination, renewal, substitution or suspension of the Bond Insurance Policy.

The Issuer shall give written notice to the Trustee, the Bond Insurer and the Administrator in the event of any change or reduction in the ratings on the Bonds.

Section 11.12. Continuing Disclosure.

The Trustee is hereby appointed as the dissemination agent for purposes of compliance with the requirements of Rule 15(c)2-12 of the Securities and Exchange Commission. The Trustee shall disseminate all information furnished by the Issuer or its agents or the Participants, the Bond Insurer or the Swap Counterparty, if any, required to be disseminated under the Rule. The Trustee shall also prepare and disseminate annually the information required to be updated from the Official Statement to comply with such Rule.

ARTICLE XII

SUPPLEMENTAL INDENTURES

Section 12.01. Supplemental Indentures Not Requiring Consent of Bondholders.

The Issuer and the Trustee may, without the consent of or notice to any of the Bondholders, but with the consent of the Bond Insurer, enter into any indenture or indentures supplemental to this Indenture for any one or more of the following purposes:

- (a) To cure any ambiguity or formal defect or omission in this Indenture;
- (b) To grant to or confer upon the Trustee for the benefit of the Bondholders any additional benefits, rights, remedies, powers or authorities that may lawfully be granted to or conferred upon the Bondholders or the Trustee or to make any change which in the judgment of the Trustee is not to the detriment of the Bondholders;
- (c) To subject to this Indenture additional revenues, properties or collateral;
- (d) To modify, amend or supplement this Indenture or any indenture supplemental hereto in such manner as to permit the qualification hereof and thereof under the Trust Indenture Act of 1939, as amended, or any similar federal statute hereafter in effect or to permit the qualification of the Bonds for sale under the securities laws of the United States of America or of any of the states of the United States of America, and, if they so determine, to add to this Indenture or any indenture supplemental hereto such other terms, conditions and provisions as may be permitted by said Trust Indenture Act of 1939, as amended, or similar federal statute;
- (e) To evidence the appointment of a separate Trustee or Co-Trustee or the succession of a new Trustee hereunder;
- (f) To provide for separate accounts within the Funds established pursuant to Article V;
- (g) To provide for certificated Bonds as contemplated by Section 2.08(c)(vii) hereof;
- (h) To make any change to reflect any provision in the Code or the interpretations thereof by the Internal Revenue Service, provided that such change does not materially adversely affect the rights of any Bondholder;
- (i) To make any change not materially adversely affecting any Bondholder's rights requested by any Rating Agency in order (i) to obtain a rating from such Rating Agency after the initial issuance of the Bonds if the Bonds are initially issued without a rating equivalent to the rating assigned to other securities supported by a Bond Insurance Policy of the Bond Insurer or (ii) to maintain any rating on the Bonds;

(j) To make any change not materially adversely affecting any Bondholder's rights to provide for or to implement the provisions of a Bond Insurance Policy; or

(k) To make any other change that does not materially adversely affect the rights of any Bondholder.

Section 12.02. Supplemental Indentures Requiring Consent of Bondholders.

Exclusive of supplemental indentures covered by Section 12.01 and subject to the terms and provisions contained in this section, and not otherwise, the Owners of not less than two-thirds in aggregate principal amount of the Bonds then Outstanding which are affected, with the consent of the Bond Insurer and the Liquidity Provider (but only insofar as such supplement affects the Liquidity Facility), shall have the right, from time to time, anything contained in this Indenture to the contrary notwithstanding, to consent to and approve the execution by the Issuer and the Trustee of such other indenture or indentures supplemental hereto as shall be deemed necessary and desirable by the Issuer or the Trustee for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in this Indenture or in any supplemental indenture; provided, however, that nothing in this Section contained shall permit, or be construed as permitting (a) without the consent of the Bond Insurer and the Owners of all then Outstanding Bonds, (i) an extension of the maturity date of the principal of or the interest on any Bond, or (ii) a reduction in the principal amount of any Bond or the rate of interest thereon, or (iii) a privilege or priority of any Bond or Bonds over any other Bond or Bonds, or (iv) a reduction in the aggregate principal amount of the Bonds required for consent to such supplemental indenture, or (v) the creation of any lien other than a lien ratably securing all of the Bonds at any time Outstanding hereunder, or (b) any modification of the trusts, powers, rights, obligations, duties, remedies, immunities and privileges of the Trustee without the written consent of the Trustee.

If at any time the Issuer shall request the Trustee to enter into any such supplemental indenture for any of the purposes of this Section, the Trustee shall, upon being satisfactorily indemnified with respect to expenses, cause notice of the proposed execution of such supplemental indenture to be mailed by first-class mail to the Bond Insurer, the Administrator and each Owner of a Bond at the address shown on the registration books. Such notice shall briefly set forth the nature of the proposed supplemental indenture and shall state that copies thereof are on file at the principal corporate trust office of the Trustee for inspection by all Bondholders. If, within 60 days or such longer period as shall be prescribed by the Issuer, following the mailing of such notice, the Owners of not less than two-thirds in aggregate principal amount of the Bonds Outstanding which are affected at the time of the execution of any such supplemental indenture shall have consented to and approved the execution thereof as herein provided, no Owner of any Bond shall have any right 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 Issuer from executing the same or from taking any action pursuant to the provisions thereof. Upon the execution of any such supplemental indenture as in this section permitted and provided, this Indenture shall be and be deemed to be modified and amended in accordance therewith.

Section 12.03. Required Opinions.

No supplemental indenture entered into pursuant to this Article XII shall be effective unless there shall have been provided to the Issuer a Favorable Opinion of Bond Counsel with respect thereto and an opinion of Counsel to the effect that such supplemental indenture has been duly authorized, executed and delivered by the parties thereto and that the requirements of this Article XII have been satisfied in connection therewith.

ARTICLE XIII

AMENDMENT OF AGREEMENTS AND PARTICIPANT BONDS

Section 13.01. Amendments Without Consent of Bondholders.

The Issuer and the Trustee may, without the consent of or notice to the Bondholders, but with the consent of the Bond Insurer, consent to any amendment, change or modification of any Loan Agreement or the Participant Bonds. The Administrator shall review all such proposed amendments and provide a recommendation with respect thereto to the Issuer. No such amendment, change or modification shall be effective, and the Administrator and the Issuer shall not give its consent or approval thereto, unless there shall have been provided to the Issuer a Favorable Opinion of Bond Counsel in respect thereto. Upon direction by the Bond Insurer, the Trustee shall join in any amendment approved by the Issuer.

ARTICLE XIV

GENERAL COVENANTS

Section 14.01. Payment of Bonds.

The Issuer covenants that it shall promptly pay the principal, interest or redemption price on every Bond issued under this Indenture at the place, on the dates and in the manner provided herein and in said Bonds according to the true intent and meaning thereof, and that it shall pay or cause to be paid to the Trustee, by 1:30 p.m., on or before the day each such payment of the principal, interest or redemption price is due, an amount sufficient to make each such payment or to reimburse the Bond Insurer to the extent such payment was made from a drawing on the Bond Insurance Policy; provided, that the principal, interest or redemption price is payable by the Issuer solely from the Revenues, and nothing in the Bonds or this Indenture shall be considered as assigning or pledging any other funds or assets or rights of the Issuer other than the Revenues and the right, title and interest of the Issuer in the Loan Agreements and any other property mentioned in the Granting Clauses hereof.

Section 14.02. Performance of Covenants; the Issuer.

The Issuer covenants that it shall faithfully perform at all times any and all covenants, undertakings, stipulations and provisions contained in this Indenture, in any and every Bond executed, authenticated and delivered hereunder and in all of its proceedings pertaining hereto. The Issuer covenants that it is duly authorized under the Constitution and laws of the State, including particularly the Act, to issue the Bonds authorized hereby and to execute this Indenture, and to evidence amounts payable thereunder and its interest in any security therefor, and to pledge the Revenues, the Participant Bonds and any other property hereby pledged in the manner and to the extent herein set forth; that all action on its part for the issuance of the Bonds and the execution and delivery of this Indenture has been duly and effectively taken, and that the Bonds in the hands of the Owners thereof are and shall be valid and enforceable obligations of the Issuer according to the terms thereof and hereof.

Section 14.03. Instruments of Further Assurance.

The Issuer agrees that the Trustee may defend its rights to the payments of the Revenues and the Participant Bonds for the benefit of the Owners of the Bonds against the claims and demands of all persons whomsoever. The Issuer covenants that it shall do, execute, acknowledge and deliver, or cause to be done, executed, acknowledged and delivered, such indentures supplemental hereto and such further acts, instruments and transfers as the Trustee may reasonably require for the better assuring, transferring, pledging, assigning and confirming unto the Trustee all and singular the rights assigned hereby and the amounts and other property pledged hereby to the payment of the principal or redemption price of and interest on the Bonds. The Issuer covenants and agrees that, except as provided herein or in the Loan Agreements, it shall not sell, convey, assign, pledge, encumber or otherwise dispose of any part of the Participant Bonds or the Revenues or its rights under the Loan Agreements or any security therefor or any other property pledged to secure the Bonds.

Section 14.04. Recording and Filing.

The Trustee shall keep or cause to be kept all financing statements related to this Indenture and all supplements hereto, the Loan Agreements and all supplements thereto and such other documents that are delivered to the Trustee as may be necessary to be filed in such manner and in such places, and, except to the extent otherwise expressly stated in or contemplated by this Indenture, the Trustee shall maintain continuous possession of any portions of the Trust Estate in which a security interest may not be perfected by filing, as may be required by law in order to preserve, protect, and perfect fully the security of the Owners of the Bonds and the rights of the Trustee hereunder. The Issuer shall cooperate with the Trustee in accomplishing the filing of any financing statements to be filed in connection therewith.

Section 14.05. Rights under the Loan Agreements and Participant Bonds.

The Resolutions, the Participant Bonds and the Loan Agreements set forth covenants and obligations of the Issuer and the Participants, including provisions that the Loan Agreements and Participant Bonds may not be effectively amended without the concurring written consent of the Trustee, as provided in Article XIII, and reference is hereby made to the Loan Agreements, the Resolutions and the Participant Bonds for a detailed statement of said covenants and obligations of the Participants under the Loan Agreements, and the Issuer agrees that the Trustee (or the Bond Insurer, as provided in Article IV hereof), in its name or, to the extent permitted by law, in the name of the Issuer, may enforce all rights of the Issuer and all obligations of the Participants under the Resolutions and the Participant Bonds and the Loan Agreements, and any documents securing them (and waive the same, except for rights expressly granted to the Issuer and not assigned to the Trustee hereunder) on behalf of the Bondholders, whether or not the Issuer is in default hereunder.

Section 14.06. Possession and Inspection of Loan Agreements and Participant Bonds.

The Trustee shall retain possession of the Participant Bonds and an executed copy of each Loan Agreement, and shall surrender Participant Bonds and release any Loan Agreement only in accordance with the provisions of this Indenture, the Participant Bonds and the Loan Agreements. The Issuer and the Trustee covenant and agree that all books and documents in their possession relating to the Loan Agreements and Participant Bonds and the distribution of the proceeds thereof shall at all times during normal business hours be open to inspection by the Bond Insurer or such accountants or other agencies or persons as the Bond Insurer may from time to time designate.

Section 14.07. Indemnification of the Trustee.

The Issuer, to the extent legally permissible and solely from its interest in the Trust Estate, shall pay, and shall protect, indemnify and save the Trustee (including all officers, employees, agents and attorneys thereof) harmless from and against any and all liabilities, losses, damages, costs and expenses (including reasonable attorneys' fees and expenses of the Issuer and the Trustee), causes of action, suits, claims, demands and judgments of whatsoever kind and nature arising out of the issuance, offering, sale, delivery, payment and purchase of the Bonds, the execution and delivery of the Indenture, the Loan Agreements, any resolution of the Issuer in connection with the foregoing and the performance by the Trustee of its respective duties and responsibilities hereunder and under the Loan Agreements, except that the Issuer shall not be required to indemnify the Trustee for its own gross negligence or willful misconduct. The Trustee shall promptly notify the Issuer in writing of any claim or action brought against the Trustee in respect of which indemnity may be sought against the Issuer, setting forth the particulars of such claim or action, and the Issuer may assume the defense thereof, including the employment of Counsel and the payment of all expenses. The Trustee may employ separate Counsel in any such action and participate in the defense thereof, but the fees and expenses of such Counsel shall not be payable by the Issuer unless such employment has been specifically authorized by the Issuer; provided, however, the Issuer shall authorize employment of such separate counsel if counsel retained by the Issuer shall advise the Trustee in writing that the interests of the Trustee and any other parties such counsel may represent in such action are in conflict. The indemnification provided in this Section shall survive the termination or discharge of this Indenture.

Section 14.08. No Recourse Against Members, Directors, or Officers of Issuer.

No recourse under, or upon, any statement, obligation, covenant, certificate, or agreement contained in this Indenture, or in any Bond, any Loan Agreement, the Bond Insurance Policy, any Investment Agreement, or in any document or certification whatsoever, or under any judgment obtained against the Issuer or by the enforcement of any assessment or by any legal or equitable proceeding by virtue of any constitution or statute or otherwise or under any circumstances, under or independent of this Indenture, any Bond, any Loan Agreement, the Bond Insurance Policy or the Investment Agreement, shall be had against any incorporator, member, director or officer, as such, past, present, or future, of the Issuer, either directly or through the Issuer or otherwise, for the payment for, or to, the Issuer or any receiver thereof, or for, or to, the Owner of any Bond or otherwise of any sum that may be due and unpaid by the Issuer upon any such Bonds, including the interest payable thereon. Any and all personal liability of every nature, whether at common law or in equity or by statute or by constitution or otherwise, of any such incorporator, member, director, or officer, as such, to respond by reason of any act or omission on his or her part or otherwise for, directly or indirectly, the payment for, or to, the Issuer or any receiver thereof, or for, or to, the Owner of any Bond issued hereunder or otherwise, of any sum that may remain due and unpaid on the Bonds, including the interest payable thereon, is hereby expressly waived and released as a condition of, and consideration for, the execution of this Indenture and the issuance of the Bonds.

ARTICLE XV

MISCELLANEOUS

Section 15.01. Consents, etc., of Bondholders.

Any consent, direction, approval, objection or other instrument required by this Indenture to be signed and executed by the Bondholders may be in any number of concurrent writings of similar tenor and may be signed or executed by such Bondholders in person or by agent appointed in writing. Proof of the execution of any such consent, request, direction, approval, objection or other instrument or of the writing appointing any such agent and of the Ownership of the Bonds, if made in the following manner, shall be sufficient for any of the purposes of this Indenture, and shall be conclusive in favor of the Trustee with regard to any action taken by it under such request or other instrument, namely:

(a) The fact and date of the execution by any person of any such writing may be proved by the certificate of any officer in any jurisdiction who by law has power to take acknowledgments within such jurisdiction that the person signing such writing acknowledged before him the execution thereof, or by an affidavit of any witness to such execution.

(b) The fact of Ownership of Bonds and the amount or amounts, numbers and other identification of the Bonds, and the date of owning the same shall be proved by the registration books of the Issuer maintained by the Trustee.

Section 15.02. Limitation of Rights.

With the exception of rights herein expressly conferred, nothing expressed or mentioned in or to be implied from this Indenture or the Bonds is intended or shall be construed to give to any person or company other than the parties hereto, the Bond Insurer and the Owners of the Bonds, any legal or equitable right, remedy or claim under or in respect to this Indenture or any covenants, conditions and provisions herein contained; this Indenture and all of the covenants, conditions and provisions hereof being intended to be and being for the sole and exclusive benefit of the parties hereto, the Bond Insurer and the Owners of the Bonds as herein provided.

Section 15.03. Severability.

If any provision of this Indenture shall be held or deemed to be or shall, in fact, be illegal, inoperative or unenforceable, the same shall not affect any other provision or provisions herein contained or render the same invalid, inoperative or unenforceable to any extent whatever.

Section 15.04. Notices.

Any notice, request, complaint, demand, communication or other paper shall be sufficiently given and shall be deemed given when delivered or mailed by first-class mail, postage prepaid, or sent by telegram or telex, addressed to the parties as follows:

Issuer: Delaware Valley Regional Finance Authority
1811 Bethlehem Pike
Flourtown Commons, Suite 350
Flourtown, PA 19031

Solicitor to the Issuer: Carmen P. Belefonte, Esq.

20 W. Third St.
P.O. Box 1670
Media, PA 19063

Trustee: TD Bank, National Association
121 S. Broad Street
Philadelphia, PA 19107

Bond Insurer: Ambac Assurance Corporation
Attn: Surveillance Department
One State Street Plaza
New York, NY 10004

S&P: Standard & Poor's Ratings Services
Municipal Finance Department
55 Water Street
New York, New York 10041
Attention: Rating Desk

Moody's: Moody's Investors Service, Inc.
7 World Trade Center
250 Greenwich Street
New York, New York 10007

The parties may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent.

Section 15.05. Payments Due on Non-Business Days.

In any case where the date of payment of principal or interest on the Bonds or the date fixed for redemption of any Bonds shall not be a Business Day, then payment of such interest or principal or the redemption price may be made on the succeeding Business Day with the same force and effect as if made on the scheduled date of payment or maturity, or the date fixed for redemption, without payment of any extra accrued interest.

Section 15.06. Counterparts.

This 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 15.07. Applicable Provisions of Law.

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

IN WITNESS WHEREOF, the DELAWARE VALLEY REGIONAL FINANCE AUTHORITY has caused this Indenture, amended and restated as of August 3, 2009, to be executed on its behalf by its Chairman, and its seal to be impressed hereon and attested by the Authorized Officers set forth below.

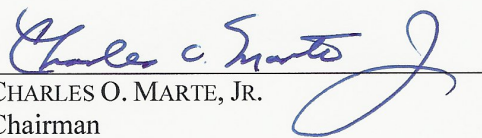
ATTEST:

DELAWARE VALLEY REGIONAL
FINANCE AUTHORITY



JOSEPH E. BRION
Secretary

By:



CHARLES O. MARTE, JR.
Chairman

(SEAL)

Dated as of: August 3, 2009

IN WITNESS WHEREOF, TD BANK, NATIONAL ASSOCIATION, as Trustee, has caused this Indenture to be executed on its behalf by one of its duly authorized officers, and its seal to be impressed hereon by one of its duly authorized officers.

TD BANK, NATIONAL ASSOCIATION

By: _____

Name:

Title:

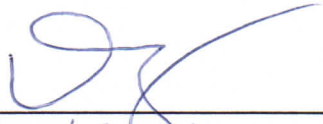
Stephen R. Schaefer
Vice President

(SEAL)

Dated as of: August 3, 2009

IN WITNESS WHEREOF, Ambac Assurance Corporation, as Bond Insurer, has consented to the amendment and restatement of this Indenture.

AMBAC ASSURANCE CORPORATION

By: 
Name: Daniel Weinberg
Title: First Vice President

Dated as of: August 3, 2009

EXHIBIT "A"
FORM OF BONDS

EXHIBIT “B”

**DELAWARE VALLEY REGIONAL FINANCE AUTHORITY
(Bucks, Chester, Delaware and Montgomery Counties, Pennsylvania)
Local Government Revenue Bonds**

**\$250,000,000
1998 Series A Bonds**

**\$25,000,000
1998 Series B Bonds (FLOATs)**

**\$25,000,000
1998 Series C Bonds (RITES)**

TERMS OF BONDS; MANDATORY REDEMPTION

Dated:	August 1, 1998 (1998 Series A Bonds and 1998 Series C Bonds)
Dated:	September 2, 1998 (1998 Series B Bonds)
Due:	August 1, 2028 (1998 Series A Bonds)
Due:	August 1, 2018 (1998 Series B Bonds and 1998 Series C Bonds)
Interest Payable:	February 1 and August 1, commencing February 1, 1999 (1998 Series A Bonds and 1998 Series C Bonds)
Interest Payable:	September 30, 1998 and each succeeding fourth Wednesday thereafter (1998 Series B Bonds)

Extraordinary Redemption

The Bonds are subject to extraordinary redemption, subject to certain conditions, in whole or in part, at the prices set forth below, from unloaned proceeds in the Acquisition Fund on any date on or after September 1, 2001, or from moneys in the Recycling Account (utilizing a “first in - first out” methodology) one year after a deposit, unless a Favorable Opinion of Bond Counsel is received. If redemption is required to be made, funds in the Acquisition Fund or Recycling Account shall be transferred to the Redemption Fund and such moneys shall be applied to purchase or redeem Bonds in the largest principal denomination that is less than or equal to the amount of such moneys, but only at such time as sufficient funds are available in the Redemption Fund to pay the principal amount of the Bonds to be redeemed, taking into account whether any Termination Payments are required to be made under any Swap Agreements.

1998 Series A Bonds

The Series A Bonds which are subject to extraordinary redemption prior to maturity shall be called at the following redemption prices:

<u>Date</u>	<u>Price</u>	<u>Date</u>	<u>Price</u>
1-Feb-99	110.185%	1-Feb-14	107.797%
1-Aug-99	110.131	1-Aug-14	107.682
1-Feb-00	110.075	1-Feb-15	107.565
1-Aug-00	110.018	1-Aug-15	107.445
1-Feb-01	109.960	1-Feb-16	107.322
1-Aug-01	109.900	1-Aug-16	107.196
1-Feb-02	109.839	1-Feb-17	107.066
1-Aug-02	109.776	1-Aug-17	106.933
1-Feb-03	109.711	1-Feb-18	106.797
1-Aug-03	109.645	1-Aug-18	106.658
1-Feb-04	109.577	1-Feb-19	106.515
1-Aug-04	109.507	1-Aug-19	106.368
1-Feb-05	109.436	1-Feb-20	106.218
1-Aug-05	109.363	1-Aug-20	106.064
1-Feb-06	109.288	1-Feb-21	105.906
1-Aug-06	109.211	1-Aug-21	105.744
1-Feb-07	109.132	1-Feb-22	105.578
1-Aug-07	109.051	1-Aug-22	105.408
1-Feb-08	108.969	1-Feb-23	105.234
1-Aug-08	108.884	1-Aug-23	105.055
1-Feb-09	108.797	1-Feb-24	104.871
1-Aug-09	108.708	1-Aug-24	104.683
1-Feb-10	108.616	1-Feb-25	104.491
1-Aug-10	108.522	1-Aug-25	104.293
1-Feb-11	108.426	1-Feb-26	104.091
1-Aug-11	108.328	1-Aug-26	103.883
1-Feb-12	108.227	1-Feb-27	103.671
1-Aug-12	108.123	1-Aug-27	103.452
1-Feb-13	108.017	1-Feb-28	103.229
1-Aug-13	107.908	1-Aug-28*	103.000

* Final Maturity.

The redemption price of a 1998 Series A Bond on any date, other than the dates as set forth above, shall equal (i) the price (calculated on the basis of a 30 day month and a 360 day year) on the date of redemption, assuming a 5.50% semiannual coupon, with a yield of 5.03%, maturing on August 1, 2028, plus (ii) 3%.

**1998 Series B Bonds
and
1998 Series C Bonds**

The 1998 Series B Bonds and 1998 Series C Bonds which are subject to extraordinary redemption prior to maturity shall be called at the following redemption prices:

<u>Date</u>	<u>Price</u>	<u>Date</u>	<u>Price</u>
1-Feb-99	110.480%	1-Feb-09	107.514%
1-Aug-99	110.364	1-Aug-09	107.324
1-Feb-00	110.244	1-Feb-10	107.130
1-Aug-00	110.121	1-Aug-10	106.931
1-Feb-01	109.996	1-Feb-11	106.728
1-Aug-01	109.867	1-Aug-11	106.519
1-Feb-02	109.736	1-Feb-12	106.305
1-Aug-02	109.601	1-Aug-12	106.086
1-Feb-03	109.462	1-Feb-13	105.862
1-Aug-03	109.321	1-Aug-13	105.632
1-Feb-04	109.176	1-Feb-14	105.396
1-Aug-04	109.027	1-Aug-14	105.155
1-Feb-05	108.875	1-Feb-15	104.908
1-Aug-05	108.718	1-Aug-15	104.655
1-Feb-06	108.559	1-Feb-16	104.395
1-Aug-06	108.395	1-Aug-16	104.130
1-Feb-07	108.227	1-Feb-17	103.857
1-Aug-07	108.055	1-Aug-17	103.578
1-Feb-08	107.879	1-Feb-18	103.292
1-Aug-08	107.698	1-Aug-18*	103.000

* Final Maturity.

The redemption price of a 1998 Series B Bond or 1998 Series C Bond on any date, other than the dates as set forth above, shall equal (i) the price (calculated on the basis of a 30 day month and a 360 day year) on the date of redemption, of such Bond assuming a 5.50% semiannual coupon, with a yield of 4.90%, maturing on August 1, 2018, plus (ii) 3%.

EXHIBIT “C”

FORM OF LOAN AGREEMENT