MASTER TRUST INDENTURE

BETWEEN

RHODE ISLAND HEALTH AND EDUCATIONAL BUILDING CORPORATION

AND

U.S. BANK NATIONAL ASSOCIATION, AS TRUSTEE

PROVIDING FOR

PUBLIC SCHOOLS REVENUE BOND FINANCING PROGRAM

Dated as of November 1, 2009

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MASTER TRUST INDENTURE

This Master Trust Indenture (the "Master Indenture") dated as of November 1, 2009 is made by and between the RHODE ISLAND HEALTH AND EDUCATIONAL BUILDING CORPORATION (with its successors, the "Corporation") a public body corporate and agency of the State of Rhode Island and Providence Plantations and U.S. BANK NATIONAL ASSOCIATION (the "Trustee") a national banking association duly organized and existing under the laws of the United States authorized to exercise corporate trust powers:

WITNESSETH:

WHEREAS, pursuant to the Act (defined below), the Corporation is authorized to issue its revenue bonds, for the purpose of financing the Cost of Projects within the meaning of the Act and as defined below; and

WHEREAS, the Corporation intends to issue its revenue bonds, potentially in several series (each a "Series of Bonds"), to provide funds to the Corporation to finance, among other things, the Cost of Projects; and

WHEREAS, the Corporation has determined that, in the issuance and sale of the Bonds, it will be acting to further the public purposes of the Act; and

WHEREAS, each Series of Bonds will be issued pursuant to an Applicable Series Indenture (defined below) which will provide for the terms of such Series of Bonds; and

WHEREAS, all things necessary to make the Bonds (defined below), when issued, executed and delivered by the Corporation and authenticated by the Trustee, to the extent required pursuant to this Master Indenture, the valid, binding and legal special obligations of the Corporation, and to constitute this Master Indenture as a valid assignment and pledge of the Trust Estate herein pledged to the payment of the principal amount, Sinking Fund Installments and Redemption Price (each defined below) of, if any, and interest on the Bonds and a valid assignment and pledge of certain rights of the Corporation has been done and performed, and the creation, execution and delivery of this Master Indenture, and the execution, issuance and delivery of the Bonds, subject to the terms hereof, have in all respects been duly authorized;

NOW, THEREFORE, THIS INDENTURE WITNESSETH, that to secure the payment of principal, Sinking Fund Installments, if any and Redemption Price of, and interest on the Applicable Series of Bonds according to their true intent and meaning, and all other amounts due from time to time under this Master Indenture and an Applicable Series Indenture, including those due to the Trustee and the Applicable Facility Provider, to secure the performance and observance of all of the covenants, agreements, obligations and conditions contained in the Bonds and in this Master Indenture and an Applicable Series Indenture, and to declare the terms and conditions upon and subject to which the Bonds are and are intended to be issued, held, secured and enforced and in consideration of the premises and the acceptance by the Trustee of the trusts created herein and of the purchase and acceptance of the Bonds by the Bondholders and for other good and valuable consideration, the receipt of which is acknowledged, the

Corporation has executed and delivered this Master Indenture and, pursuant to Section 5.01 hereof, absolutely and irrevocably pledges and assigns to the Trustee and to its successors in trust, on the basis set forth herein, and its and their assigns, all right, title and interest of the Corporation in and to the Trust Estate as defined in Article I;

TO HAVE AND TO HOLD unto the Trustee and its successors in trust and its and their assigns forever;

BUT IN TRUST, NEVERTHELESS, and subject to the provisions hereof,

(a) for the enforcement of the payment of the principal amount, Sinking Fund Installments, if any, and Redemption Price of and interest on the Bonds, and all other amounts due from time to time under this Master Indenture and an Applicable Series Indenture, including those due to the Trustee, when payable, according to the true intent and meaning thereof and of this Master Indenture and an Applicable Series Indenture, and

(b) to secure the performance and observance of and compliance with the covenants, agreements, obligations, terms and conditions of this Master Indenture and an Applicable Series Indenture,

IT IS DECLARED that all Bonds issued under and secured by this Master Indenture and any Applicable Series Indenture are to be issued, authenticated and delivered, and that all Applicable Revenues and the Borrowers' General Obligation Pledge or Special Obligation Pledge (each defined herein) assigned or pledged hereby are to be dealt with and disposed of under, upon and subject to, the terms, conditions, stipulations, covenants, agreements, obligations, trusts, uses and purposes provided in this Master Indenture and an Applicable Series Indenture; and the Corporation has agreed and covenanted, and agrees and covenants with the Trustee, the Applicable Facility Provider, if any, and with each and all Bondholders, as follows:

## ARTICLE I

## DEFINITIONS; CONTRACT AND AUTHORITY

SECTION 1.01. Definitions. Terms used but not otherwise defined herein, if used in the Applicable Agreement, shall have the meanings ascribed thereto in the Applicable Agreement. As used in this Master Indenture, unless a different meaning clearly appears from the context:

"Accreted Value" means with respect to any Capital Appreciation Bond (i) as of any Valuation Date, the amount set forth for such date in the Series Indenture authorizing such Capital Appreciation Bond and (ii) as of any date other than a Valuation Date, the sum of (a) the Accreted Value on the preceding Valuation Date and (b) the product of (1) a fraction, the numerator of which is the number of days having elapsed from the preceding Valuation Date and the denominator of which is the number of days from such preceding Valuation Date to the next succeeding Valuation Date, calculated based on the assumption that Accreted Value accrues

during any semi-annual period in equal daily amounts on the basis of a year of twelve (12) thirty-day months, and (2) the difference between the Accreted Values for such Valuation Dates;

"Act" means the Rhode Island Health and Educational Building Corporation Act, being and constituting Chapter 38.1 of Title 45, as amended of the Rhode Island General Laws;

"Administrative Fund" means such fund so designated, created and established by the Applicable Series Indenture pursuant to Section 5.02 hereof;

"Agreement" means the Financing Agreement, between the Corporation and a Borrower executed and delivered in connection with the issuance of a portion of an Applicable Series of Bonds, as from time to time amended or supplemented in accordance with the terms and provisions hereof and of the Agreement;

"Allocable Portion" means each Borrower's proportionate share of certain obligations arising under the Applicable Series of Bonds from time to time and the respective Agreements, particularly with respect to the Applicable Arbitrage Rebate Fund, the costs of issuance of such Series of Bonds, and the payment of principal, interest and redemption price of such Series of Bonds as particularly determined by the Applicable Series Indenture;

"Applicable" means (i) with respect to any Series Indenture, the Series Indenture relating to particular Bonds, (ii) with respect to any Series of Bonds, the Series of Bonds issued under a Series Indenture for a particular Borrower or Borrowers, (iii) with respect to any Agreement, the Agreement entered into by and between a Borrower and the Corporation, (iv) with respect to a Borrower, the Borrower for which a Series of Bonds is issued, (v) with respect to any Construction Fund, Debt Service Fund, Arbitrage Fund or Costs of Issuance Account in a Construction Fund, the Fund or Account established in a particular Series Indenture, and with respect to a particular Construction Account in a Construction Fund, means the Construction Account established and undertaken with respect to each Applicable Borrower, (vi) with respect to a Credit Facility or Liquidity Facility, the Credit Facility or Liquidity Facility, if any, identified in the Applicable Series Indenture, (vii) with respect to State Housing Aid, the amounts payable to the Corporation on account of a Borrower and (viii) with respect to Borrower Bonds, the Borrower Bonds issued and delivered to the Corporation by a Borrower as required by the Agreement;

"Appreciated Value" means with respect to any Deferred Income Bond (i) as of any Valuation Date, the amount set forth for such date in the Applicable Series Indenture authorizing such Deferred Income Bond and (ii) as of any date other than a Valuation Date, the sum of (a) the Appreciated Value on the preceding Valuation Date and (b) the product of (1) a fraction, the numerator of which is the number of days having elapsed from the preceding Valuation Date and the denominator of which is the number of days from such preceding Valuation Date to the next succeeding Valuation Date, calculated based on the assumption that Appreciated Value accrues during any semi-annual period in equal daily amounts on the basis of a year of twelve (12) thirty-day months, and (2) the difference between the Appreciated Values for such Valuation Dates, and (iii) as of any date of computation on and after the Interest Commencement Date, the Appreciated Value on the Interest Commencement Date;

"Arbitrage Rebate Fund" means each such fund so designated, created and established by the Applicable Series Indenture pursuant to Section 5.02 hereof;

"Authorized Newspaper" means *The Bond Buyer* or any other newspaper of general circulation printed in the English language and customarily published at least once a day for at least five days (other than legal holidays) in each calendar week in the Borough of Manhattan, City and State of New York, designated by the Corporation;

"Authorized Officer" means (i) in the case of the Corporation, the Chairperson, the Vice-Chairperson, the Treasurer, an Assistant Treasurer, the Secretary, an Assistant Secretary, and when used with reference to any act or document also means any other person authorized by a resolution or the by-laws of the Corporation to perform such act or execute such document; (ii) in the case of a Borrower, when used with reference to any act or document, means the person identified herein or in the Applicable Agreement as authorized to perform such act or execute such document; and in all other cases means the Director of Finance, Treasurer or Chief Financial Officer of the Borrower or an officer or employee of a Borrower authorized in a written instrument signed by the Director of Finance, Treasurer; and (iii) in the case of the Trustee, the President, a Vice President, a Corporate Trust Officer, an Assistant Corporate Trust Officer, a Trust Officer or an Assistant Trust Officer of the Trustee, and when used with reference to any act or document also means any other person authorized to perform any act or sign any document by or pursuant to a resolution of the Board of Directors of the Trustee or the by-laws of the Trustee;

"Basic Debt Service Payment" means all amounts payable pursuant to Section 3.1 (B) of the Applicable Agreement, including in particular the Applicable Borrower Bonds;

"Bond" or "Bonds" means any of the bonds of the Corporation authorized and issued pursuant hereto and to an Applicable Series Indenture;

"Bond Counsel" means an attorney or a law firm, appointed by the Corporation with respect to a particular Series of Bonds, having a national reputation in the field of municipal law whose opinions are generally accepted by purchasers of municipal bonds;

"Bond Year" means unless otherwise stated in the Applicable Series Indenture a period of twelve (12) consecutive months beginning May 15 in any calendar year and ending on May 14 of the succeeding calendar year;

"Bondholder," "Holder of Bonds" or "Holder" or any similar term, when used with reference to a Bond or Bonds, means the registered owner of any Bond;

"Book-Entry Bond" means a Bond authorized to be issued to, and issued to and registered in the name of, a Depository directly or indirectly for the beneficial owners thereof;

"Borrower" or "Borrowers" means with respect to an Applicable Series of Bonds, each or all of the cities, towns and regional school districts for whose benefit the Corporation shall have issued all or a portion of such Series and with whom the Corporation shall have executed one or more Agreements;

"Borrower Bonds" means the bonds, notes, or other evidences of indebtedness, which, if not required by law to be in the form of a bond or note certificate, may be represented by a Financing Agreement;

"Borrower Payment Subaccount" shall mean the subaccount established in the Debt Service Account established with respect to a Borrower into which the Trustee shall deposit payments made by the Borrower on the Borrower Bonds;

"Business Day" means any day which is not a Saturday, Sunday or a day on which banking institutions chartered by the State or the United States of America are legally authorized to close in the State or in the City of New York; provided, however, that, with respect to Option Bonds or Variable Interest Rate Bonds of a Series, such term means any day which is not a Saturday, Sunday or a day on which the New York Stock Exchange, banking institutions chartered by the State or the United States of America, the Trustee or the issuer of a Credit Facility or Liquidity Facility for such Bonds are legally authorized to close;

"Capital Appreciation Bond" means any Bond as to which interest is compounded on each Valuation Date therefor and is payable only at the maturity or prior redemption thereof;

"Code" means the Internal Revenue Code of 1986, as amended and the applicable regulations promulgated thereunder;

"Construction Fund" means each such fund so designated, created and established by the Applicable Series Indenture pursuant to Section 5.02 hereof;

"Construction Account" means each such account in a Construction Fund so designated, created and established for each Applicable Borrower by the Applicable Series Indenture pursuant to Section 5.04 hereof;

"Corporation" means the Rhode Island Health and Educational Building Corporation, a public body corporate and agency of the State created by the Act, or any body, agency or instrumentality of the State which shall hereafter succeed to the rights, powers, duties and functions of the Corporation;

"Cost" shall have the meaning as set forth in the Act;

"Credit Facility" means an irrevocable letter of credit, surety bond, loan agreement, Standby Purchase Agreement, municipal bond insurance policy or other agreement, facility or insurance or guaranty arrangement issued or extended by a bank, a trust company, a national banking association, an organization subject to registration with the Board of Governors of the Federal Reserve System under the Bank Holding Company Act of 1956 or any successor

provisions of law, a federal branch pursuant to the International Banking Act of 1978 or any successor provisions of law, a domestic branch or agency of a foreign bank which branch or agency is duly licensed or authorized to do business under the laws of any state or territory of the United States of America, a savings bank, a saving and loan association, an insurance company or association chartered or organized under the laws of any state of the United States of America, the Government National Mortgage Association or any successor thereto, the Federal National Mortgage Association or any successor thereto, or any other federal agency or instrumentality approved by the Corporation, pursuant to which the Corporation is entitled to obtain moneys to pay the principal, purchase price or Redemption Price of Bonds due in accordance with their terms or tendered for purchase or redemption, plus, accrued interest thereon to the date of payment, purchase or redemption thereof, in accordance herewith and with the Series Indenture authorizing such Bonds whether or not the Corporation is in default hereunder;

"Debt Service Fund" means each such fund so designated, created and established by the Applicable Series Indenture pursuant to Section 5.02 hereof;

"Defeasance Security" means (a) a Government Obligation of the type described in clauses (i), (ii), (iii) or (iv) of the definition of Government Obligations, (b) Federal Agency Obligations described in clauses (i) or (ii) of the definition of Federal Agency Obligations and (c) an Exempt Obligation, provided such Exempt Obligation (i) is not subject to redemption prior to maturity other than at the option of the holder thereof or as to which irrevocable instructions have been given to the trustee of such Exempt Obligation by the obligor thereof to give due notice of redemption and to call such Exempt Obligation for redemption on the date or dates specified in such instructions and such Exempt Obligation is not otherwise subject to redemption prior to such specified date other than at the option of the holder thereof, (ii) is secured as to principal and interest and redemption premium, if any, by a fund consisting only of cash or Government Obligations, which fund may be applied only to the payment of such principal of and interest and redemption premium, if any, on such Exempt Obligation on the maturity date thereof or the redemption date specified in the irrevocable instructions referred to in clause (i) above, (iii) as to which the principal of and interest on the direct obligations of the United States of America which have been deposited in such fund, along with any cash on deposit in such fund, are sufficient to pay the principal of and interest and redemption premium, if any, on such Exempt Obligation on the maturity date or dates thereof or on the redemption date or dates specified in the irrevocable instructions referred to in clause (i) above, and (iv) is rated by at least two nationally recognized Rating Agencies in the highest rating category for such Exempt Obligation; provided, however, that (1) such term shall not include any interest in a unit investment trust or mutual fund or (2) any obligation that is subject to redemption prior to maturity other than at the option of the holder thereof;

"Deferred Income Bond" means any Bond as to which interest accruing thereon prior to the Interest Commencement Date of such Bond is compounded on each Valuation Date for such Deferred Income Bond, and as to which interest accruing after the Interest Commencement Date is payable semi-annually on each Interest Payment Date;

"Depository" means The Depository Trust Company, New York, New York, a limited purpose trust company organized under the laws of the State, or its nominee, or any other person, firm, association or corporation designated in the Series Indenture authorizing a Series of Bonds to serve as securities depository for the Bonds of such Series;

"Exempt Obligation" means (i) an obligation of any state or territory of the United States of America, any political subdivision of any state or territory of the United States of America, or any agency, authority, public benefit corporation or instrumentality of such state, territory or political subdivision, the interest on which is excludable from gross income under Section 103 of the Code, which is not a "specified private activity bond" within the meaning of Section 57(a)(5) of the Code and which, at the time an investment therein is made or such obligation is deposited in any fund or account hereunder, carries a rating no lower than the rating carried by general obligation bonds of the State, (ii) a certificate or other instrument which evidences the beneficial ownership of, or the right to receive all or a portion of the payment of the principal of or interest on any of the foregoing and (iii) a share or interest in an open-end investment company or association or investment trust wholly comprised of any of the foregoing obligations which is registered in an open-end investment company or association or investment trust wholly comprised of such obligations which is registered under the Federal Investment Company Act of 1940 and which company association or trust shall comply with the provisions of Section 35-10-11 of the Rhode Island General Laws or any other applicable general or special law relating to investments;

"Facility Provider" means the issuer of a Credit Facility or a Liquidity Facility delivered to the Applicable Trustee;

"Federal Agency Obligation" means (i) an obligation issued by any federal agency or instrumentality, (ii) an obligation the principal of and interest on which are fully insured or guaranteed as to payment by a federal agency, (iii) a certificate or other instrument which evidences the beneficial ownership of, or the right to receive all or a portion of the payment of the principal of or interest on any of the foregoing and (iv) a share or interest in an open-end investment company or association or investment trust wholly comprised of such obligations which is registered under the Federal Investment Company Act of 1940 and which company association or trust shall comply with the provisions of Section 35-10-11 the Rhode Island General Laws or any other applicable general or special law relating to investments;

"Fitch" means Fitch, Inc., a corporation organized and created under the laws of the State of Delaware and its successors and assigns;

"General Obligation Pledge" means the pledge of the full faith and credit and taxing power of a Borrower to the Corporation pursuant to an Applicable Agreement to secure the Borrower's obligations under such Agreement;

"General Treasurer" means the General Treasurer of the State;

"Government Obligation" means (i) a direct obligation of the United States of America, (ii) an obligation the principal of and interest on which are fully guaranteed as to payment of principal and interest by the United States of America, (iii) an obligation to which the full faith and credit of the United States of America are pledged, (iv) a certificate or other instrument which evidences the beneficial ownership of, or the right to receive all or a portion of the payment of the principal of or interest on any of the foregoing and (v) a share or interest in a an open end investment company or association or investment trust wholly comprised of any of the foregoing obligations which is registered under the Federal Investment Company Act of 1940 and which company, association or trust shall comply with the provisions of Section 35-10-11 the Rhode Island General Laws or any other applicable general or special law relating to investments;

"Indenture" or "Master Indenture" means this Master Trust Indenture between the Corporation and the Trustee providing for the Borrower's Reserve Bond Financing Program, as from time to time amended or supplemented by Supplemental Indentures in accordance with the terms and provisions hereof;

"Interest Commencement Date" means, with respect to any particular Deferred Income Bond, the date prior to the maturity date thereof specified in the Applicable Series Indenture authorizing such Bond, after which interest accruing on such Bond shall be payable on the Interest Payment Date immediately succeeding such Interest Commencement Date and semi-annually thereafter on each Interest Payment Date;

"Interest Payment Date" means, unless otherwise provided in the Applicable Series Indenture, May 15 and November 15 of each Bond Year;

"Investment Agreement" means a repurchase agreement or other agreement for the investment of moneys with a Qualified Financial Institution;

"Liquidity Facility" means an irrevocable letter of credit, surety bond, loan agreement, Standby Purchase Agreement, line of credit or other agreement or arrangement issued or extended by a bank, a trust company, a national banking association, an organization subject to registration with the Board of Governors of the Federal Reserve System under the Bank Holding Company Act of 1956 or any successor provisions of law, a federal branch pursuant to the International Banking Act of 1978 or any successor provisions of law, a savings bank, a domestic branch or agency of a foreign bank which branch or agency is duly licensed or authorized to do business under the laws of any state or territory of the United States of America, a savings and loan association, an insurance company or association chartered or organized under the laws of any state of the United States of America, the Government National Mortgage Association or any successor thereto, the Federal National Mortgage Association or any successor thereto, or any other federal agency or instrumentality approved by the Corporation, pursuant to which moneys are to be obtained upon the terms and conditions contained therein for the purchase or redemption of Option Bonds tendered for purchase or redemption in accordance with the terms hereof and of the Applicable Series Indenture authorizing such Bonds;

"Maximum Interest Rate" means, with respect to any particular Variable Interest Rate Bond, the numerical rate of interest, if any, set forth in the Series Indenture authorizing such Bond, that shall be the maximum rate at which such Bond may bear interest at any time;

"Memorandum of Understanding" means the Memorandum of Understanding, among the Corporation, the General Treasurer of the State of Rhode Island and the Controller of the State of Rhode Island, and acknowledged by the Department of Elementary and Secondary Education, providing for payment of the State's share of school housing project costs as determined in accordance with Rhode Island General Laws Sections 16-7-35 through 16-7-47, as amended, or any future legislation providing for such payment;

"Minimum Interest Rate" means, with respect to any particular Variable Interest Rate Bond, a numerical rate of interest, if any, set forth in the Series Indenture authorizing such Bond, that shall be the minimum rate at which such Bonds may bear interest at any time;

"Moody's" means Moody's Investors Service, a corporation organized and existing under the laws of the State of Delaware, or its successors and assigns;

"Option Bond" means any Bond which by its terms may be tendered by and at the option of the Holder thereof for redemption by the Corporation prior to the stated maturity thereof or for purchase thereof, or the maturity of which may be extended by and at the option of the Holder thereof in accordance with the Series Indenture authorizing such Bonds;

"Outstanding" when used in reference to Bonds, means, as of a particular date, all Bonds authenticated and delivered hereunder and under any Applicable Series Indenture except: (i) any Bond cancelled by the Applicable Trustee at or before such date; (ii) any Bond deemed to have been paid in accordance with Section 12.01 hereof; (iii) any Bond in lieu of or in substitution for which another Bond shall have been authenticated and delivered pursuant to Article III, Section 4.06 or Section 10.07 hereof; and (iv) Option Bonds tendered or deemed tendered in accordance with the provisions of the Series Indenture authorizing such Bonds on the applicable adjustment or conversion date, if interest thereon shall have been paid through such applicable date and the purchase price thereof shall have been paid or amounts are available for such payment as provided herein and in the Series Indenture authorizing such Bonds;

"Paying Agent" means, with respect to the Bonds of any Series, the Trustee and any other bank or trust company and its successor or successors, appointed pursuant to the provisions hereof and of a Series Indenture or any other resolution of the Corporation adopted prior to authentication and delivery of the Series of Bonds for which such Paying Agent or Paying Agents shall be so appointed;

"Permitted Collateral" means (i) Government Obligations described in clauses (i), (ii) or (iii) of the definition of Government Obligations, (ii) Federal Agency Obligations described in clauses (i) or (ii) of the definition of Federal Agency Obligations, or (iii) financial guaranty agreements, surety or other similar bonds or other instruments of an insurance company that has an equity capital of at least $125,000,000 and is rated by Bests Insurance Guide or a nationally recognized Rating Agency in the highest rating category;

"Permitted Investments" means any of the following:

(i) Government Obligations;

(ii) Federal Agency Obligations;

(iii) Exempt Obligations;

(iv) Uncollateralized certificates of deposit that are fully insured by the Federal Deposit Insurance Corporation and issued by a banking organization authorized to do business in the State and having its principal office or a deposit-taking facility in the State.

(v) Collateralized certificates of deposit that are (a) issued by a banking organization authorized to do business in the State that has an equity capital of not less than $125,000,000, whose unsecured senior debt, or debt obligations fully secured by a letter or credit, contract, agreement or surety bond issued by it, are rated by at least one nationally recognized Rating Agency in at least the second highest rating category, and (b) are fully collateralized by Permitted Collateral; and

(vi) Investment Agreements that are fully collateralized by Permitted Collateral;

"Projects" means " projects" as defined in the Act and described in Exhibit A to the Applicable Agreement and may include costs that are not for reimbursement under Rhode Island General Laws Chapter 16-7;

"Qualified Financial Institution", means any of the following entities that has an equity capital of at least $125,000,000 or whose obligations are unconditionally guaranteed by an affiliate or parent having an equity capital of at least $125,000,000:

(i) a securities dealer, the liquidation of which is subject to the Securities Investors Protection Corporation or other similar corporation, and (a) that is on the Federal Reserve Bank of New York list of primary government securities dealers and (b) whose senior unsecured long term debt is at the time an investment with it is made is rated by at least one nationally recognized Rating Agency no lower than in the second highest rating category, or, in the absence of a rating on long term debt, whose short term debt is rated by at least one nationally recognized Rating Agency no lower than in the highest rating category for such short term debt; provided, however, that no short term rating may be utilized to determine whether an entity qualifies under this paragraph as a Qualified Financial Institution if the same would be inconsistent with the rating criteria of any Rating Agency or credit criteria of an entity that provides a Credit Facility or financial guaranty agreement in connection with Outstanding Bonds;

(ii) a bank, a trust company, a national banking association, a corporation subject to registration with the Board of Governors of the Federal Reserve System under the Bank Holding Company Act of 1956 or any successor provisions of law, a federal

branch pursuant to the International Banking Act of 1978 or any successor provisions of law, a domestic branch or agency of a foreign bank which branch or agency is duly licensed or authorized to do business under the laws of any state or territory of the United States of America, a savings bank, a savings and loan association, an insurance company or association chartered or organized under the laws of the United States of America, any state of the United States of America or any foreign nation, whose senior unsecured long term debt is at the time an investment with it is made is rated by at least one nationally recognized Rating Agency no lower than in the second highest rating category, or, in the absence of a rating on long term debt, whose short term debt is rated by at least one nationally recognized Rating Agency no lower than in the highest rating category for such short term debt; provided, however, that no short term rating may be utilized to determine whether an entity qualifies under this paragraph as a Qualified Financial Institution if the same would be inconsistent with the rating criteria of any Rating Agency or credit criteria of an entity that provides a Credit Facility or financial guaranty agreement in connection with Outstanding Bonds;

(iii) a corporation affiliated with or which is a subsidiary of any entity described in (i) or (ii) above or which is affiliated with or a subsidiary of a corporation which controls or wholly owns any such entity, whose senior unsecured long term debt is at the time an investment with it is made is rated by at least one nationally recognized Rating Agency no lower than in the second highest rating category, or, in the absence of a rating on long term debt, whose short term debt is rated by at least one nationally recognized Rating Agency no lower than in the highest rating category for such short term debt; provided, however, that no short term rating may be utilized to determine whether an entity qualifies under this paragraph as a Qualified Financial Institution if the same would be inconsistent with the rating criteria of any Rating Agency or credit criteria of an entity that provides a Credit Facility or financial guaranty agreement in connection with Outstanding Bonds;

(iv) the Government National Mortgage Association or any successor thereto, the Federal National Mortgage Association or any successor thereto, or any other federal agency or instrumentality approved by the Corporation; or

(v) a corporation whose obligations, including any investments of any moneys held hereunder purchased from such corporation, are insured by an insurer that meet the applicable rating requirements set forth above;

"Rating Agency" means each of Moody's, S&P and Fitch in each case, which has assigned a rating on a Series of Bonds at the request of the Corporation and who continues to apply a rating on such Bonds at the time in question, or their respective successors and assigns;

"Record Date" means, unless the Series Indenture relating to the Applicable Series of Bonds provides otherwise, the fifteenth (15th) day (whether or not a Business Day) preceding an Interest Payment Date;

"Redemption Price", when used with respect to a Bond, means the principal amount of such Bond plus the applicable premium, if any, payable upon redemption prior to maturity thereof pursuant hereto or to the Applicable Series Indenture;

"Refunding Bonds" means all Bonds, whether issued in one or more Series of Bonds, authenticated and delivered on original issuance pursuant to Section 2.04 hereof, and any Bonds thereafter authenticated and delivered in lieu of or in substitution for such Bonds pursuant to Article III, Section 4.06 or Section 10.07 hereof;

"Remarketing Agent" means the person appointed by or pursuant to a Series Indenture authorizing the issuance of Option Bonds to remarket such Option Bonds tendered or deemed to have been tendered for purchase in accordance with such Series Indenture relating to such Option Bonds;

"Remarketing Agreement" means, with respect to Option Bonds of a Series, an agreement between the Corporation and the Remarketing Agent relating to the remarketing of such Bonds;

"Revenues" means (i) the Basic Debt Service Payment paid by a Borrower pursuant to Section 3.1 (B) of the Applicable Agreement, which includes amounts payable by each Borrower under the Applicable Borrower Bonds, (ii) Applicable State Housing Aid, to the extent received by the Corporation with respect to Applicable Borrower Bonds, and (iii) the right to receive the same and the proceeds thereof and of such right;

"S&P" means Standard & Poor's Ratings Services, a division of The McGraw-Hill Corporation, or its successors and assigns;

"Serial Bonds" means, with respect to Bonds of a Series, the Bonds so designated in an Applicable Series Indenture;

"Series" means all of the Bonds authenticated and delivered on original issuance and pursuant hereto and to the Applicable Series Indenture authorizing such Bonds as a separate Series of Bonds, and any Bonds thereafter authenticated and delivered in lieu of or in substitution for such Bonds pursuant to Article III, Section 4.06 or Section 10.07 hereof, regardless of variations in maturity, interest rate, Sinking Fund Installments or other provisions;

"Series Indenture" means an indenture between the Corporation and the Trustee providing for the issuance of a Series of Bonds entered into pursuant to Article II hereof;

"Sinking Fund Installment" means, as of any date of calculation, when used with respect to any Bonds of a Series, other than Option Bonds or Variable Interest Rate Bonds, so long as any such Bonds are Outstanding, the amount of money required hereby or by the Series Indenture pursuant to which such Bonds were issued, to be paid on a single future May 15 or November 15 for the retirement of any Outstanding Bonds of said Series which mature after said future May 15 or November 15, but does not include any amount payable by the Corporation by reason only of the maturity of a Bond, and said future May 15 or November 15 is deemed to be

the date when a Sinking Fund Installment is payable and the date of such Sinking Fund Installment and said Outstanding Bonds are deemed to be Bonds entitled to such Sinking Fund Installment, and when used with respect to Option Bonds or Variable Interest Rate Bonds of a Series, so long as such Bonds are Outstanding, the amount of money required by the Series Indenture pursuant to which such Bonds were issued, to be paid on a single future date for the retirement of any Outstanding Bonds of said Series which mature after said future date, but does not include any amount payable by the Corporation by reason only of the maturity of a Bond, and said future date is deemed to be the date when a Sinking Fund Installment is payable and the date of such Sinking Fund Installment and said Outstanding Option Bonds or Variable Rate Interest Bonds of such Series are deemed to be Bonds entitled to such Sinking Fund Installment;

"Special Obligation Pledge" means the pledge of monies to the extent they become legally available by appropriation by the Borrower or otherwise, and which does not constitute a pledge of the full faith and credit and taxing power of the Borrower, made by a Borrower to the Corporation pursuant to an Applicable Agreement to secure the Borrower's obligations under such Agreement;

"Standby Purchase Agreement" means an agreement by and between the Corporation and another person or by and among the Corporation, one or more Borrowers and another person, pursuant to which such person is obligated to purchase an Option Bond tendered for purchase;

"State" means the State of Rhode Island and Providence Plantations;

"State Housing Aid" shall mean aid provided by the State pursuant to Sections 16-7-40, 16-7-41 and 16-7-44 of the Rhode Island General Laws and pursuant to all acts supplementing such sections or pursuant to any other law hereafter enacted providing for funds to cities, towns and regional school districts in lieu of or in substitution for the funds presently provided pursuant to such sections;

"State Payment Subaccount" shall mean the subaccount established in the Debt Service Account established with respect to a Borrower into which the Trustee shall deposit State Housing Aid received with respect to the Borrower Bond issued to secure the Corporation's Bonds of a Series;

"State's Portion" shall mean the portion of the Borrower Bond debt service payments payable by the State as determined by application of the "school housing ratio" for a Borrower, as in effect from time to time pursuant to Chapter 7 of Title 16 of the General Laws of Rhode Island and all acts supplementing such Chapter or pursuant to any other law hereafter enacted providing for funds to cities, towns and regional school districts and regulations promulgated thereunder;

"Supplemental Indenture" means any indenture of the Corporation amending or supplementing the Indenture, any Applicable Series Indenture or any Supplemental Indenture executed, delivered and becoming effective in accordance with the terms and provisions of Article IX hereof;

"Tax Certificate" means the Tax Certificate concerning certain matters pertaining to the use of proceeds of the Bonds executed by and delivered to the Corporation and the Trustee on the date of issuance of the Bonds, including any and all exhibits attached thereto;

"Term Bonds" means, with respect to Bonds of a Series, the Bonds so designated in an Applicable Series Indenture and payable from Sinking Fund Installments;

"Trust Estate" means the proceeds from the sale of an Applicable Series of Bonds, the Applicable Revenues, the Applicable State Housing Aid, to the extent received by the Corporation with respect to Applicable Borrower Bonds; all funds authorized hereby and established pursuant to an Applicable Series Indenture, other than an Applicable Arbitrage Rebate Fund and the Applicable Administrative Fund, all as pledged and assigned to the Trustee pursuant to Section 5.01 hereof;

"Trustee" means the bank or trust company appointed as Trustee for the Bonds pursuant to this Master Indenture or any Supplemental Indenture and having the duties, responsibilities and rights provided for herein, and its successor or successors and any other bank or trust company which may at any time be substituted in its place pursuant hereto;

"Valuation Date" means (i) with respect to any Capital Appreciation Bond, the date or dates set forth in the Series Indenture authorizing such Bond on which specific Accreted Values are assigned to such Capital Appreciation Bond, and (ii) with respect to any Deferred Income Bond, the date or dates prior to the Interest Commencement Date and the Interest Commencement Date set forth in the Series Indenture authorizing such Bond on which specific Appreciated Values are assigned to such Deferred Income Bond;

"Variable Interest Rate" means the rate or rates of interest to be borne by a Series of Bonds or any one or more maturities within a Series of Bonds which is or may be varied from time to time in accordance with the method of computing such interest rate or rates specified in the Series Indenture authorizing such Bonds, which shall be based on (i) a percentage or percentages or other function of an objectively determinable interest rate or rates (e.g., a prime lending rate) which may be in effect from time to time or at a particular time or times or (ii) a stated interest rate that may be changed from time to time as provided in the Series Indenture authorizing such Bonds; provided, however, that such variable interest rate may be subject to a Maximum Interest Rate and a Minimum Interest Rate and that there may be an initial rate specified, in each case as provided in such Series Indenture; provided, further, that such Series Indenture shall also specify either (x) the particular period or periods of time or manner of determining such period or periods of time for which each variable interest rate shall remain in effect or (y) the time or times at which any change in such variable interest rate shall become effective or the manner of determining such time or times; and

"Variable Interest Rate Bond" means any Bond which bears a Variable Interest Rate; provided, however, that a Bond the interest rate on which shall have been fixed for the remainder of the term thereof shall no longer be a Variable Interest Rate Bond.

Words of the masculine gender shall be deemed and construed to include .correlative words of the feminine and neuter genders. Unless the context shall otherwise indicate, words importing the singular number shall include the plural number and vice versa, and words importing persons shall include firms, associations and corporations, including public bodies as well as natural persons.

The terms "hereby," "hereof," "hereto," "herein," "hereunder," and any similar terms, as used in the Indenture, refer to the Indenture.

SECTION 1.02. Authority for the Indenture. The Indenture is entered into pursuant to the provisions of the Act.

SECTION 1.03. Master Indenture, the Series Indentures, and the Bonds Constitute Separate Contracts. It is the intent of this Master Indenture to authorize the issuance by the Corporation, from time to time, of its revenue bonds in one or more Series, each such Series to be authorized by a separate Applicable Series Indenture and, *inter alia* to be separately secured from each other Series of Bonds. Each such Series of Bonds shall be separate and apart from any other Series of Bonds authorized by a different Series Indenture and the Holders of Bonds of such Series shall not be entitled to the rights and benefits conferred upon the Holders of Bonds of any other Series of Bonds by the respective Series Indenture authorizing such Series of Bonds. With respect to each Applicable Series of Bonds, in consideration of the purchase and acceptance of any and all of the Bonds of an Applicable Series authorized to be issued hereunder and under the Applicable Series Indenture by those who shall hold or own the same from time to time, this Master Indenture and the Applicable Series Indenture shall be deemed to be and shall constitute a contract among the Corporation, the Trustee and the Holders from time to time of the Bonds of an Applicable Series, and the pledge and assignment made herein and the covenants and agreements set forth to be performed by or on behalf of the Corporation shall be for the equal and ratable benefit, protection and security of the Holders of any and all of the Bonds of such Series, all of which, regardless of the time or times of their issue or maturity, shall be of equal rank without preference, priority or distinction of any Bonds of a Series over any other Bonds of such Series except as expressly provided herein or permitted hereby or by the Applicable Series Indenture.

## ARTICLE II

## AUTHORIZATION AND ISSUANCE OF BONDS

SECTION 2.01. Authorization of Bonds. There are hereby authorized Bonds of the Corporation of each Applicable Series to be issued as hereinafter provided. The Bonds of each Series shall be special obligations of the Corporation payable solely from the Revenues pledged for the payment thereof and all funds and accounts (excluding the Applicable Arbitrage Fund and the Applicable Administrative Fund) authorized by the Indenture and established by the Applicable Series Indenture, all in the manner more particularly provided herein. The aggregate principal amount of Bonds of a Series which may be executed, authenticated and delivered is not limited except as provided hereby and by the Applicable Series Indenture.

The Bonds of each Series of the Corporation shall not be a debt of the State, nor shall the State be liable thereon, nor shall the Bonds be payable out of any funds other than those of the Corporation hereby pledged to the payment of the principal, Sinking Fund Installments, if any, and Redemption Price of and interest on such Series of Bonds.

The Bonds may, if and when authorized by the Corporation pursuant hereto and to one or more Series Indentures, be issued in one or more Series and the Bonds of each Series shall contain an appropriate Series designation.

Nothing contained herein shall be deemed to preclude or restrict the consolidation pursuant to a Series Indenture of any Bonds of any two or more separate Series authorized pursuant hereto and to any such Series Indenture to be issued pursuant to any of the provisions of Sections 2.03 and 2.04 hereof into a single Series of Bonds for purposes of sale and issuance; provided, however, that each of the tests, conditions and other requirements contained in Sections 2.02; 2.03 and 2.04 hereof as applicable to each such separate Series shall be met and complied with. Except as otherwise provided in this Section or in such Series Indenture, such a consolidated Series shall be treated as a single Series of Bonds for all purposes hereof.

SECTION 2.02. Provisions for Issuance of a Series of Bonds. The issuance of Bonds of a Series shall be authorized by a Series Indenture or Series Indentures entered into at the time of or subsequent to the date hereof. The Bonds of a Series authorized to be issued shall be executed in accordance with Section 3.04 hereof and delivered to the Trustee. Such Bonds of a Series shall be authenticated by the Trustee from time to time and in such amounts as directed by the Corporation and by it delivered to or upon the order of the Corporation upon receipt of the consideration therefor and upon delivery to the Trustee of:

1. A copy of this Indenture and a copy of the Series Indenture authorizing such Series of Bonds executed by the Corporation and the Trustee;

2. A copy of the Applicable Agreement, executed by the Corporation and the Applicable Borrower, together with all Exhibits;

3. A written executed order as to the delivery of such Series of Bonds, describing such Bonds to be delivered, designating the purchaser or purchasers to whom such Bonds are to be delivered and stating the consideration for such Bonds;

4. Except in the case of Refunding Bonds, a certificate of an Authorized Officer of each Applicable Borrower stating that such Borrower is not in default in the performance of any of the covenants, conditions, agreements or provisions contained herein or in the Applicable Series Indenture and the Applicable Agreement;

5. An opinion of Bond Counsel stating that the Master Indenture and the Applicable Series Indenture authorizing the Series of Bonds have been duly and lawfully authorized, executed and delivered by the Corporation, that the Master Indenture and the Applicable Series Indenture are in full force and effect and are valid and binding upon the Corporation and enforceable in accordance with their terms; that the Master Indenture and Applicable Series

Indenture create a valid pledge and a valid lien upon the Revenues which it purports to create, subject only to the provisions of such Master Indenture and Applicable Series Indenture permitting the withdrawal, payment setting apart or appropriation thereof for the purposes and on the terms and conditions set forth in the Master Indenture and the Applicable Series Indenture; and that the Corporation is duly authorized and entitled to issue such Series of Bonds and, upon the execution and delivery thereof and upon authentication by the Trustee, such Series of Bonds will be duly and validly issued and will constitute a valid and binding special obligation of the Corporation entitled to the benefits of the Master Indenture and Applicable Series Indenture; provided, however, that such opinion may be qualified to the extent that enforceability of rights and remedies maybe limited by bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights generally or as to the availability of any particular remedy;

6. An executed copy of the Memorandum of Understanding;

7. The Borrower Bonds required to be issued and delivered to the Corporation by each Applicable Borrower pursuant to the Applicable Agreement.

SECTION 2.03. Series Indentures. Each Series Indenture authorizing the issuance of a Series of Bonds shall specify, or delegate to an Authorized Officer of the Corporation the power to determine and carry out, the following:

(a) The authorized principal amount of such Series of Bonds;

(c) The Borrower or Borrowers for whose benefit the Bonds of such Series are to be issued, and the purpose or purposes for which such Series of Bonds is being issued, which shall be limited to (i) financing or refinancing the Costs of the Projects, (ii) payment of the costs of issuance of such Series of Bonds, (iii) funding or refunding of Bonds, which may include interest thereon, and (iv) funding or refunding of notes or bonds of the Corporation or an Applicable Borrower, which may include interest thereon, all or a portion of the proceeds of which were issued to finance or refinance Costs of the Projects for the payment of which Bonds may be issued hereunder;

(d) The date or dates, the maturity date or dates and principal amounts of each maturity of the Bonds of such Series, the amount and date of each Sinking Fund Installment, if any, and which Bonds of such Series are Serial Bonds or Term Bonds, if any, and the Record Date or Record Dates of the Bonds of such Series for which the Record Date or Record Dates is other than the fifteenth (15th) day preceding an Interest Payment Date for such Bonds;

(e) Except in the case of Capital Appreciation Bonds and Deferred Income Bonds prior to the Interest Commencement Date, the interest rate or rates, if any, of the Bonds of such Series or the manner of determining such rate or rates, the date from which interest on the Bonds of such Series shall accrue, the first date on which interest on the Bonds of such Series shall be payable and the date or dates on which the rate at which Variable Interest Rate Bonds of such Series bear interest shall be adjusted and the date or dates on which interest on such Variable

Interest Rate Bonds shall be paid, or the manner of determining the same and the manner in which interest is to be paid on such Variable Interest Rate Bonds;

(f) If Bonds of such Series are Capital Appreciation Bonds, the Valuation Dates for such Bonds and the Accreted Value on each such Valuation Date;

(g) If Bonds of such Series are Deferred Income Bonds, the Interest Commencement Date for such Bonds, the Valuation Date or Dates prior to the Interest Commencement Date for such Bonds and the Appreciated Value on each such Valuation Date;

(h) The Maximum Interest Rate, if any, in connection with any Variable Interest Rate Bonds or Option Bonds of such Series;

(i) If Bonds of such Series are Option Bonds, provisions regarding the tender for purchase or redemption thereof, payment of the purchase or Redemption Price thereof and the appointment of a Remarketing Agent with respect thereto;

(j) The denomination or denominations of and the manner of numbering and lettering the Bonds of such Series;

(k) The Paying Agent or Paying Agents for such Bonds and, subject to the provisions of Section 3.01 hereof, the place or places of payment of the principal, Sinking Fund Installments, if any, or Redemption Price of and interest on the Bonds of such Series; provided, however, that such Paying Agent or Paying Agents may be appointed by resolution adopted prior to authentication and delivery of such Series of Bonds in accordance with the provisions of Section 8.02 hereof;

(l) The Redemption Price or Redemption Prices, if any, and, subject to Article IV hereof, the redemption terms, if any, for the Bonds of such Series;

(m) Provisions for the sale or exchange of the Bonds of such Series and for the delivery thereof;

(n) The form of the Bonds of such Series and the form of the Trustee's certificate of authentication thereon, and whether any Bonds of such Series are to be issued as Book-Entry Bonds and the Depository therefor;

(o) Directions for the application of the proceeds of the Bonds of such Series;

(p) For all Bonds other than those denoted as federally taxable, covenants as shall be necessary to maintain the exclusion of interest on such Bonds from gross income for federal income tax purposes;

(q) The rights, powers and privileges of the Facility Provider providing a Credit Facility for Bonds of such Series; and

(r) Any other provisions deemed advisable by an Authorized Officer of the Corporation, not in conflict with the provisions hereof.

SECTION 2.04. Refunding Bonds. All or any portion of one or more Series of Refunding Bonds may be authenticated and delivered upon original issuance to refund all Outstanding Bonds, one or more Series of Outstanding Bonds, a portion of a Series of Outstanding Bonds or a portion of a maturity of a Series of Outstanding Bonds. The Corporation may issue Refunding Bonds in an aggregate principal amount sufficient, together with other moneys available therefor, to accomplish such refunding and to make such deposits required by the provisions of this Section and by the Series Indenture authorizing such Series of Refunding Bonds.

The Refunding Bonds of such Series shall be authenticated and delivered by the Trustee only upon receipt by the Trustee (in addition to the documents required by Section 2.02 hereof) of:

(a) If the Bonds to be refunded are to be redeemed, irrevocable instructions to the Trustee, satisfactory to it, to give due notice of redemption of all the Bonds to be refunded on a redemption date specified in such instructions;

(b) Irrevocable instructions to the Trustee, satisfactory to it, to duly give the notice provided for in Section 12.01 hereof to the Holders of the Bonds being refunded;

(c) Either (i) moneys in an amount sufficient to effect payment of the principal at maturity or the Redemption Price at the applicable Redemption Price of the Bonds to be refunded, together with accrued interest on such Bonds to the maturity or redemption date, which money shall be held by the Trustee or any one or more of the Paying Agents in a separate account irrevocably in trust for and assigned to the respective Holders of the Bonds to be refunded or (ii) Defeasance Securities in such principal amounts, of such maturities, bearing such interest and otherwise having such terms and qualifications, as shall be necessary to comply with the provisions of said Section 12.01 hereof, which Defeasance Securities and moneys shall be held in trust and used only as provided in said Section; and

(d) A certificate of an Authorized Officer of the Corporation containing such additional statements as may be reasonably necessary to show compliance with the requirements of this Section.

The proceeds, including accrued interest, of Refunding Bonds shall be applied simultaneously with the delivery of such Refunding Bonds in the manner provided in or as determined in accordance with the Series Indenture authorizing such Refunding Bonds.

SECTION 2.05. Additional Obligations. The Corporation reserves the right to issue bonds, notes or any other obligations or otherwise incur indebtedness pursuant to other and separate indentures or agreements of the Corporation, so long as such bonds, notes or other obligations are not, or such other indebtedness is not entitled to a charge, lien or right prior or equal to the charge or lien created hereby and pursuant to an Applicable Series Indenture, or

prior or equal to the rights of the Corporation and Holders of an Applicable Series of Bonds provided hereby or with respect to the moneys pledged hereunder or pursuant to an Applicable Series Indenture.

## ARTICLE III

## GENERAL TERMS AND PROVISIONS OF BONDS

SECTION 3.01. Place and Medium of Payment. The Bonds shall be payable, with respect to interest, principal, Sinking Fund Installments and Redemption Price, in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts. Except as otherwise provided in Section 4.06 hereof, upon presentation and surrender of Bonds, the principal, Sinking Fund Installments or Redemption Price of such Bonds shall be payable at the principal corporate trust office of the Trustee. Except as otherwise provided in a Series Indenture authorizing the issuance of Variable Interest Rate Bonds or Option Bonds, interest on the Bonds shall be paid by check or draft mailed to the registered owner thereof at the address thereof as it appears on the registry books of the Corporation; provided, however, that interest on Bonds of a Series may be authorized to be paid, at the option of the registered owner of at least one million dollars ($1,000,000) in principal amount of Bonds of such Series, by wire transfer to such registered owner at the wire transfer address in the continental United States to which such registered owner has, not less than five (5) days prior to the Record Date immediately preceding such Interest Payment Date for such Bonds, directed the Trustee to wire such interest payment. For purposes of this Section, interest is payable to the registered owner of a Bond at the close of business on the Record Date for such Bond. All payments of principal, Sinking Fund Installments or Redemption Price of or interest on Bonds shall specify the CUSIP number or numbers of the Bonds in connection with which such payment is made.

The Bonds of each Series shall be issued in the form of fully registered Bonds without coupons.

Bonds of each Series issued prior to the first Interest Payment Date thereof shall be dated as of the date specified in the Series Indenture authorizing the issuance thereof. Bonds of each Series issued on or subsequent to the first Interest Payment Date thereof shall be dated as of the Interest Payment Date immediately preceding the date of authentication thereof by the Trustee, unless such date of authentication shall be an Interest Payment Date, in which case they shall be dated as of such date of authentication; provided, however, that if, as shown by the records of the Trustee, interest on the Bonds of any Series shall be in default, the Bonds of such Series issued in lieu of Bonds surrendered for transfer or exchange may be dated as of the date to which interest has been paid in full on the Bonds surrendered. Bonds of each Series shall bear interest from their date.

For all purposes of the Act relating to or dealing with the date of the Bonds, Bonds of any Series shall be deemed to be dated as of the date provided for the Bonds of such Series in the manner provided in the Series Indenture authorizing the issuance thereof.

Except as otherwise provided in an Applicable Series Indenture, all Bonds of each Series shall mature on May 15 or November 15 of each year in which a maturity is fixed by the Series Indenture authorizing the issuance of such Bonds. Except as otherwise provided in an Applicable Series Indenture, interest on all Bonds of each Series, except the first installment of interest due on such Bonds of a Series and interest on Variable Interest Rate Bonds the rate at which such Bonds bear interest is adjusted annually or more frequently than annually, shall be payable semi-annually on each Interest Payment Date as fixed in the Series Indenture authorizing the issuance of such Bonds. Interest on Variable Interest Rate Bonds the rate at which such Bonds bear interest is adjusted annually or more frequently than annually shall be payable at such times as shall be provided in the Series Indenture authorizing the issuance thereof. The first installment of interest due on the Bonds of a Series may be for such period as the Corporation shall fix in the Series Indenture authorizing the issuance thereof.

SECTION 3.02. Legends. The Bonds may contain, or have endorsed thereon, such provisions, specifications and descriptive words not inconsistent herewith or with any Series Indenture authorizing the same, as may be necessary or desirable and as may be determined by the Corporation prior to their delivery.

SECTION 3.03. CUSIP Numbers. The Corporation shall provide for the assignment of CUSIP numbers for such Bonds and cause such CUSIP numbers to be printed thereon, and the Trustee shall use such CUSIP numbers in notices of redemption and of the tender of Option Bonds and on all checks payable to Bondholders as a convenience to Bondholders; provided, however, that any such notice shall state that no representation is made as to the correctness of such number either as printed on such Bonds or as contained in any notice of redemption or tender, and that an error in a CUSIP number as printed on such Bond or as contained in any notice of redemption or of tender shall not affect the validity of the proceedings for redemption or tender.

SECTION 3.04. Execution and Authentication. The Bonds shall be executed in the name of the Corporation by the manual or facsimile signature of its Chairperson, Vice Chairperson or other Authorized Officer and its corporate seal (or a facsimile thereof) shall be thereunto affixed, imprinted, engraved or otherwise reproduced, and attested by the manual or facsimile signature of the Secretary, an Assistant Secretary or other Authorized Officer of the Corporation, or in such other manner as maybe permitted by law. In case any one or more of the officers or employees who shall have signed or sealed any of the Bonds shall cease to be such officer or employee before the Bonds so signed and sealed shall have been actually authenticated and delivered by the Trustee, such Bonds may, nevertheless, be delivered as provided herein, and may be issued as if the persons who signed or sealed such Bonds had not ceased to hold such offices or be so employed. Any Bond may be signed and sealed on behalf of the Corporation by such persons as at the actual time of the execution of such Bond shall be duly authorized or hold the proper office in or be employed by, the Corporation, although at the date of the Bonds such persons may not have been so authorized or have held such office or employment.

The Bonds of each Series shall bear thereon a certificate of authentication, in the form set forth in the Series Indenture authorizing the issuance of such Bonds, executed manually by the Trustee unless the Series Indenture shall authorize execution by the Trustee by facsimile

signature. Only such Bonds as shall bear thereon such certificate of authentication shall be entitled to any right or benefit hereunder and no Bond shall be valid or obligatory for any purpose until such certificate of authentication shall have been duly executed by the Trustee. Such certificate of the Trustee upon any Bond executed on behalf of the Corporation shall be conclusive evidence that the Bond so authenticated has been duly authenticated and delivered hereunder and that the Holder thereof is entitled to the benefits hereof.

SECTION 3.05. Interchangeability of Bonds. Bonds, upon surrender thereof at the principal corporate trust office of the Trustee with a written instrument of transfer satisfactory to the Trustee, duly executed by the registered owner or his attorney duly authorized in writing, may, at the option of the registered owner thereof, be exchanged for an equal aggregate principal amount of Bonds of the same Series, maturity and tenor of any other authorized denominations.

SECTION 3.06. Negotiability, Transfer and Registry. All Bonds issued hereunder shall be negotiable as provided in the Act, subject to the provisions for registration and transfer contained herein and in the Bonds. So long as any of the Bonds shall not have matured or been called for redemption, the Corporation shall maintain and keep, or cause to be maintained and kept at the principal corporate trust office of the Trustee, books for the registration and transfer of Bonds; and, upon presentation thereof for such purpose at said office, the Corporation shall register or cause to be registered therein, and permit to be transferred thereon, under such reasonable regulations as it or the Trustee may prescribe, any Bond entitled to registration or transfer. So long as any of the Bonds have not matured or been called for redemption, the Corporation shall make all necessary provisions to permit the exchange of Bonds at the principal corporate trust office of the Trustee.

SECTION 3.07. Transfer of Bonds. Each Bond shall be transferable only upon the books of the Corporation, which shall be kept for that purpose at the principal corporate trust office of the Trustee, by the registered owner thereof in person or by his attorney duly authorized in writing, upon surrender thereof together with a written instrument of transfer satisfactory to the Trustee duly executed by the registered owner or his duly authorized attorney and the payment of a charge sufficient to reimburse the Corporation or the Trustee for any tax, fee or other governmental charge required to be paid with respect to such transfer. Upon the transfer of any such Bond, the Corporation shall cause to be issued in the name of the transferee anew Bond or Bonds of the same aggregate principal amount, Series, maturity and tenor as the surrendered Bond.

The Corporation and the Trustee may deem and treat the person in whose name any Outstanding Bond shall be registered upon the books of the Corporation as the absolute owner of such Bond, whether such Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal, Sinking Fund Installments, if any, or Redemption Price of and, subject to the provisions of Section 3.01 hereof with respect to Record Dates, interest on such Bond and for all other purposes whatsoever, and all such payments so made to any such registered owner or upon his order shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums paid, and neither the Corporation nor the Trustee shall be affected by any notice to the contrary. The Corporation agrees to indemnify and save the Trustee harmless from and against any and all loss, cost, charge, expense, judgment

or liability incurred by it, acting in good faith and without negligence under the Master Indenture and the Applicable Series Indenture in so treating such registered owner.

SECTION 3.08. Regulations with Respect to Exchanges and Transfers. In all cases in which the privilege of exchanging Bonds or transferring Bonds is exercised, the Corporation shall execute and the Trustee shall authenticate and deliver Bonds in accordance with the provisions hereof. All Bonds surrendered in any such exchanges or transfers shall forthwith be cancelled by the Trustee. For every such exchange or transfer of Bonds, whether temporary or definitive, the Corporation or the Trustee may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer, which sum or sums shall be paid by the person requesting such exchange or transfer as a condition precedent to the exercise of the privilege of making such exchange or transfer. Notwithstanding any other provisions hereof, the cost of preparing each new Bond upon each exchange or transfer, and any other expenses of the Corporation or the Trustee incurred in connection therewith, shall be paid by the person requesting such exchange or transfer. The Corporation shall not be obliged to make, or cause to be made, any exchange or transfer of Bonds of any Series, other than the exchange or transfer of an Option Bond which has been tendered or deemed to have been tendered by the Holder thereof for purchase, during the period beginning on the Record Date for such Bonds next preceding an Interest Payment Date on such Bonds and ending on such Interest Payment Date, or, in the case of any proposed redemption of Bonds of such Series, after the date next preceding the date of the selection of Bonds to be redeemed.

SECTION 3.09. Bonds Mutilated, Destroyed, Lost or Stolen. In case any Bond shall become mutilated or be destroyed, lost or stolen, the Corporation in its discretion may execute, and upon its request the Trustee shall authenticate and deliver, a new Bond of like Series, maturity, tenor and principal amount as the Bond so mutilated, destroyed, lost or stolen, in exchange and substitution for the mutilated, destroyed, lost or stolen Bond, upon surrender and cancellation of such mutilated Bond or in lieu of and substitution for such Bond so destroyed, lost or stolen, upon filing with the Corporation evidence satisfactory to the Corporation and the Trustee that such Bond has been destroyed, lost or stolen and proof of ownership thereof, and upon furnishing the Corporation and the Trustee with indemnity satisfactory to them and complying with such other reasonable regulations as the Corporation and the Trustee may prescribe and paying such expenses as the Corporation and the Trustee may incur in connection therewith. All Bonds so surrendered to the Trustee shall be cancelled by it and evidence of such cancellation shall be given to the Corporation. In case any Bond which has matured or is about to mature shall have become mutilated or have been destroyed, lost or stolen, the Corporation may, instead of issuing a Bond in exchange or substitution therefor, pay or authorize the payment of such mutilated Bond upon the surrender on or after the maturity date thereof, or authorize the payment of such destroyed, lost or stolen Bond, upon the Holder thereof filing evidence satisfactory to the Corporation and the Trustee that such Bond has been destroyed, lost or stolen and proof of ownership thereof, and upon furnishing the Corporation and the Trustee with indemnity satisfactory to them and complying with such other reasonable regulations as the Corporation and the Trustee may prescribe and paying such expenses as the Corporation and the Trustee may incur in connection therewith.

SECTION 3.10. Book-Entry Bonds. Anything herein to the contrary notwithstanding, Bonds may be authorized and issued as Book-Entry Bonds in accordance with the Series Indenture authorizing such Bonds.

For all purposes of the Indenture the Holder of a Book-Entry Bond shall be the Depository therefor and neither the Corporation nor the Trustee shall have responsibility or any obligation to the beneficial owner of such Bond or to any direct or indirect participant in such Depository. Without limiting the generality of the foregoing, neither the Corporation nor the Trustee shall have any responsibility or obligation to any such participant or to the beneficial owner of a Book-Entry Bond with respect to (i) the accuracy of the records of the Depository or any participant with respect to any beneficial ownership interest in such Bond, (ii) the delivery to any participant of the Depository, the beneficial owner of such Bond or any other person, other than the Depository, of any notice with respect to such Bond, including any notice of the redemption thereof, or (iii) the payment to any participant of the Depository, the beneficial owner of such Bond or any other person, other than the Depository, of any amount with respect to the principal, Sinking Fund Installments or Redemption Price of, or interest on, such Bond. The Corporation and the Trustee may treat the Depository therefor as the absolute owner of a Book-Entry Bond for the purpose of (x) payment of the principal, Sinking Fund Installments or Redemption Price of and interest on such Bond, (y) giving notices of redemption and of other matters with respect to such Bond, (z) registering transfers with respect to such Bond, and for all other purposes whatsoever. The Trustee shall pay all principal, Sinking Fund Installments or Redemption Price of, and interest on, such Bond only to or upon the order of the Depository, and all such payments shall be valid and effective to fully satisfy and discharge the Corporation's obligations with respect to such principal, Sinking Fund Installments or Redemption Price and interest to the extent of the sum or sums so paid. No person other than the Depository shall receive a Bond or other instrument evidencing the Corporation's obligation to make payments of the principal, Sinking Fund Installments or Redemption Price thereof, and interest thereon.

Anything herein to the contrary notwithstanding, payment of the Redemption Price of a Book-Entry Bond which is redeemed in part prior to maturity may be paid to the Depository by wire transfer without surrender of such Bond to the Trustee; provided, however, that the Trustee shall maintain records as to each such payment and of the principal amount of such Bond Outstanding, which shall be binding on the Corporation and the Holders from time to time of such Bond; provided, further, that payment of the principal or Redemption Price of and interest on a Book-Entry Bond at the maturity date or earlier date on which such Bond has been called for redemption in whole shall only be made upon presentation and surrender of such Bond to the Trustee at its principal corporate trust office.

The Corporation, in its sole discretion and without the consent of the Trustee, the beneficial owner of a Book-Entry Bond or any other person, may terminate the services of the Depository with respect to a Book-Entry Bond if the Corporation determines that (i) the Depository is unable to discharge its responsibilities with respect to such Bonds or (ii) a continuation of the requirement that all of the Outstanding Bonds of like Series issued in Book-Entry form be registered in the registration books of the Corporation in the name of the Depository, is not in the best interest of the beneficial owners of such Bonds, and the Corporation shall terminate the services of the Depository upon receipt by the Corporation and

the Trustee of written notice from the Depository that it has received written requests that such Depository be removed from its participants having beneficial interest, as shown in the records of the Depository, in an aggregate amount of not less than a majority in principal amount of the then Outstanding Bonds for which the Depository is serving as Depository.

Upon the termination of the services of a Depository with respect to a Book-Entry Bond, or upon the resignation of a Depository with respect to a Book-Entry Bond, after which no substitute securities depository willing to undertake the functions of such Depository can be found which, in the opinion of the Corporation, is able to undertake such functions upon reasonable and customary terms, such Bonds shall no longer be registered in the registration books kept by the Trustee in the name of a Depository, but shall be registered in the name or names of the Bondholders transferring or exchanging such Bonds as such Bondholders shall designate, in accordance with the provisions of Article III hereof.

SECTION 3.11. Preparation of Definitive Bonds; Temporary Bonds. The definitive Bonds of each Series shall be lithographed or printed on steel engraved borders, except that Book-Entry Bonds may be typewritten. Until the definitive Bonds of any Series are prepared, the Corporation may execute, in the same manner as is provided in Section 3.04 hereof, and deliver, in lieu of definitive Bonds, but subject to the same provisions, limitations and conditions as the definitive Bonds, except as to the denominations thereof and as to exchangeability for registered Bonds, one or more temporary Bonds, substantially of the tenor of the definitive Bonds in lieu of which such temporary Bond or Bonds are issued, in authorized denominations or any whole multiples thereof authorized by the Corporation, and with such omissions, insertions and variations as may be appropriate to such temporary Bonds. The Corporation at its own expense shall prepare and execute and, upon the surrender at the principal corporate trust office of the Trustee of such temporary Bonds for exchange and the cancellation of such surrendered temporary Bonds the Trustee shall authenticate and, without charge to the Holder thereof, deliver in exchange therefor, at the principal corporate trust office of the Trustee, definitive Bonds of the same aggregate principal amount, Series and maturity as the temporary Bonds surrendered. Until so exchanged, the temporary Bonds shall in all respects be entitled to the same benefits and security as definitive Bonds issued pursuant hereto.

All temporary Bonds surrendered in exchange for a definitive Bond or Bonds shall be forthwith cancelled by the Trustee.

SECTION 3.12. Tender of Option Bonds. An Option Bond which is required to be delivered for redemption or purchase pursuant to the provisions hereof or of the Series Indenture authorizing such Bonds shall be deemed surrendered as provided in the Series Indenture authorizing the issuance thereof even though such Bond has not been actually presented and surrendered by the Holder thereof.

## ARTICLE IV

## REDEMPTION OF BONDS

SECTION 4.01. Authorization of Redemption. Bonds subject to redemption prior to maturity pursuant hereto or to a Series Indenture shall be redeemable, in accordance with this Article IV, at such times, at such Redemption Prices and upon such terms as may otherwise be specified herein or in the Applicable Series Indenture authorizing such Series.

SECTION 4.02. Redemption at the Election or Direction of the Corporation. In the case of any redemption of Bonds other than as provided in Section 4.03 hereof, the Corporation shall give written notice to the Trustee of its election or direction to redeem, of the Series and of the principal amounts of the Bonds of each maturity of such Series to be redeemed. The Series, maturities and principal amounts thereof to be redeemed at the election or direction of the Corporation shall be determined by the Corporation in its sole discretion, subject to any limitations with respect thereto contained herein or in the Series Indenture authorizing such Series. Such notice shall be given to the Trustee at least sixty (60) days prior to the date on which such Bonds are to be redeemed, or such lesser number of days as shall be acceptable to the Trustee.

SECTION 4.03. Redemption Other Than at Corporation's Election or Direction. Whenever by the terms hereof the Trustee is required to redeem Bonds through the application of mandatory Sinking Fund Installments, the Trustee shall select the Bonds of the Series and maturities to be redeemed in the manner provided in Section 4.04 hereof, give the notice of redemption and pay out of moneys available therefor the Redemption Price thereof, together with interest accrued and unpaid thereon to the redemption date, to the appropriate Paying Agents in accordance with the terms of this Article IV.

SECTION 4.04. Selection of Bonds to Be Redeemed. Unless otherwise provided in the Series Indenture authorizing the issuance of Bonds of a Series, in the event of redemption of less than all of the Outstanding Bonds of like Series, maturity and tenor, the Trustee shall assign to each Outstanding Bond of the Series, maturity and tenor to be redeemed a distinctive number for each unit of the principal amount of such Bond equal to the lowest denomination in which the Bonds of such Series are authorized to be issued and shall select by lot, using such method of selection as it shall deem proper in its discretion, from the numbers assigned to such Bonds as many numbers as, at such unit amount equal to the lowest denomination in which the Bonds of such Series are authorized to be issued for each number, shall equal the principal amount of such Bonds to be redeemed. In making such selections the Trustee may draw the Bonds by lot (i) individually or (ii) by one or more groups, the grouping for the purpose of such drawing to be by serial numbers (or, in the case of Bonds of a denomination of more than the lowest denomination in which the Bonds of such Series are authorized to be issued, by the numbers assigned thereto as in this Section 4.04 provided) which end in the same digit or in the same two digits. In case, upon any drawing by groups, the total principal amount of Bonds drawn shall exceed the amount to be redeemed, the excess may be deducted from any group or groups so drawn in such manner as the Trustee may determine. The Trustee may in its discretion assign numbers to aliquot portions of Bonds and select part of any Bond for redemption. The Bonds to

be redeemed shall be the Bonds to which were assigned numbers so selected; provided, however, that only so much of the principal amount of each such Bond of a denomination of more than the lowest denomination in which the Bonds of such Series are authorized to be issued shall be redeemed as shall equal the lowest denomination in which the Bonds of such Series are authorized to be issued for each number assigned to it and so selected.

For purposes of this Section 4.04, the lowest denomination in which a Capital Appreciation Bond is authorized to be issued shall be the lowest Accreted Value authorized to be due at maturity on such Bonds, and the lowest denomination in which a Deferred Income Bond is authorized to be issued shall be the lowest Appreciated Value on the Interest Commencement Date authorized for such Bonds.

SECTION 4.05. Notice of Redemption. Whenever Bonds are to be redeemed, the Trustee shall give notice of the redemption of the Bonds in the name of the Corporation which notice shall specify: (i) the Bonds to be redeemed which shall be identified by the designation of the Bonds given in accordance with Section 2.01 hereof, the maturity dates and interest rates of the Bonds to be redeemed and the date such Bonds were issued; (ii) the numbers and other distinguishing marks of the Bonds to be redeemed, including CUSIP numbers; (iii) the redemption date; (iv) the Redemption Price; (v) with respect to each such Bond, the principal amount thereof to be redeemed; (vi) the date of publication, if any, of the notice of redemption; (vii) that, except in the case of Book-Entry Bonds, such Bonds will be redeemed at the principal corporate office of the Trustee giving the address thereof and the name and telephone number of a representative of the Trustee to whom inquiries may be directed; and (viii) that no representation is made as to the correctness of the CUSIP number either as printed on the Bonds or as contained in such notice and that an error in a CUSIP number as printed on a Bond or as contained in such notice shall not affect the validity of the proceedings for redemption. Any notice of redemption, unless moneys shall be received by the Trustee prior to giving such notice sufficient to pay the principal of and premium, if any, and interest on the Bonds to be redeemed, may state that such redemption shall be conditional upon the receipt of such moneys by, the Trustee by 1:00 P.M. (New York time) on the date fixed for redemption. If such moneys shall not have been so received said notice shall be of no force and effect, the Corporation shall not redeem such Bonds and the Trustee shall give notice, in the manner in which the notice of redemption was given, that such moneys were not so received. Such notice shall further state that on such date there shall become due and payable upon each Bond to be redeemed the Redemption Price thereof, together with interest accrued and unpaid thereon to the redemption date, and that, from and after such date, payment having been made or provided for, interest thereon shall cease to accrue. Such notice, unless the Bonds are Book-Entry Bonds, shall be given by mailing a copy of such notice not less than thirty (30) days nor more than sixty (60) days prior to the redemption date or, in the case of Variable Interest Rate Bonds or Option Bonds, such shorter period as shall be established by the Series Indenture authorizing such Bonds, but in no event less than fifteen (15) days prior to the redemption date. Such notice, unless the Bonds are Book-Entry Bonds, shall be sent by first class mail, postage prepaid, to the registered owners of the Bonds which are to be redeemed, at their last known addresses, if any, appearing on the registration books not more than ten (10) Business Days prior to the date such notice is given. Upon giving such notice, the Trustee shall promptly certify to the Corporation that it has mailed or caused to be mailed such notice to the Holders of the Bonds to be redeemed

in the manner provided herein. Such certificate shall be conclusive evidence that such notice was given in the manner required hereby. The failure of any Holder of a Bond to be redeemed to receive such notice shall not affect the validity of the proceedings for the redemption of the Bonds. If directed in writing by an Authorized Officer of the Corporation, the Trustee shall also give such notice by publication thereof once in an Authorized Newspaper, such publication to be not less than thirty (30) days nor more than sixty (60) days prior to the redemption date, or, in the case of Variable Interest Rate Bonds or Option Bonds, such shorter period as shall be established by the Series Indenture authorizing such Bonds, but in no event less than fifteen (15) days prior to the redemption date; provided, however, that such publication shall not be a condition precedent to such redemption, and failure to so publish any such notice or a defect in such notice or in the publication thereof shall not affect the validity of the proceedings for the redemption of the Bonds.

The Trustee shall (i) if any of the Bonds to be redeemed are Book-Entry Bonds, mail a copy of the notice of redemption to the Depository for such Book-Entry Bonds not less than thirty-five (35) days prior to the redemption, but, if notice of redemption is to be published as aforesaid, in no event later than five (5) Business Days prior to the date of publication, and (ii) mail a copy of the notice of redemption to Kenny Information Systems Notification Service and to Standard & Poor's Called Bond Record, in each case at the most recent address therefor, or to any successor thereof. Such copies shall be sent by certified mail, return receipt requested, but mailing such copies shall not be a condition precedent to such redemption and failure to so mail or of a person to which such copies were mailed to receive such copy shall not affect the validity of the proceedings for the redemption of the Bonds.

SECTION 4.06. Payment of Redeemed Bonds. Notice having been given by mail in the manner provided in Section 4.05 hereof, the Bonds or portions thereof so called for redemption shall become due and payable on the redemption date so designated at the Redemption Price, plus interest accrued and unpaid to the redemption date, upon presentation and surrender of such Bonds, other than a Book-Entry Bond which has been called for redemption in part, at the office or offices specified in such notice, and, in the case of Bonds presented by other than the registered owner, together with a written instrument of transfer duly executed by the registered owner or his duly authorized attorney, such Bonds, or portions thereof, shall be paid at the Redemption Price plus interest accrued and unpaid to the redemption date. Payment of the Redemption Price shall be made, upon the request of the registered owner of one million dollars ($1,000,000) or more in principal amount of Bonds to be redeemed, by wire transfer to such registered owner at the wire transfer address in the continental United States to which such registered owner has, at the time such Bonds are surrendered to the Trustee, directed in writing the Trustee to wire such Redemption Price. If there shall be drawn for redemption less than all of the principal amount of a registered Bond, the Corporation shall execute and the Trustee shall authenticate and deliver, upon the surrender of such Bond, without charge to the owner thereof, for the unredeemed balance of the principal amount of the registered Bond so surrendered, Bonds of like Series, maturity and tenor in any of the authorized denominations. If, on the redemption date, moneys for the redemption of all Bonds or portions thereof of any like Series, maturity and tenor to be redeemed, together with interest accrued and unpaid thereon to the redemption date, shall be held by the Trustee and Paying Agents so as to be available therefor on such date and if notice of redemption shall have been mailed as aforesaid,

then, from and after the redemption date, interest on the Bonds or portions thereof so called for redemption shall cease to accrue and such Bonds shall no longer be considered to be Outstanding hereunder. If such moneys shall not be so available on the redemption date, such Bonds or portions thereof shall continue to bear interest until paid at the same rate as they would have borne had they not been called for redemption.

## ARTICLE V

## PLEDGE OF REVENUES; FUNDS AND ACCOUNTS; REVENUES AND APPLICATION THEREOF

SECTION 5.01. Pledge of Revenues. The proceeds from the sale of an Applicable Series of Bonds, the Applicable Revenues, the Applicable State Housing Aid, to the extent received by the Corporation with respect to the Applicable Borrower Bonds, and all funds authorized hereby and established pursuant to an Applicable Series Indenture, other than an Applicable Arbitrage Rebate Fund and the Applicable Administrative Fund, are hereby, subject to the provisions of an Applicable Series Indenture, pledged and assigned to the Trustee as security for the payment of the principal, Sinking Fund Installments, if any, and Redemption Price of and interest on the Applicable Series of Bonds and as security for the performance of any other obligation of the Corporation hereunder and under an Applicable Series Indenture with respect to such Series, all in accordance with the provisions hereof and thereof. The pledge made hereby, subject to the provisions of an Applicable Series Indenture, shall relate only to the Bonds of an Applicable Series authorized by such Series Indenture and no other Series of Bonds and such pledge shall not secure any such other Series of Bonds. The pledge made hereby is valid, binding and perfected from the time when the pledge attaches and the proceeds from the sale of the Applicable Series of Bonds, the Applicable Revenues, the Applicable State Housing Aid, to the extent received by the Corporation with respect to the Applicable Borrower Bonds, and all funds and accounts established hereby and pursuant to the Applicable Series Indenture which are pledged hereby and pursuant to the Applicable Series Indenture shall immediately be subject to the lien of such pledge without any physical delivery thereof or further act, and the lien of such pledge shall be valid, binding and perfected as against all parties having claims of any kind in tort, contract or otherwise against the Corporation irrespective of whether such parties have notice thereof. No instrument by which such pledge is created nor any financing statement need be recorded or filed. The Bonds of each Applicable Series shall be special obligations of the Corporation payable solely from and secured by a pledge of the proceeds from the sale of such Series of Bonds, the Applicable Revenues, the Applicable State Housing Aid, to the extent received by the Corporation with respect to the Applicable Borrower Bonds, and the funds established hereby and pursuant to the Applicable Series Indenture, which pledge shall constitute a first lien thereon. Notwithstanding the foregoing, interest earnings on the Debt Service Fund held by the Trustee and properly allocable to one Borrower may not be used to make up a deficiency caused by the failure of another Borrower to pay its Basic Debt Service Payment.

SECTION 5.02. Establishment of Funds. Unless otherwise provided by the Applicable Series Indenture, the following funds are authorized to be established, held and maintained for each Applicable Series by the Trustee under the Applicable Series Indenture separate from any other funds established and maintained pursuant to any other Series Indenture:

Construction Fund;
Debt Service Fund;
Arbitrage Rebate Fund; and
Administrative Fund

Accounts and sub-accounts within each of the foregoing funds may from time to time be established in accordance with an Applicable Series Indenture or upon the direction of the Corporation. In addition, an Applicable Series Indenture may provide for the establishment of additional funds. All moneys at any time deposited in any fund created hereby, other than the Applicable Arbitrage Rebate Fund and the Applicable Administrative Fund, shall be held in trust for the benefit of the Holders of the Applicable Series of Bonds, but shall nevertheless be disbursed, allocated and applied solely in connection with Applicable Series of Bonds for the uses and purposes provided herein.

SECTION 5.03. Application of Bond Proceeds and Allocation Thereof. Upon the receipt of proceeds from the sale of a Series of Bonds, the Corporation shall apply such proceeds as specified herein and in the Series Indenture authorizing such Series.

Accrued interest, if any, received upon the delivery of a Series of Bonds shall be deposited in the Debt Service Fund unless all or any portion of such amount is to be otherwise applied as specified in the Series Indenture authorizing such Series.

SECTION 5.04. Application of Moneys in the Construction Fund.

1. A separate Construction Fund shall be established by each Series Indenture and separate Construction Accounts shall be established therein with respect to each Borrower for whose benefit such Series of Bonds is issued. As soon as practicable after the delivery of each Series of Bonds, there shall be deposited in each Applicable Construction Account the amount required to be deposited therein pursuant to the Series Indenture authorizing such Series. In addition, the Corporation shall deposit in the Applicable Construction Account any moneys paid to the Corporation pursuant to Section 7.08 hereof.

2. Except as otherwise provided in this Article V and in any applicable Series Indenture, moneys deposited in the Applicable Construction Account shall be used only to pay the Borrower's Allocable Portion of the costs of issuance of the Applicable Bonds and the Costs of the Applicable Project.

3. Consistent with the provisions of the Applicable Agreement, payments from the Applicable Construction Account shall be made by the Corporation upon the filing in the records of the Corporation of, and in accordance with, a requisition signed by an Authorized Officer of the Corporation stating with respect to each payment to be made (i) the names of the payees, (ii) the purpose for which payment is to be made in terms sufficient for identification, (iii) the respective amount of each such payment and (iv) that such purpose constitutes a proper purpose for which moneys in the Construction Account may be applied and has not been the basis of any previous withdrawal from the Construction Account. Notwithstanding the provisions of this subdivision: (x) moneys in the Applicable Construction Account to be applied to pay interest on Bonds shall be transferred from the Applicable Construction Account to the Debt Service Fund at such times and in such amounts as shall be determined by an Authorized Officer of the Corporation; and (y) if permitted by the Applicable Agreement, be paid to the Borrower for deposit in an account established by the Borrower.

4. An Applicable Project shall be deemed to be complete (a) upon delivery to the Corporation and the Trustee of a certificate signed by an Authorized Officer of the Borrower which certificate shall be delivered as soon as practicable after the date of completion of such Project or (b) upon delivery to the Borrower and the Trustee of a certificate of the Corporation which certificate may be delivered at any time after completion of such Project. Each such certificate shall state that such Project has been completed substantially in accordance with the plans and specifications, if any, applicable to such Project and that such Project is ready for

occupancy, and, in the case of a certificate of an Authorized Officer of such Borrower, shall specify the date of completion.

Upon receipt by the Trustee of the certificate required pursuant to this subdivision, the moneys, if any, then remaining in the Applicable Construction Account, after making provision in accordance with the direction of the Corporation for the payment of the Borrower's Allocable Portion of any costs of issuance of an Applicable Series of Bonds and Costs of an Applicable Project then unpaid, shall be paid by the Trustee as follows and in the following order of priority:

First: To the Applicable Arbitrage Rebate Fund, the amount determined by the Corporation to be required to be deposited therein as the Allocable Portion of the Applicable Borrower, and;

Second: To the Applicable Borrower Payment Subaccount of the Applicable Debt Service Fund, to be applied in accordance with Section 5.07 hereof, any balance remaining.

5. Following the occurrence and during the continuation of an Event of Default under an Applicable Agreement, the Corporation may, in its sole discretion, transfer moneys in the Applicable Construction Account to the Trustee for application pursuant to the provisions of Section 5.07 hereof.

SECTION 5.05. Deposit of Revenues and Allocation Thereof

1. The Applicable Revenues and any other moneys which, by any of the provisions of the Applicable Agreement, are required to be deposited in each Applicable Debt Service Fund, shall upon receipt by the Trustee be deposited to the credit of the Applicable Debt Service Fund. In the event that the Trustee has not received a Basic Debt Service Payment forty-five (45) days prior to any Interest Payment Date, the Trustee shall, within two (2) Business Days, give notice of such non-payment to the Corporation, and the Corporation shall take all further action required under the Memorandum of Understanding to assure payment of such deficiency. To the extent not required to pay, (a) each Borrower's Allocable Portion of the interest becoming due on Outstanding Bonds of the Applicable Series on the next succeeding Interest Payment Date of such Bonds; (b) each Borrower's Allocable Portion of the amount necessary to pay the principal and Sinking Fund Installments becoming due on the Applicable Series of Outstanding Bonds on Interest Payment Date; and (c) moneys which are required or have been set aside for the redemption of Bonds of the Applicable Series, moneys in the Applicable Debt Service Fund shall be paid by the Trustee on or before the business day preceding each Interest Payment Date to the Corporation, unless otherwise paid, such amounts as are payable to the Corporation relating to such Series for: (i) any expenditures of the Corporation for fees and expenses of auditing, and fees and expenses of the Applicable Trustee and Paying Agents, all as required hereby, (ii) all other expenditures reasonably and necessarily incurred by the Corporation in connection with the financing of the Applicable Project, including expenses incurred by the Corporation to compel full and punctual performance of all the provisions of the Applicable Agreement in accordance with the terms thereof, and (iii) any fees of the Corporation, but only upon receipt by the Trustee

of a certificate of the Corporation, stating in reasonable detail the amounts payable to the Corporation pursuant to this clause (iii).

2. After making the payments required by subdivision 1 of this Section, any balance remaining in the Borrower Payment Subaccount on the immediately succeeding Interest Payment Date shall be paid by the Trustee upon and in accordance with the direction of the Corporation to each of the respective Applicable Borrowers in the respective amounts set forth in such direction, free and clear of any pledge, lien, encumbrance or security interest created hereby or by any of the Agreements; provided that the Trustee shall not pay any such money to the Borrower in the event that such money is allocable to a Borrower that is in default in the payment of its Basic Debt Service. The Trustee shall retain any balance remaining in the State Payment Account to be credited toward the State's obligation to pay the State's Portion of the next succeeding Borrower Bond debt service. The Trustee shall notify the Corporation promptly after making the payments required by subdivision 1 of this Section of any balance remaining in the Applicable Debt Service Fund on the immediately succeeding Interest Payment Date.

SECTION 5.06. Reserved.

SECTION 5.07. Debt Service Fund.

1. Separate Debt Service Accounts shall be established by each Series Indenture with respect to each Borrower for whose benefit such Series of Bonds is issued. Within each such Debt Service Account shall be established a Borrower Payment Subaccount and a State Payment Subaccount. The Trustee shall on or before the Business Day preceding each Interest Payment Date pay to itself and any other Paying Agent out of the Applicable Debt Service Fund:

(a) each Borrower's Allocable Portion of the interest due and payable on all Outstanding Bonds of the Applicable Series on such Interest Payment Date;

(b) each Borrower's Allocable Portion of the principal amount due and payable on all Outstanding Bonds of the Applicable Series on such Interest Payment Date; and

(c) each Borrower's Allocable Portion of the Sinking Fund Installments or other amounts related to a mandatory redemption, if any, due and payable on all Outstanding Bonds of the Applicable Series on such Interest Payment Date.

The amounts paid out pursuant to this Section shall be irrevocably pledged to and applied to such payments.

2. Notwithstanding the provisions of subdivision 1 of this Section, the Corporation may, at any time subsequent to the first day of any Bond Year but in no event less than forty-five (45) days prior to the succeeding date on which a Sinking Fund Installment is scheduled to be due, direct the Trustee to purchase, with moneys on deposit in the Applicable Debt Service Fund, at a price not in excess of par plus interest accrued and unpaid to the date of such purchase, Term Bonds of the Applicable Series to be redeemed from such Sinking Fund Installment. Any Term Bond so purchased shall be cancelled upon receipt thereof by the Trustee and evidence of such

cancellation shall be given to the Corporation. The principal amount of each Term Bond so cancelled shall be credited against the Sinking Fund Installment due on such date; provided, however, that such Term Bond is cancelled by the Trustee prior to the date on which notice of redemption is given.

3. On June 15 of each year, the Trustee shall pay to the Rhode Island Department of Elementary and Secondary Education an amount representing interest earnings which have accrued on State Housing Aid held in each State Payment Subaccount. The Trustee shall provide to the Corporation and the Rhode Island Department of Elementary and Secondary Education, records which show the calculation of such interest earnings. Moneys in the Applicable Debt Service Fund in excess of the amount required to pay the principal and Sinking Fund Installments of Outstanding Bonds of the Applicable Series payable during the next succeeding Bond Year, the interest on Outstanding Bonds of the Applicable Series payable on and prior to the next succeeding Interest Payment Date assuming that a Variable Interest Rate Bonds will bear interest, from and after the next date on which the rate at which such Variable Interest Rate Bond bears interest is to be adjusted, at a rate per annum equal to the rate per annum at which such Bonds then bear interest, plus one percent (1%) per annum, and the purchase price or Redemption Price of Outstanding Bonds theretofore contracted to be purchased or called for redemption, plus accrued interest thereon to the date of purchase or redemption, shall be paid or applied by the Trustee in accordance with the direction of an Authorized Officer of the Corporation (i) to the purchase of Outstanding Bonds of the Applicable Series at purchase prices not exceeding the Redemption Price applicable on the next Interest Payment Date on which such Bonds are redeemable, plus accrued and unpaid interest to such date, at such times, at such purchase prices and in such manner as an Authorized Officer of the Corporation shall direct or (ii) to the redemption of Bonds of the Applicable Series as provided in Article IV hereof, at the Redemption Prices specified in the Applicable Series Indenture authorizing the issuance of the Bonds to be redeemed or Applicable Bond Series Certificate relating to such Bonds.

SECTION 5.08. Administrative Fund. Amounts on deposit in the Administrative Fund shall be available for use by the Corporation for administrative expenses and for any other lawful purpose. Amounts in the Administrative Fund shall not be pledged to Bondholders.

SECTION 5.09. Arbitrage Rebate Fund. The Arbitrage Rebate Fund shall be maintained by the Trustee as a fund separate from any other fund established and maintained hereunder. The Trustee shall deposit to the Applicable Arbitrage Rebate Fund any moneys delivered to it by the Applicable Borrowers for deposit therein and, notwithstanding any other provisions of this Article V, shall transfer to the Applicable Arbitrage Rebate Fund, in accordance with the directions of an Authorized Officer of the Corporation, moneys on deposit in any other funds held by the Trustee hereunder at such times and in such amounts as shall be set forth in such directions. Within the Arbitrage Rebate Fund, the Trustee shall maintain such accounts as shall be required by the Corporation in order to comply with the terms and requirements of the Tax Certificate. All money at any time deposited in the Arbitrage Rebate Fund shall be held by the Trustee in trust, to the extent required to satisfy the Rebate Requirement (as defined in the Tax Certificate), for payment to the Treasury Department of the United States of America, and the Corporation or the owner of any Bonds shall not have any rights in or claim to such money. All amounts deposited into or on deposit in the Arbitrage

Rebate fund shall be governed by this Section and by Section 7.14 hereof and by the Tax Certificate (which is incorporated herein by reference). The Trustee shall be deemed conclusively to have complied with this Section and with such provisions of the Tax Certificate if it follows the directions of an Authorized Officer of the Corporation including supplying all necessary written information in the manner provided in the Tax Certificate and shall have no liability or responsibility for compliance (except as specifically set forth herein or in the Tax Certificate) or to enforce compliance by the Corporation with the terms of the Tax Certificate.

Upon the written direction of the Corporation, the Trustee shall deposit in the Arbitrage Rebate Fund funds received from the Corporation, so that the balance of the amount on deposit thereto shall be equal to the Rebate Requirement. Computations of the Rebate Requirement shall be furnished by or on behalf of the Corporation in accordance with the Tax Certificate.

The Trustee shall have no obligation to rebate any amounts required to be rebated pursuant to this Section, other than from moneys held in the funds and accounts created under this Indenture or from other moneys provided to it by the Corporation.

The Trustee shall invest all amounts held in the Arbitrage Rebate Fund as provided in written directions of the Corporation. The Corporation, in issuing such directions, shall comply with the restrictions and instructions set forth in the Tax Certificate. Moneys may only be applied from the Arbitrage Rebate Fund as provided in this Section.

The Trustee, upon the receipt of written instructions and certification of the Rebate Requirement from an Authorized Officer of the Corporation, shall pay the amount of such Rebate Requirement to the Treasury Department of the United States of America, out of amounts in the Arbitrage Rebate Fund, as so directed.

Notwithstanding any other provisions of this Indenture, including in particular Section 7.14 hereof, the obligation to remit the Rebate Requirement to the United States of America and to comply with all other requirements of this Section, Section 7.14 hereof and the Tax Certificate shall survive the defeasance or payment in full of the Bonds.

SECTION 5.10. Application of Moneys in Certain Funds for Retirement of Bonds. Notwithstanding any other provisions hereof, if at any time the amounts held in the Applicable Debt Service Fund, are sufficient to pay the principal or Redemption Price of all Outstanding Bonds of the Applicable Series and the interest accrued and unpaid and to accrue on such Bonds to the next date of redemption when all such Bonds are redeemable, or to make provision pursuant to subdivision 2 of Section 12.01 hereof for the payment of the Outstanding Bonds at the maturity or redemption dates thereof, the Corporation may (i) direct the Trustee to redeem, all such Outstanding Bonds, whereupon the Trustee shall proceed to redeem or provide for the redemption of such Outstanding Bonds in the manner provided for redemption of such Bonds hereby and by each Applicable Series Indenture as provided in Article IV hereof, or (ii) give the Trustee irrevocable instructions in accordance with subdivision 2 of Section 12.01 hereof and make provision for the payment of the Outstanding Bonds at the maturity or redemption dates thereof in accordance therewith.

SECTION 5.11. Transfer of Investments. Whenever moneys in any fund or account established under an Applicable Series Indenture are to be paid in accordance herewith to another such fund or account, such payment may be made, in whole or in part, by transferring to such other fund or account investments held as part of the fund or account from which such payment is to be made, whose value, together with the moneys, if any, to be transferred, is at least equal to the amount of the payment then to be made; provided, however, that no such transfer of investments would result in a violation of any investment standard or guideline applicable to such fund.

## ARTICLE VI

## SECURITY FOR DEPOSITS AND INVESTMENT OF FUNDS

SECTION 6.01. Security for Deposits. All moneys held hereunder by the Trustee shall be continuously and fully secured, for the benefit of the Corporation and the Holders of the Applicable Series of Bonds, by direct obligations of the United States of America or obligations the principal of and interest on which are guaranteed by the United States of America of a market value equal at all times to the amount of the deposit so held by the Trustee; provided, however, (a) that if the securing of such moneys is not permitted by applicable law, then in such other manner as may then be required or permitted by applicable State or federal laws and regulations regarding the security for, or granting a preference in the case of, the deposit of trust funds, and (b) that it shall not be necessary for the Trustee or any Paying Agent to give security for the deposit of any moneys with them pursuant to Section 5.07 or Section 12.01 hereof and held in trust for the payment of the principal, Sinking Fund Installments, if any, or Redemption Price of or interest on any Bonds, or for the Trustee to give security for any moneys which shall be represented by obligations purchased or other investments made under the provisions hereof as an investment of such moneys.

SECTION 6.02. Investment of Funds and Accounts Held by the Trustee.

1. Moneys held hereunder by the Trustee, shall, as nearly as may be practicable, be invested by the Trustee, upon direction of the Corporation given or confirmed in writing, signed by an Authorized Officer of the Corporation (which direction shall specify the amount thereof to be so invested), in Government Obligations, Federal Agency Obligations, Exempt Obligations, and any other Permitted Investment; provided, however, that each such investment shall permit the moneys so deposited or invested to be available for use at the times at which the Corporation reasonably believes such moneys will be required for the purposes hereof; provided, further, that (x) any Permitted Collateral required to secure any Permitted Investment shall have a market value, determined by the Trustee or its agent periodically, but no less frequently than weekly, at least equal to the amount deposited or invested including interest accrued thereon, (y) the Permitted Collateral shall be deposited with and held by the Trustee or an agent of the Trustee approved by an Authorized Officer of the Corporation, and (z) the Permitted Collateral shall be free and clear of claims of any other person. The Trustee may request an opinion of counsel to the effect that the Permitted Collateral being delivered to or held by the Trustee satisfies the conditions set forth herein.

2. Permitted Investments purchased as an investment of moneys in any fund or account held by the Trustee under the provisions hereof shall be deemed at all times to be a part of such fund or account and the income or interest earned, profits realized or losses suffered by a fund or account due to the investment thereof shall be retained in, credited or charged, as the case may be, to such fund or account.

3. In computing the amount in any fund or account held by the Trustee under the provisions hereof, each Permitted Investment shall be valued at par or the market value thereof, plus accrued interest, whichever is lower.

4. Notwithstanding anything to the contrary herein, the Corporation, in its discretion, may direct the Trustee to, and the Trustee shall, sell, present for redemption or exchange any investment held by the Trustee pursuant hereto and the proceeds thereof may be reinvested as provided in this Section. Except as otherwise provided herein, the Trustee shall sell or present for redemption or exchange, any investment held by it pursuant hereto whenever it shall be necessary in order to provide moneys to meet any payment or transfer from the fund or account in which such investment is held. The Trustee shall advise the Corporation, and, upon the written request of a Facility Provider, such Facility Provider, on or before the fifteenth (15th) day of each calendar month, of the amounts required to be on deposit in each fund and account hereunder and of the details of all investments held for the credit of each fund and account in its custody under the provisions hereof as of the end of the preceding month and as to whether such investments comply with the provisions of paragraphs (1) and (2) of this Section. The details of such investments shall include the par value, if any, the cost and the current market value of such investments as of the end of the preceding month. The Trustee shall also describe all withdrawals, substitutions and other transactions occurring in each such fund and account in the previous month.

5. No part of the proceeds of any Series of Bonds or any other funds of the Corporation shall be used directly or indirectly to acquire any securities or investments the acquisition of which would cause any Bond to be an "arbitrage bond" within the meaning of Section 148(a) of the Code.

SECTION 6.03. Liability for Investments. Neither the Corporation nor the Trustee shall have any liability arising out of or in connection with the making of any investment authorized by the provisions of this Article VI, in the manner provided in this Article VI, for any depreciation in value of any such investment, or for any loss, direct or indirect, resulting from any such investment.

## ARTICLE VII

## PARTICULAR COVENANTS

The Corporation covenants and agrees with the Holders of Bonds of each Applicable Series as follows; provided, however, that such covenants and agreements shall accrue to the benefit of Bondholders on a Series by Series basis, and the Bondholders of any Applicable Series shall not be entitled to the benefit of any of the covenants except to the extent they relate to such Series:

SECTION 7.01. Payment of Principal and Interest. The Corporation shall pay or cause to be paid the principal, Sinking Fund Installments, if any, or Redemption Price of and interest on every Bond of each Series on the date and at the places and in the manner provided in the Bonds according to the true intent and meaning thereof.

SECTION 7.02. Extension of Payment of Bonds. The Corporation shall not directly or indirectly extend or assent to the extension of the maturity of any of the Bonds or claims for interest by the purchase or funding of such Bonds or claims for interest or by any other arrangement and, in case the maturity of any of such Bonds or the time for payment of any such claims for interest shall be extended, such Bonds, or claims for interest shall not be entitled, in case of any default hereunder, to the benefit hereof or of any Series Indenture or to any payment out of any assets of the Corporation or the funds (except funds held in trust for the payment of particular Bonds or claims for interest pursuant hereto and to any Series Indenture) held by the Trustee, except subject to the prior payment of the principal of all Outstanding Bonds the maturity of which has not been extended and of such portion of the interest on such Bonds as shall not be represented by such extended claims for interest. Nothing herein shall be deemed to limit the right of the Corporation to issue Option Bonds or Refunding Bonds or other bonds or notes to refund Outstanding Bonds as permitted hereby and by the Act and such issuance shall not be deemed to constitute an extension of the maturity of the Bonds.

SECTION 7.03. Powers as to Bonds of an Applicable Series and Pledge. The Corporation is duly authorized under the Act and all applicable laws to create and issue the Bonds of each Applicable Series, to execute and deliver the Master Indenture and each Applicable Series Indenture and to pledge and assign the proceeds from the sale of such Bonds, the Applicable Revenues, the Applicable State Housing Aid to the extent received by the Corporation, and all funds established hereby which are pledged hereby, in the manner and to the extent provided herein and in the Applicable Series Indenture. The Corporation further covenants that the proceeds from the sale of each Applicable Series of Bonds, the Applicable Revenues, the Applicable State Housing Aid to the extent received by the Corporation, and all funds established hereby and pursuant to the Applicable Series Indenture are and shall be free and clear of any pledge, lien, charge or encumbrance thereon or with respect thereto, prior to, or of equal rank with, the pledge created hereby and pursuant to the Applicable Series Indenture, and that all corporate action on the part of the Corporation to that end has been duly and validly taken. The Corporation further represents that the Bonds of each Applicable Series and the provisions hereof and of each Applicable Series Indenture are and shall be the valid and legally enforceable obligations of the Corporation in accordance with their terms and the terms hereof

and of each Applicable Series Indenture. The Corporation further covenants that it shall at all times, to the extent permitted by law, defend, preserve and protect the pledge of the Applicable Revenues, the Applicable State Housing Aid to the extent received by the Corporation, and all funds established hereby which are pledged hereby and by the Applicable Series Indenture and all of the rights of the Holders of the Applicable Series of Bonds under the Master Indenture and the Applicable Series Indenture against all claims and demands of all persons whomsoever.

SECTION 7.04. Further Assurance. The Corporation, at any and all times, shall, so far as it may be authorized by law, pass, make, do, execute, acknowledge and deliver all and every such further resolutions, acts, deeds, conveyances, assignments, transfers and assurances as may be necessary or desirable for the better assuring, conveying, granting, assigning and confirming all and singular the rights, and the pledges made hereby and pursuant to Applicable Series Indenture or intended so to be, or which the Corporation may hereafter become bound to pledge or assign.

SECTION 7.05 Accounts and Audits. The Corporation shall keep proper books of record and accounts (separate from all other records and accounts), which may be kept on behalf of the Corporation by the Trustee, in which complete and correct entries shall be made of its transactions relating to each Applicable Series of Bonds, which books and accounts, at reasonable hours and subject to the reasonable rules and regulations of the Corporation, shall be subject to the inspection of the Applicable Borrowers, the Trustee or of any Holder of a Bond of the Applicable Series or his representative duly authorized in writing. The Trustee shall annually prepare a report which shall be furnished to the Corporation, each Facility Provider, and the Applicable Borrowers. Such report shall include at least a statement of all funds and accounts (including investments thereof) held by the Trustee and the Corporation pursuant to the provisions hereof and of each Applicable Series Indenture, a statement of the Applicable Revenues collected from each Applicable Borrower in connection herewith and with each Applicable Series Indenture; and complete and correct entries of all transactions relating to an Applicable Series of Bonds. A copy of such report, shall, upon receipt of a written request therefor, and payment of any reasonable fee or charge made in connection therewith, be furnished to the registered owner of a Bond of the Applicable Series or any beneficial owner of a Book-Entry Bond of the Applicable Series requesting the same.

SECTION 7.06. Creation of Liens. Except as permitted hereby the Corporation shall not create or cause to be created any lien or charge prior or equal to that of the Bonds of an Applicable Series on the proceeds from the sale of such Bonds, the Applicable Revenues, the Applicable State Housing Aid or the funds and accounts established hereby and pursuant to the Applicable Series Indenture which are pledged hereby; provided, however, that nothing contained herein shall prevent the Corporation from issuing bonds, notes or other obligations under another and separate indenture so long as the charge or the lien created by such indenture is not prior or equal to the charge or lien created hereby; and provided further, that if the Corporation shall have issued more than one Series of Bonds for the benefit of a Borrower and the amounts pledged under the Applicable Agreements are insufficient to pay in full all Basic Debt Service Payments then due under all of the Agreements to which such Borrower is a party, then the General Treasurer shall pay a proportionate share of such available State Housing Aid

with respect to other bonds or evidences of indebtedness issued by the Borrower to the Trustee for each Series of Bonds as provided in the Memorandum of Understanding.

SECTION 7.07. Enforcement of Obligations of the Borrowers. Pursuant to the Applicable Agreement and the Applicable Borrower Bonds, the Corporation shall take all legally available action to cause a Borrower to perform fully its obligation to pay the Basic Debt Service Payment and other amounts which under the Applicable Agreement are to be paid to the Trustee, in the manner and at the times provided in the Applicable Agreement provided, however, that the Corporation may delay, defer or waive enforcement of one or more provisions of said Agreement (other than provisions requiring the payment of moneys to the Trustee for deposit to any fund or account established hereunder) if the Corporation determines such delay, deferment or waiver will not materially adversely affect the interests of the Holders of the Bonds of a Series.

SECTION 7.08. Deposit of Certain Moneys in the Construction Account. In addition to the proceeds of Bonds to be deposited in the Applicable Construction Account, any moneys paid to the Corporation for the acquisition, construction, reconstruction, rehabilitation or improvement of any Project, including without limitation, the equity contribution, if any, provided by a Borrower, shall be deposited in the Applicable Construction Account.

SECTION 7.09. Offices for Payment and Registration of Bonds. The Corporation may, pursuant to a Supplemental Indenture or a Series Indenture or pursuant to an indenture in accordance with Section 8.02 hereof, designate an additional Paying Agent or Paying Agents where Bonds of the Series authorized thereby or referred to therein may be presented for payment. The provisions of this Section shall be subject to the provisions of Section 3.01 hereof.

SECTION 7.10. Amendment, Change, Modification or Waiver of Agreement. An Applicable Agreement (and the related Applicable Borrower Bonds) may not be amended, changed, modified, altered or terminated so as to materially adversely affect the interest of the Holders of the Outstanding Bonds of the Applicable Series without the prior written consent of the Holders of at least a majority in aggregate principal amount of such Bonds then Outstanding; provided, however, that if such modification or amendment will, by its terms, not take effect so long as any Bonds of any Applicable Series remain Outstanding, the consent of the Holders of such Bonds shall not be required and such Bonds shall not be deemed to be Outstanding for the purpose of any calculation of Outstanding Bonds of the Applicable Series under this Section; provided, further, that no such amendment, change, modification, alteration or termination will reduce the percentage of the aggregate principal amount of Outstanding Bonds of such Series the consent of the Holders of which is a requirement for any such amendment, change, modification, alteration or termination, or decrease the amount of any payment required to be made by the Borrower under the Applicable Agreement that is to be deposited with the Trustee or extend the time of payment thereof. Except as otherwise provided in this Section, an Agreement may be amended, changed, modified or altered without the consent of the Holders of Outstanding Bonds of the Applicable Series or the Trustee. Specifically, and without limiting the generality of the foregoing, an Agreement may be amended, changed, modified or altered without the consent of the Trustee and the Holders of Outstanding Bonds of such Series (i) to provide changes in connection with the acquisition, construction, reconstruction, rehabilitation, renovation and improvement or otherwise, the providing, furnishing and equipping of any facilities constituting

a part of the Applicable Project or which maybe added to such Project; (ii) to provide for the issuance of Bonds of an Applicable Series; or (iii) to cure any ambiguity or correct or supplement any provisions contained in the Applicable Agreement, which may be defective or inconsistent with any other provisions contained herein or in such Agreement.

For the purposes of this Section, an Applicable Series shall be deemed to be adversely affected by an amendment, change, modification or alteration of the Agreement if the same adversely affects or diminishes the rights of the Holders of the Bonds of such Series in any material respect. The Trustee may in its discretion determine whether or not, in accordance with the foregoing provisions, Bonds of an Applicable Series would be adversely effected in any material respect by any amendment, change, modification or alteration, and any such determination shall be binding and conclusive on the Corporation and all Holders of such Bonds.

For the purposes of this Section, the purchasers of the Bonds of a Series, whether purchasing as underwriters, for resale or otherwise, upon such purchase from the Corporation, may consent to an amendment, change, modification, termination or waiver permitted by this Section with the same effect as a consent given by the Holder of such Bonds.

For the purposes of this Section, the Trustee shall be entitled to rely upon an opinion of counsel, including an opinion of Bond Counsel, which counsel shall be satisfactory to the Trustee, with respect to whether any amendment, change, modification or alteration adversely affects the interests of any Holders of Bonds of the Applicable Series then Outstanding in any material respect.

SECTION 7.11. Notice as to Agreement Default. The Corporation shall notify the Trustee in writing that an "Event of Default" under the Applicable Agreement, as such term is defined in the Applicable Agreement (including the failure to pay the Applicable Borrower Bonds), has occurred and is continuing, or that which notice shall be given within five (5) days after the Corporation has obtained actual knowledge thereof.

SECTION 7.12. Basic Debt Service Payment. The Applicable Agreement shall provide for the payment of Basic Debt Service Payment which shall be sufficient at all times to pay the Borrower's Allocable Portion of the principal and Sinking Fund Installments of and interest on Outstanding Bonds of the Applicable Series as the same become due and payable.

SECTION 7.13. Action Required Under the Memorandum of Understanding. In the event of a failure by any Borrower to make its Basic Debt Service Payment, the Corporation shall take all further action required under the Memorandum of Understanding to assure payment of such deficiency to the Trustee.

SECTION 7.14. Tax Covenant. Unless otherwise provided in a Series Indenture, the Corporation covenants that it shall not take any action or inaction, or fail to take any action, or permit any action to be taken on its behalf or cause or permit any circumstance within its control to arise or continue; if any such action or inaction would adversely affect the exclusion from gross income for federal income tax purposes of the interest on the Bonds under Section 103 of the Code. Without limiting the generality of the foregoing, the Corporation covenants that it will

comply with the instructions and requirements of the Tax Certificate, which is incorporated herein as if fully set forth herein. This covenant shall survive payment in full or defeasance of the Bonds.

In the event that at any time the Corporation is of the opinion that for purposes of this Section it is necessary or helpful to restrict or limit the yield on the investment of any moneys held by the Trustee under this Indenture, the Corporation shall so instruct the Trustee under this Indenture in writing, and the Trustee shall take such action as may be necessary in accordance with such instructions.

Notwithstanding any provisions of this Section, if the Corporation shall provide to the Trustee an opinion of Bond Counsel that any specified action required under this Section is no longer required or that some further or different action is required to maintain the exclusion from federal income tax of interest on the Bonds; the Trustee may conclusively rely on such opinion in complying with the requirements of this Section and of the Tax Certificate, and the covenants hereunder shall be deemed to be modified to that extent.

SECTION 7.15. General. The Corporation shall do and perform or cause to be done and performed all acts and things required to be done or performed by or on behalf of the Corporation under the provisions hereof in accordance with the terms of such provisions.

Upon the date of issuance of a Series of Bonds, all conditions, acts and things required by the statutes of the State and hereby to exist, to have happened and to have been performed precedent to and in the issuance of such Bonds, shall exist, have happened and have been performed and the issuance of such Bonds, together with all other indebtedness of the Corporation, shall be within every debt and other limit prescribed by the laws of the State.

SECTION 7.16. Covenant as to Payment; Faith and Credit of State Not Pledged. The Corporation covenants that it will promptly pay or cause to be paid the principal, Sinking Fund Installments, if any, or Redemption Price of and interest on the Bonds at the place, on the dates and in the manner provided herein and in the Bonds, provided, however, except with regard to the payment of State Housing Aid which is subject to annual appropriation by the Rhode Island General Assembly, that the Bonds do not now and shall never constitute a general obligation of the Corporation or a debt or pledge of the faith and credit of the State or any municipality or political subdivision of the State, and all covenants and undertakings by the Corporation hereunder and under the Bonds to make payments are special obligations of the Corporation payable solely from the revenues and funds pledged hereunder.

## ARTICLE VIII

## CONCERNING THE TRUSTEE

SECTION 8.01. Appointment and Acceptance of Trustee. U.S. Bank National Association is hereby appointed as Trustee under the Master Indenture and shall also serve as Paying Agent. The Trustee shall signify its acceptance of the duties and obligations of Trustee and Paying Agent imposed upon it hereby by executing the Master Indenture.

SECTION 8.02. Appointment and Acceptance of Paying Agents. In addition to the Trustee, the Corporation may appoint one or more Paying Agents for the Bonds of any Series in the Series Indenture authorizing such Bonds or in the manner provided herein or in such Series Indenture or shall appoint such Paying Agent or Paying Agents by resolution of the Corporation adopted prior to the authentication and delivery of the Bonds, and may at any time or from time to time appoint one or more other Paying Agents in the manner and subject to the conditions set forth in Section 8.13 hereof for the appointment of a successor Paying Agent. Each Paying Agent shall signify its acceptance of the duties and obligations imposed upon it hereby by written instrument of acceptance deposited with the Corporation and the Trustee.

SECTION 8.03. Responsibilities of Trustee and Paying Agent. The recitals of fact contained herein and in each Applicable Series Indenture and in the Bonds of the Applicable Series shall be taken as the statements of the Corporation and neither the Trustee nor any Paying Agent assumes any responsibility for the correctness of the same. Neither the Trustee nor any Paying Agent makes any representations as to the validity or sufficiency hereof, of any Series Indenture or of any Bonds, or in respect of the security afforded hereby or by each Series Indenture, and neither the Trustee nor any Paying Agent shall incur any responsibility in respect thereof. Neither the Trustee nor any Paying Agent shall be under any responsibility or duty with respect to: (i) the issuance of the Bonds for value; (ii) the application of the proceeds thereof except to the extent that such proceeds are received by it in its capacity as Trustee or Paying Agent; or (iii) the application of any moneys paid to the Corporation or others in accordance herewith and with each Series Indenture except as to the application of any moneys paid to it in its capacity as Trustee or Paying Agent. Neither the Trustee nor any Paying Agent shall be liable in connection with the performance of or failure to perform its duties hereunder and under each Series Indenture except for its own negligence or default; provided, however, that neither the Trustee nor any Paying Agent shall be liable for any default based upon an action taken or omitted to be taken by it in good faith and believed by it to be authorized or within the discretion or rights or powers conferred upon it hereby or by any Series Indenture.

The duties and obligations of the Trustee and any Paying Agent shall be determined by the express provisions hereof and of each Applicable Series Indenture and neither the Trustee nor any Paying Agent shall be liable except for the performance of or failure to perform such duties and obligations as are specifically set forth herein and in each Series Indenture. The permissive right of the Trustee to do things enumerated herein or in a Series Indenture shall not be construed as a duty and the Trustee shall not be answerable for other than its gross negligence or willful misconduct, except as may otherwise be expressly provided herein. The immunities and exceptions from liability of the Trustee set forth herein or in the Series Indenture shall extend to its officers, directors, employees and agents.

SECTION 8.04. Property Held in Trust. All moneys and securities conveyed to or held by the Trustee, except for amounts held in the Applicable Arbitrage Rebate Fund and the Applicable Administrative Fund, at any time pursuant to the terms hereof and of each Series Indenture shall be and hereby are signed, transferred and set over unto the Trustee in trust for the purposes and under the terms and conditions hereof and of each Series Indenture.

The Trustee shall hold all moneys in the Applicable Arbitrage Rebate Fund and the Applicable Administrative Fund as the agent of the Corporation and shall not disburse amounts therefrom except pursuant to the written instructions of an Authorized Officer of the Corporation.

SECTION 8.05. Evidence on Which Fiduciaries May Act. The Trustee and any Paying Agent shall be protected in acting upon any notice, resolution, request, consent, order, certificate, report, opinion, bond or other paper or document reasonably believed by it in good faith to be genuine, and to have been signed or presented by the proper party or parties. The Trustee and any Paying Agent may consult with counsel, who may or may not be of counsel to the Corporation, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it in good faith and in accordance therewith.

Whenever the Trustee or any Paying Agent shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder and under any Series Indenture, such matter (unless other evidence in respect thereof be specifically prescribed hereby) may be deemed to be conclusively proved and established by a certificate signed by an Authorized Officer of the Corporation or, with the permission of an Authorized Officer of the Corporation, signed by an Authorized Officer of the Borrower. Such certificate shall be full warrant for any action taken or suffered in good faith under the provisions hereof and of the Series Indenture upon the faith thereof, but in its discretion the Trustee or any Paying Agent may in lieu thereof accept other evidence of such fact or matter or may require such further or additional evidence as it may deem reasonable. Except as otherwise expressly provided herein and in each Series Indenture, any request, order, notice or other direction required or permitted to be furnished pursuant to any provision hereof and of any Series Indenture by the Corporation to the Trustee or any Paying Agent shall be sufficiently executed if executed in the name of the Corporation by an Authorized Officer.

SECTION 8.06. Compensation. Unless otherwise provided by contract with the Trustee or any Paying Agent, the Corporation shall pay to the Trustee and to each Paying Agent, from time to time, reasonable compensation for all services rendered by it hereunder and under the applicable Series Indenture, and also all reasonable expenses, charges, counsel fees and other disbursements, including those of their attorneys, agents and employees, incurred in and about the performance of their powers and duties hereunder and under the applicable Series Indenture and the Trustee and each Paying Agent shall have a lien therefor on any and all funds at any time held by it hereunder and under the applicable Series Indenture (other than the Applicable Arbitrage Rebate Fund and the Applicable Administrative Fund) prior to any of the Bonds for which such services have been rendered. The Corporation shall indemnify and save the Trustee and each Paying Agent harmless against any liabilities which it may incur in the exercise and performance of its powers and duties hereunder and under the Applicable Series Indenture and which are not due to its negligence or default. None of the provisions contained herein or in any Series Indenture shall require the Trustee to expend or risk its own funds or otherwise incur financial liability in the performance of any of its duties or in the exercise of any of its rights or powers. The Trustee shall not be required to take any action at the request or direction of a Facility Provider made or given pursuant to Article XI hereof unless and until such Facility

Provider shall have indemnified and saved the Trustee harmless against any liabilities and all reasonable expenses, charges, counsel fees and other disbursements, including those of the Trustee's attorneys, agents and employees, incurred in connection with or as a result of taking the action requested or directed by the Facility Provider to be taken. The obligation of the Corporation to indemnify the Trustee in accordance with this Section 8.06 and pay its fees and expenses in connection with this Master Indenture or any Series Indenture, including those of its counsel, as provided for in this Section 8.06 shall survive termination of this Master Indenture and any and all Series Indentures.

SECTION 8.07. Permitted Acts. The Trustee and any Paying Agent may become the owner of or may deal in Bonds as fully and with the same rights as if it were not such Trustee or Paying Agent. The Trustee and any Paying Agent may act as depository for, and permit any of its officers or directors to act as a member of, or in any other capacity with respect to the Corporation or any committee formed to protect the rights of Holders of Bonds or to effect or aid in any reorganization growing out of the enforcement hereof or of the Bonds or any Series Indenture whether or not such committee shall represent the Holders of a majority in principal amount of the Outstanding Bonds in respect of which any such action is taken.

SECTION 8.08. Resignation of Trustee. The Trustee, or any successor thereof, may at any time resign and be discharged of its duties and obligations hereunder and under an Applicable Series Indenture by giving not less than sixty (60) days written notice to the Corporation, the Applicable Borrowers and each Applicable Facility Provider and publishing notice thereof, specifying the date when such resignation shall take effect, at least once in an Authorized Newspaper, the first publication to be made within ten (10) days after the giving of such written notice. Such resignation shall take effect upon the date specified in such notice unless previously a successor shall have been appointed as provided in Section 8.10 hereof, in which event such resignation shall take effect immediately on the appointment of such successor; provided, however, that such resignation shall not take effect until a successor Trustee has been appointed and has accepted such appointment pursuant to Section 8.10 hereof.

SECTION 8.09. Removal of Trustee. The Trustee, or any successor thereof, may be removed at any time by the Holders of a majority in principal amount of the Outstanding Bonds of an Applicable Series, excluding any Bonds held by or for the account of the Corporation, by an instrument or concurrent instruments in writing signed and acknowledged by such Bondholders or by their attorneys-in-fact duly authorized and delivered to the Corporation. The Trustee, or any successor thereof, may also be removed at any time for cause or any breach of trust or for acting or proceeding in violation of, or failing to act or proceed in accordance with, any provisions hereof or of any Applicable Series Indenture with respect to the duties and obligations of the Trustee by any court of competent jurisdiction upon application by the Holders of not less than twenty per centum (20%) in aggregate principal amount of the Outstanding Bonds of an Applicable Series, excluding any Bonds held by or for the account of the Corporation. The Trustee may also be removed at any time, other than during the continuance of an event of default hereunder, by the Corporation, by an instrument in writing signed and acknowledged by an Authorized Officer of the Corporation. No removal hereunder shall take effect until a successor Trustee has been appointed. A copy of each instrument or order providing for the removal of the Trustee, or any successor thereof, shall be delivered by the

Corporation to the Trustee or such successor thereof, to the Borrower and to each Applicable Facility Provider.

SECTION 8.10. Successor Trustee. In case the Trustee, or any successor thereof, shall resign or shall be removed or shall become incapable of acting, or shall be adjudged a bankrupt or insolvent, or if a receiver, liquidator or conservator of the Trustee or of its property shall be appointed, or if any public officer shall take charge or control of the Trustee or of its property or affairs, the Corporation shall forthwith appoint a Trustee to act as Trustee and Paying Agent. Copies of any instrument executed by an Authorized Officer of the Corporation providing for any such appointment shall be delivered by the Corporation to the Trustee so appointed, the predecessor Trustee, to each Facility Provider and to the Borrower. The Corporation shall give notice of any such appointment to each registered owner of a Bond. Such notice shall be sent not later than thirty (30) days after such appointment, by first class mail, postage prepaid, to each registered owner at its last known address, if any, appearing on the registration books of the Corporation.

If in a proper case no appointment of a successor shall be made within forty-five (45) days after the giving of written notice in accordance with Section 8.08 hereof or after the occurrence of any other event requiring or authorizing such appointment, the Trustee or any Bondholder may apply to any court of competent jurisdiction for the appointment of such a successor, and such court may thereupon, after such notice, if any, as such court may deem proper, appoint such successor. Any successor appointed under the provisions of this Section shall be a bank located in the State having trust powers or a trust company organized under the laws of the State or national banking association doing business in the State having a capital and surplus aggregating at least $75,000,000, if there be such a bank having trust powers or trust company or national banking association willing and able to accept the appointment on reasonable and customary terms and authorized by law to perform all the duties required hereby and by each Series Indenture.

SECTION 8.11. Transfer of Rights and Property to Successor Trustee. Any successor appointed under the provisions of Section 8.10 hereof shall execute, acknowledge and deliver to its predecessor, and also to the Corporation, an instrument accepting such appointment, and thereupon such successor, without any further act, deed or conveyance shall become fully vested with all moneys, estates, properties, rights, powers, duties and obligations of its predecessor hereunder and under each Series Indenture, with like effect as if originally appointed as Trustee. However, the Trustee then ceasing to act shall nevertheless, on request by the Corporation or of such successor, execute, acknowledge and deliver such instruments of conveyance and further assurance and do such other things as may reasonably be required for more fully and certainly vesting and confirming in such successor all the right, title and interest of such Trustee in and to any property held by it hereunder, and shall pay over, assign and deliver to such successor any moneys or other properties subject to the trusts and conditions set forth herein. Should any deed, conveyance or instrument in writing from the Corporation be required by such successor for more fully and certainly vesting in and confirming to it any such moneys, estates, properties, rights, powers, duties or obligations, any and all such deeds, conveyances and instruments in writing shall, on request, and so far as may be authorized by law, be executed, acknowledged and delivered by the Corporation.

SECTION 8.12. Merger or Consolidation of the Trustee. Any company into which the Trustee may be merged or with which it may be consolidated or any company resulting from any merger or consolidation to which it shall be a party or any company to which such Trustee may sell or transfer all or substantially all of its corporate trust business, provided such company shall be a bank having trust powers or trust company or national banking association qualified to be a successor to such Trustee under the provisions of Section 8.10 hereof, shall be the successor to such Trustee, without any further act, deed or conveyance.

SECTION 8.13. Resignation or Removal of the Paying Agents and Appointment of Successors. Any Paying Agent (other than the Trustee) may at any time resign and be discharged of the duties, and obligations created hereby and by the applicable Series Indenture by giving at least sixty (60) days' written notice to the Corporation and Trustee. Any Paying Agent may be removed at any time by an instrument filed with such Paying Agent and the Trustee and signed by an Authorized Officer of the Corporation. Any successor Paying Agent shall be appointed by the Corporation and (subject to the requirements of Section 7.09 hereof) shall be a bank having trust powers or trust company organized under the laws of any state of the United States of America or a national banking association, having a capital and surplus aggregating at least $25,000,000, and willing and able to accept the office of Paying Agent on reasonable and customary terms and authorized by law to perform all the duties imposed upon it hereby and by the applicable Series Indenture.

In the event of the resignation or removal of any Paying Agent, such Paying Agent shall pay over, assign and deliver any moneys held by it to its successor, or if there be no successor then appointed, to the Trustee until such successor be appointed. The Corporation shall give written notice of the resignation or removal of any Paying Agent of any Series of Bonds to the Applicable Borrower and to each Applicable Facility Provider.

SECTION 8.14. Amortization Schedule. Upon the request of an Authorized Officer of the Corporation or an Applicable Borrower, the Trustee shall prepare a schedule setting forth as of the date of such schedule the principal amount of Outstanding Bonds of the Applicable Series, the dates on which the principal and Sinking Fund Installments, if any, of all Outstanding Bonds of each Series are payable, the dates on which the interest on all Outstanding Bonds other than Variable Interest Rate Bonds are payable, the amount payable on each such date for the principal and Sinking Fund Installments, if any, of and interest on Outstanding Bonds of each Series, exclusive of the interest payable on Variable Interest Rate Bonds, the aggregate amount thereof payable on each such date and the aggregate amount payable on each such date for the principal and Sinking Fund Installments, if any, of Outstanding Bonds of all Series and interest on Outstanding Bonds of all Series other than Variable Interest Rate Bonds. Such schedule shall also set forth each Borrower's Allocable Share of such amounts.

## ARTICLE IX

## SERIES INDENTURES AND SUPPLEMENTAL INDENTURES

SECTION 9.01. Execution and Delivery. The Corporation may execute and deliver at any time or from time to time an Applicable Series Indenture to authorize the issue of an Applicable Series of Bonds as provided in Section 2.02. A copy of each such Series Indenture, together with a copy of this Master Indenture shall be filed with the Trustee.

SECTION 9.02. Modification and Amendment without Consent. Notwithstanding any other provisions of this Article IX or Article X hereof, the Corporation may execute and deliver at any time or from time to time Supplemental Indentures for any one or more of the following purposes:

(a) To add additional covenants and agreements of the Corporation for the purpose of further securing the payment of the Bonds of an Applicable Series, provided such additional covenants and agreements are not contrary to or inconsistent with the covenants and agreements of the Corporation contained herein;

(b) To prescribe further limitations and restrictions upon the issuance of Bonds of an Applicable Series and the incurring of indebtedness by the Corporation which are not contrary to or inconsistent with the limitations and restrictions thereon theretofore in effect;

(c) To surrender any right, power or privilege reserved to or conferred upon the Corporation by the terms hereof, provided that the surrender of such right, power or privilege is not contrary to or inconsistent with the covenants and agreements of the Corporation contained herein;

(d) To confirm, as further assurance, any pledge hereunder or under the Applicable Series Indenture, and the subjection to any lien, claim or pledge created or to be created by the provisions hereof, of the Applicable Revenues, or any pledge of any other moneys, investments thereof or funds;

(e) To modify any of the provisions hereof or of any previously existing Series Indenture or Supplemental Indenture in any other respects, provided that such modifications shall not be effective until after all Bonds of an Applicable Series of Bonds Outstanding as of the date of such Supplemental Indenture shall cease to be Outstanding, and all Bonds of an Applicable Series issued under an Applicable Series Indenture shall contain a specific reference to the modifications contained in such subsequent indentures; or

(f) With the consent of the Trustee, to cure any ambiguity or defect or inconsistent provision herein or to insert such provisions clarifying matters or questions arising hereunder as are necessary or desirable, provided that any such modifications are not contrary to or inconsistent herewith as theretofore in effect, or to modify any of the provisions hereof or of any previously executed Applicable Series Indenture or Supplemental Indenture in any other respect,

provided that such modification shall not adversely affect the interests of the Bondholders of the Applicable Series in any material respect.

SECTION 9.03. Supplemental Indentures Effective with Consent of Bondholders. The provisions hereof and of an Applicable Series Indenture may also be modified or amended at any time or from time to time by a Supplemental Indenture, subject to the consent of the Applicable Bondholders in accordance with and subject to the provisions of Article X hereof.

SECTION 9.04. General Provisions Relating to Series Indentures and Supplemental Indentures. The Master Indenture shall not be modified or amended in any respect except in accordance with and subject to the provisions of this Article IX and Article X hereof. Nothing contained in this Article IX or Article X hereof shall affect or limit the rights or obligations of the Corporation to authorized, make, do, execute or deliver any indenture, act or other instrument pursuant to the provisions of Section 7.04 hereof or the right or obligation of the Corporation to execute and deliver to the Trustee or any Paying Agent any instrument elsewhere herein provided or permitted to be delivered to the Trustee or any Paying Agent.

A copy of every Applicable Series Indenture and Supplemental Indenture executed and delivered by the Corporation, when filed with the Trustee, shall be accompanied by an opinion of Bond Counsel stating that such Series Indenture or Supplemental Indenture has been duly and lawfully executed and delivered in accordance with the provisions hereof, is authorized or permitted hereby and is valid and binding upon the Corporation and enforceable in accordance with its terms.

The Trustee is hereby authorized to execute and deliver any Series Indenture or Supplemental Indenture permitted or authorized pursuant to the provisions hereof and to make all further agreements and stipulations which may be contained herein, and, in taking such action, the Trustee shall be fully protected in relying on the opinion of Bond Counsel that such Series Indenture or Supplemental Indenture is authorized or permitted by the provisions hereof.

No Series Indenture or Supplemental Indenture changing, amending or modifying any of the rights or obligations of the Trustee or of any Paying Agent shall become effective without the written consent of the Trustee or Paying Agent affected thereby.

## ARTICLE X

## AMENDMENTS OF INDENTURE

SECTION 10.01. Powers of Amendment. Any modification or amendment hereof and of the rights and obligations of the Corporation which shall affect an Applicable Series of Bonds and of the Holders of the such Applicable Series of Bonds hereunder, in any particular, may be made by a Supplemental Indenture, with the written consent given as hereinafter provided in Section 10.02 hereof, (i) of the Holders of at least a majority in principal amount of the Bonds of such Series Outstanding at the time such consent is given, or (ii) in case the modification or amendment changes the amount or date of any Sinking Fund Installment, of the Holders of at least a majority in principal amount of the Bonds of the Applicable Series, maturity and interest

rate entitled to such Sinking Fund Installment, Outstanding at the time such consent is given; provided, however, that if such modification or amendment will, by its terms, not take effect so long as any Bonds of any specified like Series, maturity and tenor remain Outstanding, the consent of the Holders of such Bonds shall not be required and such Bonds shall not be deemed to be Outstanding for the purpose of any calculation of Outstanding Bonds under this Section. No such modification or amendment shall permit a change in the terms of redemption or maturity of the principal of any Outstanding Bond or of any installment of interest thereon or a reduction in the principal amount or the Redemption Price thereof or in the rate of interest thereon without the consent of the Holder of such Bond, or shall reduce the percentages or otherwise affect the classes of Bonds the consent of the Holders of which is required to effect any such modification or amendment. For the purposes of this Section, a Series shall be deemed to be affected by a modification or amendment hereof if the same adversely affects or diminishes the rights of the Holders of Bonds of such Series in any material respect. The Trustee may in its discretion determine whether or not, in accordance with the foregoing provisions, the Bonds of any particular Series or maturity would be affected by any modification or amendment hereof and any such determination shall be binding and conclusive on the Corporation and all Holders of Bonds. The Trustee may receive an opinion of counsel, including an opinion of Bond Counsel, as conclusive evidence as to whether the Bonds of any particular Series or maturity would be so affected by any such modification or amendment hereof.

SECTION 10.02. Consent of Bondholders. The Corporation may at any time execute and deliver a Supplemental Indenture making a modification or amendment permitted by the provisions of Section 10.01 hereof to take effect when and as provided in this Section. A copy of such Supplemental Indenture (or brief summary thereof or reference thereto in form approved by the Trustee) together with a request to the Bondholders for their consent thereto in form satisfactory to the Trustee, shall promptly be mailed by the Corporation to the Bondholders (but failure to mail such copy and request to any particular Bondholder shall not affect the validity of the Supplemental Indenture when consented to as in this Section provided). Such Supplemental Indenture shall not be effective unless and until (i) there shall have been filed with the Trustee (a) the written consent of the Holders of the percentages of Outstanding Bonds specified in Section 10.01 hereof and (b) an opinion of Bond Counsel stating that such Supplemental Indenture has been duly and lawfully authorized, executed and delivered and filed by the Corporation in accordance with the provisions hereof, is authorized or permitted hereby, and is valid and binding upon the Corporation and enforceable in accordance with its terms, and (ii) a notice shall have been mailed as hereinafter in this Section provided. Each such consent shall be effective only if accompanied by proof of the holding or owning at the date of such consent of the Bonds with respect to which such consent is given, which proof shall be such as is permitted by Section 13.01 hereof. A certificate or certificates by the Trustee filed with the Trustee that it has examined such proof and that such proof is sufficient in accordance with Section 13.01 hereof shall be conclusive proof that the consents have been given by the Holders of the Bonds described in the certificate or certificates of the Trustee. Any consent given by a Bondholder shall be binding upon the Bondholder giving such consent and, anything in Section 13.01 hereof to the contrary notwithstanding, upon any subsequent Holder of such Bond and of any Bonds issued in exchange therefor (whether or not such subsequent Holder thereof has notice thereof); unless such consent is revoked in writing by the Bondholder giving such consent or a subsequent Holder thereof by filing such revocation with the Trustee, prior to the time when the written

statement of the Trustee hereinafter in this Section provided for is filed. The fact that a consent has not been revoked may likewise be proved by a certificate of the Trustee filed with the Trustee to the effect that no revocation thereof is on file with the Trustee. At any time after the Holders of the required percentages of Bonds shall have filed their consents to the Supplemental Indenture, the Trustee shall make and file with the Corporation and the Trustee a written statement that such Holders of such required percentages of Bonds have filed such consents. Such written statement shall be conclusive that such consents have been so filed. At any time thereafter notice, stating in substance that the Supplemental Indenture (which may be referred to as a Supplemental Indenture executed and delivered by the Corporation on a stated date, a copy of which is on file with the Trustee) has been consented to by the Holders of the required percentages of Bonds and will be effective as provided in this Section, shall be given to the Bondholders by the Corporation by mailing such notice to the Bondholders and, at the discretion of the Corporation, by publishing the same at least once not more than ninety (90) days after the Holders of the required percentages of Bonds shall have filed their consents to the Supplemental Indenture and the written statement of the Trustee hereinabove provided for is filed (but failure to publish such notice shall not prevent such Supplemental Indenture from becoming effective and binding as in this Section provided). The Corporation shall file with the Trustee proof of the mailing of such notices and, if the same shall have been published, of the publication thereof. A transcript, consisting of the papers required or permitted by this Section to be filed with the Trustee, shall be proof of the matters therein stated. Such Supplemental Indenture making such amendment or modification shall be deemed conclusively binding upon the Corporation, the Trustee, each Paying Agent and the Holders of all Bonds upon the filing with the Trustee of proof of the mailing of such notice or at the expiration of thirty (30) days after the filing with the Trustee of the proof of the first publication of such last mentioned notice, if such notice is published, except in the event of a final decree of a court of competent jurisdiction setting aside such Supplemental Indenture in a legal action or equitable proceeding for such purpose commenced within such thirty (30) day period; provided, however, that the Corporation, the Trustee and any Paying Agent during such thirty (30) day period and any such further period during which any such action or proceeding may be pending shall be entitled in their reasonable discretion to take such action, or to refrain from taking such action, with respect to such Supplemental Indenture as they may deem expedient.

For the purposes of this Article X, the purchasers of the Bonds of a Series, whether purchasing as underwriters, for resale or otherwise, upon such purchase from the Corporation, may consent to a modification or amendment permitted by Section 10.01 or 10.03 hereof in the manner provided herein, except that no proof of ownership shall be required, and with the same effect as a consent given by the Holder of such Bonds; provided, however, that, if such consent is given by a purchaser who is purchasing as an underwriter or for resale, the nature of the modification or amendment and the provisions for the purchaser consenting thereto shall be described in the official statement, prospectus, offering memorandum or other offering document prepared in connection with the primary offering of the Bonds of such Series by the Corporation.

SECTION 10.03. Modifications by Unanimous Consent. The terms and provisions hereof and the rights and obligations of the Corporation and of the Holders of the Bonds of an Applicable Series may be modified or amended in any respect upon the execution, delivery and filing with the Trustee by the Corporation of a copy of a Supplemental Indenture and the consent

of the Holders of all of the Applicable Bonds then Outstanding, such consent to be given as provided in Section 10.02 hereof, except what no notice to the Bondholders either by mailing or publication shall be required.

SECTION 10.04. Consent of Facility Provider. Whenever by the terms of this Article X the consent of any of the Holders of the Bonds to a modification or amendment hereof made by a Series Indenture or Supplemental Indenture is required, such modification or amendment shall not become effective until the written consent of each Applicable Facility Provider has been obtained; provided, however, that the consent of a Facility Provider which has provided a Credit Facility or a Liquidity Facility shall not be required unless the modification or amendment requires the consent of the Holders of any percentage in principal amount of Outstanding Bonds or of the Holders of any percentage in principal amount of the Bonds of the Series in connection with which such Credit Facility or Liquidity Facility was provided. No modification or amendment hereof which adversely affects a Facility Provider shall be made without the written consent thereto of the Facility Provider affected thereby. Notice of the execution and delivery of any such Series Indenture or Supplemental Indenture and of the effectiveness of the modification or amendment made thereby shall be given to each Facility Provider by mail at the times and in the manner provided herein with respect to notices thereof required to be given to the Holders of the Bonds. Notice thereof shall also be given to the Rating Agency as soon as practical after execution and delivery of such Supplemental Indenture and of the effectiveness thereof.

SECTION 10.05. Mailing and Publication. Any provision in this Article X for the mailing of a notice or other document to Bondholders shall be fully complied with if it is mailed postage prepaid only (i) to each registered owner of Bonds then Outstanding at such person's address, if any, appearing upon the registry books of the Corporation and (ii) to the Trustee.

Any provision in this Article X for publication of a notice or other matter shall require the publication thereof only in an Authorized Newspaper.

SECTION 10.06. Exclusion of Bonds. Bonds owned or held by or for the account of the Corporation shall not be deemed Outstanding for the purpose of consent or other action provided for herein, and the Corporation shall not be entitled with respect to such Bonds to give any consent or take any other action provided for herein. At the time of any consent or other action taken hereunder, the Corporation shall furnish the Trustee a certificate of an Authorized Officer, upon which the Trustee may rely, describing all Bonds so to be excluded.

SECTION 10.07. Notation on Bonds. Bonds delivered after the effective date of any action taken as provided in Article IX hereof or this Article X may, and if the Trustee so determines, shall, bear a notation by endorsement or otherwise in form approved by the Corporation and the Trustee as to such action, and in that case upon demand of the Holder of any Bond Outstanding at such effective date and upon presentation of his Bond for such purpose at the principal corporate trust office of the Trustee, suitable notation shall be made on such Bond by the Trustee as to any such action. If the Corporation or the Trustee shall so determine, new Bonds so modified as, in the opinion of the Trustee and the Corporation, conform to such action shall be prepared and delivered, and upon demand of the Holder of any Bond then Outstanding

shall be exchanged; without cost to such Bondholder, for Bonds of the same Series and maturity then Outstanding, upon surrender of such Bonds.

## ARTICLE XI

## DEFAULTS AND REMEDIES

SECTION 11.01. Reserved.

SECTION 11.02. Events of Default. An event of default shall exist hereunder and under an Applicable Series Indenture (herein called "event of default") if

(a) With respect to an Applicable Series of Bonds, payment of the principal, Sinking Fund Installments or Redemption Price of any such Bond shall not be made by the Corporation when the same shall become due and payable, either at maturity or by proceedings for redemption or otherwise; or

(b) With respect to an Applicable Series of Bonds, payment of an installment of interest on any such Bond shall not be made by the Corporation when the same shall become due and payable; or

(c) With respect to an Applicable Series of Bonds, the Corporation shall default in the due and punctual performance of any covenants, if any, contained in the Series Indenture authorizing the issuance thereof to the effect that the Corporation shall comply with the provisions of the Code applicable, to such Bonds necessary to maintain the exclusion of interest thereon from gross income under Section 103 of the Code and shall not take any action which would adversely affect the exclusion of interest on such Bonds from gross income under Section 103 of the Code and, as a result thereof, the interest on the Bonds of such Series shall no longer be excludable from gross income under Section 103 of the Code; or

(d) With respect to an Applicable Series of Bonds, the Corporation shall default in the due and punctual performance of any other of the covenants, conditions, agreements and provisions contained herein or in the Bonds of the Applicable Series or in the Applicable Series Indenture on the part of the Corporation to be performed and such default shall continue for thirty (30) days after written notice specifying such default and requiring same to be remedied shall have been given to the Corporation by the Trustee, which may give such notice in its discretion and shall give such notice at the written request of the Holders of not less than twenty-five per centum (25%) in principal amount of such Outstanding Bonds, unless, if such default is not capable of being cured within thirty (30) days, the Corporation has commenced to cure such default within said thirty (30) days and diligently prosecutes the cure thereof.

An Event of Default under this Master Indenture in respect of an Applicable Series of Bonds shall not in and of itself be or constitute an Event of Default in respect of any other Applicable Series of Bonds.

SECTION 11.03. No Acceleration of Maturity. The Bonds are not subject to acceleration upon an event of default hereunder.

SECTION 11.04. Enforcement of Remedies. Upon the happening and continuance of any event of default specified in Section 11.02 hereof, then and in every such case, the Trustee may proceed, and upon the written request of the Applicable Facility Provider or the Holders of not less than twenty-five per centum (25%) in principal amount of the Outstanding Bonds of the Applicable Series shall proceed (in either case with the written consent of the Facility Provider for such Series) or, in the case of a happening and continuance of an event of default specified in paragraph (c) of Section 11.02 hereof, upon the written request of the Applicable Facility Provider or the Holders of not less than twenty-five per centum (25%) in principal amount of the Outstanding Bonds of the Applicable Series with the written consent of the Facility Provider, for such Series, shall proceed (subject to the provisions of Section 8.06 hereof), to protect and enforce its rights and the rights of the Bondholders or of such Facility Provider hereunder or under the Applicable Series Indenture or under the laws of the State by such suits, actions or special proceedings in equity or at law, either for the specific performance of any covenant contained hereunder or under the Applicable Series Indenture or in aid or execution of any power herein or therein granted, or for an accounting against the Corporation as if the Corporation were the trustee of an express trust, or for the enforcement of any proper legal or equitable remedy as the Trustee shall deem most effectual to protect and enforce such rights.

In the enforcement of any remedy hereunder and under the Applicable Series Indenture the Trustee shall be entitled to sue for, enforce payment of, and receive any and all amounts then, or during any default becoming, and at any time remaining, due from the Corporation for principal or interest or otherwise under any of the provisions of the Indenture or of the Applicable Series Indenture or of the Applicable Bonds, with interest on overdue payments of the principal of or interest on the Applicable Bonds at the rate or rates of interest specified in such Bonds, together with any and all costs and expenses of collection and of all proceedings hereunder and under the Applicable Series Indenture and under such Bonds, without prejudice to any other right or remedy of the Trustee or of the Holders of such Bonds, and to recover and enforce judgment or decree against the Corporation but solely as provided herein, in the Applicable Series Indenture and in such Bonds, for any portion of such amounts remaining unpaid, with interest, costs and expenses, and to collect in any manner provided by law, the moneys adjudged or decreed to be payable.

SECTION 11.05. Priority of Payments after Default. If at any time the moneys held by the Trustee hereunder and under the Applicable Series Indenture shall not be sufficient to pay the principal of and interest on the Bonds of the Applicable Series as the same become due and payable (by their terms), such moneys together with any moneys then available or thereafter becoming available for such purpose, whether through exercise of the remedies provided for in this Article XI or otherwise, shall be applied (after payment of all amounts owing to the Trustee hereunder) as follows:

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

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

Second: To the payment to the persons entitled thereto of the unpaid principal, Sinking Fund Installments or Redemption Price of such Bonds which shall have become due whether at maturity or by call for redemption in the order of their due dates and, if the amount available shall not be sufficient to pay in full all such amounts due on any date, then to the payment thereof ratably, according to the amount of principal, Sinking Fund Installments or Redemption Price due on such date, to the persons entitled thereto, without any discrimination or preference.

(b) If the principal of all of the Applicable Bonds shall have become due and payable, all such moneys shall be applied to the payment of the principal and interest then due and unpaid upon such 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 such Bond over any other such Bond, ratably, according to the amounts due respectively for principal and interest, to the persons entitled thereto, without any discrimination or preference except as to the difference in the respective rates of interest specified in such Bonds.

The provisions of this Section are in all respects subject to the provisions of Section 7.02 hereof.

Whenever moneys are to be applied by the Trustee pursuant to the provisions of this Section, such moneys shall be applied by the Trustee at such times, and from time to time, as the Trustee in its sole discretion 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. The setting aside of such moneys in trust for application in accordance with the provisions of this Section shall constitute proper application by the Trustee, and the Trustee shall incur no liability whatsoever to the Corporation, to any Holder of Bonds or to any other person for any delay in applying any such moneys so long as the Trustee acts with reasonable diligence, having due regard to the circumstances, and ultimately applies the same in accordance with such provisions hereof as may be applicable at the time of application by the Trustee. Whenever the Trustee shall exercise such discretion in applying such moneys, it shall fix the date (which shall be on 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 principal to be paid on such date shall cease to accrue. The Trustee shall give such notice as it may deem appropriate of the fixing of any such date. The Trustee shall not be required to make payment to the Holder of any Bond of the Applicable Series unless such Bond shall be presented to the Trustee for appropriate endorsement.

Amounts held by the Trustee after payments to be made pursuant to this Section 11.05 have been made and no Bonds are Outstanding shall be paid and applied in accordance with Section 12.01 hereof.

SECTION 11.06. Termination of Proceedings. In case any proceedings commenced by the Trustee on account of any default shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Trustee, then and in every such case the Corporation, the Trustee, each Applicable Facility Provider, the Borrower and the Applicable Bondholders shall be restored to their former positions and rights hereunder, respectively, and all rights, remedies, powers and duties of the Trustee shall continue as though no such proceeding had been commenced.

SECTION 11.07. Bondholders' Direction of Proceedings. Anything herein to the contrary notwithstanding, the Holders of a majority in principal amount of the Outstanding Bonds of the Applicable Series or, in the case of an event of default specified in paragraph (c) of Section 11.02 hereof, the Holders of a majority in principal amount of the Outstanding Bonds of the Applicable Series shall have the right by an instrument in writing executed and delivered to the Trustee; to direct the method and place of conducting all remedial proceedings to be taken by the Trustee hereunder and under the Applicable Series Indenture, provided, such direction shall not be otherwise than in accordance with law and the provisions hereof and of the Applicable Series Indenture, and that the Trustee shall have the right to decline to follow any such direction which in the opinion of the Trustee would be unjustly prejudicial to Bondholders of the Applicable Series not parties to such direction.

SECTION 11.08. Limitation of Rights of Individual Bondholders. No Holder of any of the Bonds shall have any right to institute any suit, action or proceeding in equity or at law for the execution of any trust hereunder, or for any other remedy hereunder unless such Holder previously shall have given to the Trustee written notice of the event of default on account of which such suit, action or proceeding is to be instituted, and unless also the Holders of not less than twenty-five per centum (25%) in principal amount of the Outstanding Bonds of the Applicable Series or, in the case of an event of default specified in paragraph (c) of Section 11.02 hereof, the Holders of not less than twenty-five per centum (25%) in principal amount of the Outstanding Bonds of the Applicable Series, shall have made written request to the Trustee after the right to exercise such powers or right of action, as the case may be, shall have accrued, and shall have afforded the Trustee a reasonable opportunity either to proceed to exercise the powers granted hereby or to institute such action, suit or proceeding in its or their name, and unless, also, there shall have been offered to the Trustee reasonable security and indemnity against the costs, expenses, and liabilities to be incurred therein or thereby, and the Trustee shall have refused or neglected to comply with such request within a reasonable time. Such notification, request and offer of indemnity are hereby declared in every such case, at the option of the Trustee, to be conditions precedent to the execution of the powers and trusts hereof or for any other remedy hereunder and in equity or at law. It is understood and intended that no one or more Holders of the Bonds secured hereby shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the security hereof or to enforce any right hereunder except in the manner herein provided, and that all proceedings at law or in equity shall be instituted and maintained for the benefit of all Holders of the Outstanding Bonds of the Applicable Series. Notwithstanding any other provision hereof, the Holder of any Bond shall have the right which is absolute and unconditional to receive payment of the principal of (and premium, if any) and interest on such Bond on the stated maturity expressed in such Bond (or, in

the case of redemption, on the redemption date) and to institute suit for the enforcement of any such payment, and such right shall not be impaired without the consent of such Holder.

SECTION 11.09. Actions by Trustee; Possession of Bonds by Trustee Not Required. All rights of action hereunder or under any of the Bonds secured hereby and thereby, enforceable by the Trustee, may be enforced by it without the possession of any of such Bonds or the production thereof at the trial or other proceeding relative thereto, and any such suit, action or proceeding instituted by the Trustee shall be brought in its name for the benefit of all the Holders of the Bonds to which such action relates, subject to the provisions hereof.

SECTION 11.10. Remedies Not Exclusive. No remedy herein conferred upon or reserved to the Trustee or to the Bondholders is intended to be exclusive of any other remedy or remedies and each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute.

SECTION 11.11. Waiver and Non-Waiver of Default. No delay or omission of the Trustee or any Bondholder to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or an acquiescence therein. Every power and remedy given by this Article XI to the Trustee and the Bondholders; respectively, may be exercised from time to time and as often as maybe deemed expedient.

The Trustee may, and upon written request of the Holders of not less than twenty-five per centum (25%)in principal amount of the Outstanding Bonds of the Applicable Series or, in the case of a default specified in paragraph (c) of Section 11.02 hereof, the Holders of not less than twenty-five per centum (25%) in principal amount of the Outstanding Bonds of the Applicable Series, shall waive any default which in its opinion, shall have been remedied before the entry of final judgment or decree in any suit, action or proceeding instituted by it under the provisions hereof or before the completion of the enforcement of any other remedy hereunder; provided, however, that no such waiver shall extend to or affect any other existing or any subsequent default or defaults or impair any rights or remedies consequent thereon.

SECTION 11.12. Notice of Event of Default. The Trustee shall give notice of each event of default hereunder known to the Trustee to the Applicable Borrowers and to each Applicable Facility Provider within five (5) days after knowledge of the occurrence thereof and to the Holders of Bonds of the Applicable Series within thirty (30) days after knowledge of the occurrence thereof, unless such event of default shall have been remedied or cured before the giving of such notice; provided, however, that, except in the case of default in the payment of the principal, Sinking Fund Installments or Redemption Price of, or interest on, any of the Bonds, the Trustee shall be protected in withholding notice thereof to the Holders of Bonds if and so long as the Trustee in good faith determines that the withholding of such notice is in the best interests of the Holders of the Bonds of the Applicable Series. Each such notice of event of default shall be given by the Trustee by mailing written notice thereof (i) to all registered Holders of Bonds of the Applicable Series, as the names and addresses of such Holders appear on the books for registration and transfer of Bonds as kept by the Trustee, (ii) to each Applicable Facility Provider and (iii) to such other persons as is required by law. Any such notice required

to be mailed to Holders of Bonds may, in the sole discretion of the Corporation, be published by the Trustee in an Authorized Newspaper.

## ARTICLE XII

## DEFEASANCE

SECTION 12.01. Defeasance.

1. If the Corporation shall pay or cause to be paid to the Holders of Bonds of an Applicable Series the principal Sinking Fund Installments, if any, or Redemption Price of and interest thereon, at the times and in the manner stipulated therein, herein, and in the applicable Series Indenture, then the pledge of the Revenues or other moneys and securities pledged to such Bonds and all other rights granted hereby to such Bonds shall be discharged and satisfied. In such event, the Trustee shall, upon the request of the Corporation, execute and deliver such documents to evidence such discharge and satisfaction as may be reasonably required by the Corporation, and all moneys or investments thereof held by it pursuant hereto and to the Applicable Series Indenture which are not required for the payment or redemption of Bonds of such Series shall be paid or delivered by the Trustee as follows: first, to the Applicable Arbitrage Rebate Fund, the amount required to be deposited therein in accordance with the direction of an Authorized Officer of the Corporation; second, to the Applicable Administrative Fund, the amount certified by an Authorized Officer of the Corporation to be then due or past due pursuant to any Applicable Agreement for fees and expenses of the Corporation or pursuant to any indemnity related to such Applicable Series of Bonds; and, then, the balance thereof to the Applicable Borrowers. Such moneys or investments thereof so paid or delivered shall be released from any trust, pledge, lien, encumbrance or security interest created hereby.

2. Notwithstanding any provision of this Indenture to the contrary, if any Borrower shall have prepaid the amounts due under its Agreement and in accordance therewith shall pay or cause to be paid its Allocable Portion of the principal, Sinking Fund Installments, if any, or Redemption Price, if applicable, and interest on the Bonds or portions thereof applicable to such Agreement at the times and in the manner stipulated therein, herein, and in the Applicable Series Indenture, then the pledge of the Revenues or other moneys and securities pledged with respect to such Agreement or any portion thereof and all other rights granted under such Agreement shall be discharged and satisfied. In such event, the Trustee shall, upon the request of the Corporation, execute and deliver such documents to evidence such discharge and satisfaction as may be reasonably required by the Borrower, and the Corporation, and all moneys or other securities held by it pursuant hereto and to a Series Indenture which are not required for the payment or redemption of its Allocable Portion of the Bonds of such Series to be defeased or any portion thereof not theretofore surrendered for such payment or redemption shall be paid or delivered by the Trustee as follows: first, to the Arbitrage Rebate Fund, the amount required to be deposited therein in accordance with the direction of the Corporation; second, to the Applicable Administrative Fund the amount certified by the Corporation to be then due or past due pursuant to the Applicable Agreement to be prepaid for fees and expenses of the Corporation or pursuant to any indemnity; and, then, the balance thereof to the Borrower. Such moneys or

investments so paid or delivered shall be released from any trust, pledge, lien, encumbrance or security interest created hereby, by a Series Indenture or by such Agreement.

3. Bonds for the payment or redemption of which moneys shall have been set aside and shall be held in trust by the Trustee (through deposit of moneys for such payment or redemption or otherwise) at the maturity or redemption date thereof shall be deemed to have been paid within the meaning and with the effect expressed in subdivision 1 of this Section. All Outstanding Bonds of any Applicable Series or any maturity within a Series or a portion of a maturity within a Series shall prior to the maturity or redemption date thereof be deemed to have been paid within the meaning and with the effect expressed in subdivision 1 of this Section if (a) in case any of said Bonds are to be redeemed on any date prior to their maturity, the Corporation shall have given to the Trustee, in form satisfactory to it, irrevocable instructions to give as provided in Article IV hereof notice of redemption on said date of such Bonds, (b) there shall have been deposited with the Trustee either moneys in an amount which shall be sufficient, or Defeasance Securities the principal of and interest on which when due will provide moneys which, together with the moneys, if any, deposited with the Trustee at the same time, shall be sufficient to pay when due the principal, Sinking Fund Installments, if any, or Redemption Price; if applicable; and interest due and to become due on said Bonds on and prior to the redemption date or maturity date thereof, as the case may be, (c) the Trustee shall have received the written consent of each Applicable Facility Provider which has given written notice to the Trustee and the Corporation that amounts advanced under an Applicable Credit Facility or Liquidity Facility issued by it or the interest thereon have not been repaid to such Facility Provider, and (d) in the event said Bonds are not by their terms subject to redemption within the next succeeding sixty (60) days, the Corporation shall have given the Trustee, in form satisfactory to it, irrevocable instructions to give, as soon as practicable, by first class mail, postage prepaid, to the Holders of said Bonds at their last known addresses appearing on the registration books, and, if directed by an Authorized Officer of the Corporation, by publication, at least twice, at an interval of not less than seven (7) days between publications, in an Authorized Newspaper, a notice to the Holders of such Bonds that the deposit required by (b) above has been made with the Trustee and that said Bonds are deemed to have been paid in accordance with this Section and stating such maturity or redemption date upon which moneys are to be available for the payment of the principal, Sinking Fund Installments, if any, or Redemption Price, if applicable, of and interest on said Bonds. The Corporation shall give written notice to the Trustee of its selection of the Series and maturity payment of which shall be made in accordance with this Section. The Trustee shall select the Bonds of like Series and maturity payment of which shall be made in accordance with this Section in the manner provided in Section 4.04 hereof. Neither the Defeasance Securities nor moneys deposited with the Trustee pursuant to this Section nor principal or interest payments on any such Defeasance Securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal, Sinking Fund Installments, if any, or Redemption Price, if applicable, of and interest on said Bonds; provided, however, that any moneys received from such principal or interest payments on such Defeasance Securities deposited with the Trustee, if not then needed for such purpose, shall, to the extent practicable, be reinvested in Defeasance Securities maturing at times and in amounts sufficient to pay when due the principal, Sinking Fund Installments, if any, or Redemption Price, if applicable, of and interest to become due on said Bonds on and prior to such redemption date or maturity date hereof, as the case may be. Any income or interest earned by, or increment to, the

investment of any such moneys so deposited, shall, to the extent certified by the Trustee to be in excess of the amounts required hereinabove to pay the principal, Sinking Fund Installments, if any, or Redemption Price, if applicable, of and interest on such Bonds, as realized, be paid by the Trustee as follows: first, to the Applicable Arbitrage Rebate Fund, the amount required to be deposited therein in accordance with the direction of an Authorized Officer of the Corporation; second, to each Facility Provider the payments owed to it which have not been repaid, pro rata, based upon the respective amounts then unpaid to each Facility Provider; third, to the Applicable Administrative Fund the amount certified by an Authorized Officer of the Corporation to be then due or past due pursuant to the Applicable Agreement for fees and expenses of the Corporation or pursuant to any indemnity; and, then, the balance thereof to the Applicable Borrowers. The moneys so paid by the Trustee shall be released of any trust, pledge, lien, encumbrance or security interest created hereby.

4. For purposes of determining whether Variable Interest Rate Bonds shall be deemed to have been paid prior to the maturity or redemption date thereof, as the case may be, by the deposit of moneys, or Defeasance Securities and moneys, if any, in accordance with clause (b) of the second sentence of subdivision 3 of this section 12.01, the interest to come due on such Variable Interest Rate Bonds on or prior to the maturity date or redemption date thereof, as the case may be shall be calculated at the Maximum Interest Rate permitted by the terms thereof; provided, however, that if on any date, as a result of such Variable Interest Rate Bonds having borne interest at less than such Maximum Interest Rate for any period, the total amount of moneys and Defeasance Securities on deposit with the Trustee for the payment of interest on such Variable Interest Rate Bonds is in excess of the total amount which would have been required to be deposited with the Trustee, on such date in respect of such Variable Interest Rate Bonds in order to satisfy clause (b) of the second sentence of subdivision 3 of this Section 12.01, the Trustee shall pay the amount of such, excess as follows: first, to the Applicable Arbitrage Fund; the amount required to be deposited therein in accordance with the direction of an Authorized Officer of the Corporation; second, to each Applicable Facility Provider the payments owed to it which have not been repaid, pro rata, based upon the respective amounts then unpaid to each Facility Provider; third, to the Applicable Administrative Fund the amount certified by an Authorized Officer of the Corporation to be then due or past due pursuant to the Applicable Agreement for fees and expenses of the Corporation or pursuant to any indemnity; and, then, the balance thereof to the Borrower. The moneys so paid by the Trustee shall be released of any trust, pledge, lien, encumbrance or security interest created hereby.

5. Option Bonds shall be deemed to have been paid in accordance with clause (b) of the second sentence of subdivision 3 of this Section 12.01 only if, in addition to satisfying the requirements of clauses (a) and (c) of such sentence, there shall have been deposited with the Trustee moneys in an amount which shall be sufficient to pay when due the maximum amount of principal of and premium, if any, and interest on such Bonds which could become payable to the Holders of such Bonds upon the exercise of any options provided to the Holders of such Bonds; provided, however, that if, at the time a deposit is made with the Trustee pursuant to subdivision 3 of this Section 12.01, the options originally exercisable by the Holder of an Option Bond are no longer exercisable, such Bond shall not be considered an Option Bond for purposes of this subdivision 5. If any portion of the moneys deposited with the Trustee for the payment of the principal of and premium, if any, and interest on Option Bonds is not required for such purpose,

the Trustee shall, if requested by the Corporation, pay the amount of such excess as follows: first, to the Applicable Arbitrage Rebate Fund, the amount required to be deposited therein in accordance with the direction of an Authorized Officer of the Corporation; second, to each Applicable Facility Provider the payments owed to it which have not been repaid, pro rata, based upon the respective amounts then unpaid to each Facility Provider; third, to the Applicable Administrative Fund the amount certified by an Authorized Officer of the Corporation to be then due or past due pursuant to the Applicable Agreement for fees and expenses of the Corporation or pursuant to any indemnity; and, then, the balance thereof to the Borrower. The moneys so paid by the Trustee shall be released of any trust, pledge, lien, encumbrance or security interest created hereby.

6. Anything herein to the contrary notwithstanding, any moneys held by the Trustee or a Paying Agent in trust for the payment and discharge of any of the Bonds of a Series or the interest thereon which remain unclaimed for one (1) year after the date when all of the Bonds of such Series have become due and payable, either at their stated maturity dates or by call for earlier redemption, if such moneys were held by the Trustee or Paying Agent at such date, or for one (1) year after the date of deposit of such moneys if deposited with the Trustee or Paying Agent after said date when all of the Bonds of such Series become due and payable, or one (1) year after the date when the principal or Redemption Price of or interest on the Bonds for which said moneys is held was due and payable, shall, at the written request of the Corporation, be repaid by the Trustee or Paying Agent to the Corporation as its absolute property and free from trust, and the Trustee or Paying Agent shall thereupon be released and discharged with respect thereto and the Holders of Bonds shall look only to the Corporation for the payment of such Bonds; provided, however, that, before being required to make any such payment to the Corporation, the Trustee or Paying Agent may, at the expense of the Corporation, cause to be published in an Authorized Newspaper a notice that such moneys remain unclaimed and that, after a date named in such notice, which date shall be not less than thirty (30) nor more than sixty (60) days after the date of publication of such notice, the balance of such moneys then unclaimed shall be returned to the Corporation.

## ARTICLE XIII

## EXECUTION OF INSTRUMENTS BY BONDHOLDERS AND PROOF OF OWNERSHIP OF BONDS

SECTION 13.01. Evidence of Signatures of Bondholders and Ownership of Bonds. Any request, consent or other instrument which the Indenture may require or permit to be signed and executed by the Holder or Holders of Bonds may be in one or more instruments of similar tenor, and shall be signed or executed by such Holder or Holders of Bonds in person or by his or their attorneys duly appointed in writing. Proof of the execution of any such instrument, or of an instrument appointing any such attorney, or the holding or owning by any person of such Bonds, shall be sufficient for any purpose hereof (except as otherwise herein expressly provided) if made in the manner set forth below, but the Trustee may nevertheless in its discretion require further or other proof in cases where it deems the same desirable.

The fact and date of the execution by any Bondholder or his attorney of such instrument may be proved by the certificate, which need not be acknowledged or verified, of any officer of a bank or trust company satisfactory to the Trustee or of any notary public or other officer authorized to take acknowledgments of deeds to be recorded in the state in which he purports to act, that the person signing such request or other instrument acknowledged to him the execution thereof, or by an affidavit of a witness of such executions duly sworn to before such notary public or other Officer. The authority of the person or persons executing any such instrument on behalf of a corporate Bondholder may be established without further proof if such instrument is signed by a person purporting to be the president or a vice-president of such corporation with a corporate seal affixed and attested by a person purporting to be its secretary or an assistant secretary.

The ownership of Bonds and the amount, numbers and other identification, and date of holding or owning the same shall be proved by the registry books. Any request, consent or vote of the owner of any Bond shall bind all future owners of such Bond in respect of anything done or suffered to be done or omitted to be done by the Corporation or the Trustee in accordance therewith.

## ARTICLE XIV

## MISCELLANEOUS

SECTION 14.01. Preservation and Inspection of Documents. All documents received by the Trustee from the Corporation or from Bondholders under the provisions hereof or of any Series Indenture shall be retained in its possession and shall be subject at all reasonable times to the inspection of the Corporation, the Borrowers, any Applicable Bondholder and their agents and their representatives, any of whom may make copies thereof; provided, however, that with respect to inspection by a Bondholder a written request of such Bondholder must have been received by the Trustee at least five (5) Business Days prior to the date of inspection.

The Trustee shall maintain such records as a Facility Provider shall reasonably request with respect to matters relating to such Facility Provider.

SECTION 14.02. Moneys and Funds Held for Particular Bonds. The amounts held by the Trustee or any Paying Agent for the payment of the principal, Sinking Fund Installments, if any, or Redemption Price of and interest on the Bonds due on any date with respect to particular Bonds shall, pending such payment, be set aside and held in trust by it for the Holders of such Bonds entitled thereto, and for the purposes hereof such principal, Sinking Fund Installments, if any, or Redemption Price of and interest on such Bonds, due after such date thereof, shall no longer be considered to be unpaid.

SECTION 14.03. Cancellation of Bonds. The Trustee or any Paying Agent shall forthwith cancel all Bonds which have been redeemed or paid by it and may destroy such Bonds and deliver a certificate to that effect to the Corporation. No such Bonds shall be deemed Outstanding Bonds hereunder and no Bonds shall be issued in lieu thereof.

SECTION 14.04. No Recourse under Indenture or on the Bonds. All covenants, stipulations, promises, agreements and obligations of the Corporation contained herein shall be deemed to be the covenants, stipulations, promises, agreements and obligations of the Corporation and not of any member, officer or employee of the Corporation in his individual capacity, and no recourse shall be had for the payment of the principal, Sinking Fund Installments, if any, or Redemption Price of or interest on the Bonds or for any claims based thereon, hereon or on the Series Indenture against any member, officer or employee of the Corporation or any person executing the Bonds, all such liability, if any, being expressly waived and released by every Holder of Bonds by the acceptance of the Bonds.

SECTION 14.05. Severability of Invalid Provision. If one or more of the covenants, stipulations, promises, agreements and obligations provided herein or in any Series Indenture on the part of the Corporation or the Trustee to be performed should be contrary to law, then such covenant or covenants, stipulation or stipulations, promise or promises, agreement or agreements or obligation or obligations shall be null and void, shall be deemed and construed to be severable from the remaining covenants, stipulations, promises, agreements and obligations herein contained and shall in no way affect the validity of the other provisions hereof or of such Series Indenture or of the Bonds.

SECTION 14.06. Parties in Interest. Nothing herein or in any Series Indenture, expressed or implied, is intended to or shall be construed to confer upon or to give to any person or party other than the Corporation, Trustee, Paying Agents, each Facility Provider and the Holders of the Bonds any rights, remedies or claims hereunder or by reason hereof or of any Series Indenture or any covenant, condition or stipulation thereof; provided, however, that without respect to the provisions hereof which require the Trustee to pay or deliver to a Borrower any moneys or securities held by the Trustee hereunder, such provisions shall also be for the benefit of such Borrower and, upon, the failure of the Trustee to comply therewith, such Borrower shall have such rights, remedies and claims as are provided hereunder or by reason hereof or by law. All covenants, stipulations, promises and agreements herein or in any Series Indenture contained by or on behalf of the Corporation shall be for the sole and exclusive benefit of the Corporation, Trustee and Paying Agents and the Holders from time to time of the Bonds.

SECTION 14.07. Certain Provisions Relating to Capital Appreciation Bonds and Deferred Income Bonds.

1. For the purposes of (i) receiving payment of the Redemption Price if a Capital Appreciation Bond is redeemed prior to maturity or (ii) computing the principal amount of Bonds held by the registered owner of a Capital Appreciation Bond in giving to the Corporation, the Borrower or the Trustee any notice, consent, request, or demand pursuant hereto for any purpose whatsoever, the then current Accreted Value of such Bond shall be deemed to be its principal amount. Notwithstanding any other provision hereof, the amount payable at any time with respect to the principal of and interest on any Capital Appreciation Bond shall not exceed the Accreted Value thereof at such time. For purposes of receiving payment of the Redemption Price or principal of a Capital Appreciation Bond called for redemption prior to maturity, the difference between the Accreted Value of such Bond when the Redemption Price or principal thereof is due upon such redemption or declaration and the principal of such Bond on the date

the Bonds of the Series of which it is a part were first issued shall be deemed not to be accrued and unpaid interest thereon.

2. For the purposes of (i) receiving payment of the Redemption Price if a Deferred Income Bond is redeemed or (ii) computing the principal amount of Bonds held by the registered owner of a Deferred Income Bond in giving to the Corporation or the Trustee any notice, consent, request, or demand pursuant to the Indenture for any purpose whatsoever, the then current Appreciated Value of such Bond shall be deemed to be its principal amount. Notwithstanding any other provision hereof, the amount payable at any time prior to the Interest Commencement Date with respect to the principal of and interest on any Deferred Income Bond shall not exceed the Appreciated Value thereof at such time. For purposes of receiving payment prior to the Interest Commencement Date of the Redemption Price or principal of a Deferred Income Bond called for redemption prior to maturity, the difference between the Appreciated Value of such Bond when the Redemption Price or principal thereof is due upon such redemption or declaration and the principal of such Bond on the date the Bonds were first issued shall be deemed not to be accrued and unpaid interest thereon.

SECTION 14.08. Termination of Facility Provider's Rights. Whenever by the terms hereof the consent or approval of a Facility Provider is required or a Facility Provider, alone or together with any other Facility Provider or the Holders of Bonds, is authorized to request or direct the Trustee to take any action, such consent or approval shall not be required and the Trustee shall not be obligated to comply with such request or direction if such Facility Provider is then in default in its payment obligations under the provisions of the Credit Facility or Liquidity Facility issued by such Facility Provider. Nothing contained herein shall limit or impair the rights of the Holders of Bonds to give any consent or approval or to request or direct the Trustee to take any action and, if a Facility Provider is then in default under such Credit Facility or Liquidity Facility, such consent or approval shall be effective without the consent or approval of such Facility Provider otherwise required hereby and the Trustee shall comply with such request or direction notwithstanding that such request or direction is required to be made or given together with such Facility Provider.

SECTION 14.09. Actions by the Corporation. Any time the Corporation is permitted or directed to act pursuant to this Master Indenture or a Series Indenture, such action may be taken by an Authorized Officer of the Corporation except that the following actions may only be taken by resolution of the members of the Corporation: authorization and issuance of bonds; authorization of indentures; authorization of modifications and amendments pursuant to Articles IX and X herein. Any certificates of the Corporation to be delivered hereunder shall be executed by an Authorized Officer.

SECTION 14.10. Notices. Except as otherwise provided herein, any notices, directions or other instruments required to be given or delivered pursuant hereto or to any Series Indenture shall be in writing and shall be delivered by hand against the written receipt therefor or sent by registered or certified mail addressed in the case of the Corporation, to it to the attention of the Corporation's Executive Director with a copy to the Corporation's General Counsel; in the case of the Trustee, addressed to it at the principal corporate trust office of the Trustee at the address of such principal corporate trust office; in the case of each Borrower, addressed to it as specified

in its Agreement; or, in each case, to such other individual and at such other address as the person to be notified shall have specified by notice to the other persons.

SECTION 14.11. Other Indentures. The Corporation expressly reserves the right to execute and deliver one or more other bond indentures and to issue bonds, bond anticipation notes, notes and other obligations thereunder without compliance with the provisions hereof.

SECTION 14.12. Headings. Any headings preceding the text of the several Articles and Sections hereof, and any table of contents or marginal notes appended to copies hereof, shall be solely for convenience of reference and shall not constitute a part hereof nor shall they affect its meaning, construction or effect.

SECTION 14.13. Governing Laws. The Indenture shall be governed by and construed in accordance with the laws of the State.

SECTION 14.14. Effective Date. This Master Indenture shall be effective as of the date first above written.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the Corporation has caused this Master Indenture to be signed in its name by its Authorized Officers, and the Trustee, in acceptance of the trusts created hereunder, has caused this Master Indenture to be signed in its corporate name by its officer thereunder duly authorized all as of the day and year first above written.

RHODE ISLAND HEALTH AND EDUCATIONAL BUILDING CORPORATION

By: _____
Vice Chairperson

By: _____
Assistant Secretary

U.S. BANK NATIONAL ASSOCIATION, as Trustee

By: _____
Vice President

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