
UNIVERSITY OF ST. THOMAS

and

**U.S. BANK NATIONAL ASSOCIATION
as Trustee**

INDENTURE

Dated as of February 1, 2020

**UNIVERSITY OF ST. THOMAS TAXABLE BONDS,
SERIES 2020**

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INDENTURE

THIS INDENTURE, dated as of February 1, 2020, by and between the **UNIVERSITY OF ST. THOMAS** (as hereinafter in Section 1.01 further defined, the "University") and **U.S. BANK NATIONAL ASSOCIATION**, a national banking association duly organized and existing under and by virtue of the laws of the United States of America, with a corporate trust office in Houston, Texas, being qualified to accept and administer the trusts hereby created (as hereinafter in Section 1.01 further defined, the "Trustee"),

WITNESSETH:

WHEREAS, for its lawful purposes, the University is authorized to (i) fund a general reserve fund of the University to finance the acquisition, purchase, construction, renovation, improvement, enlargement, and equipping of property, buildings, structures, activities, services, operations or other facilities; (ii) refund all or a portion of the University's outstanding debt, and (iii) finance the renovation and equipping of University facilities, and to issue its bonds for the purpose of carrying out any of its powers; and

WHEREAS, the Trustee agrees to accept and administer the trusts created hereby.

GRANTING CLAUSES

NOW, THEREFORE, THIS INDENTURE FURTHER WITNESSETH: That the University in consideration of the premises, of the acceptance by the Trustee of the trusts hereby created, and of the purchase and acceptance of the Bonds (as defined herein) by the Holders (as defined herein) thereof, and for the purpose of fixing and declaring the terms and conditions upon which the Bonds are to be issued, authenticated, delivered, secured and accepted by all Persons (as defined herein) who shall from time to time be or become Holders thereof, and in order to secure the payment of all of the Bonds at any time issued and Outstanding (as defined herein) hereunder and the interest thereon according to their tenor, purport and effect, and in order to secure the performance and observance of all of the covenants and conditions therein and herein contained, the University has executed this Indenture and does hereby grant a security interest in, release, assign, transfer, pledge and grant and convey unto the Trustee and its successors and assigns forever the following described property:

(A) Amounts on deposit from time to time in the Debt Service Fund (as defined below) and any accounts created pursuant thereto, including the earnings thereon, subject to the provisions of this Indenture permitting the application thereof for the purposes, and on the terms and conditions set forth herein.

(B) Any and all other real or personal property of any kind from time to time hereafter by delivery or by writing of any kind specifically conveyed, pledged, assigned or transferred, as and for additional security hereunder for the Bonds, by the University, in its sole and absolute discretion, in favor of the Trustee, which is hereby authorized to receive any and all such property at any and all times and to hold and apply the same subject to the terms hereof.

TO HAVE AND TO HOLD all said properties pledged, assigned and conveyed by the University hereunder, including all additional property which by the terms hereof has or may become subject to the encumbrance hereof (said properties herein referred to as the "Trust Estate"), unto the Trustee and its successors in trust and its assigns forever, subject, however, to permitted encumbrances and to the rights reserved hereunder.

IN TRUST NEVERTHELESS, for the equal and proportionate benefit and security of the Holders from time to time of the Bonds issued, authenticated, delivered and Outstanding hereunder, without preference, priority or distinction as to lien or otherwise of any of said Bonds over any other or others of said Bonds to the end that each Holder of such Bonds has the same rights, privileges and lien under and by virtue hereof; and conditioned, however, that if the University shall well and truly pay or cause to be paid fully and promptly when due all liabilities, obligations and sums at any time secured hereby, and shall promptly, faithfully and strictly keep, perform or observe or cause to be kept, performed and observed all of its covenants, warranties and agreements contained herein, then and in such event, this Indenture shall be and become void and of no further force and effect; otherwise, the same shall remain in full force and effect, and upon the trusts and subject to the covenants and conditions hereafter set forth.

ARTICLE I

DEFINITIONS

Section 1.01 Definitions. Unless the context otherwise requires, the terms defined in this Section shall, for all purposes of this Indenture and of any Indenture Supplemental Hereto or amendment supplemental thereto, have the meanings herein specified, to be equally applicable to both the singular and plural forms of any of the terms herein defined.

"Beneficial Owner" means, with respect to any Bond, the beneficial owner of such Bond as determined in accordance with the applicable rules of the Securities Depository for the Bonds.

"Bondholder" or **"Holder"** means, with respect to any Bond, the Person in whose name such Bond is registered.

"Bonds" means the University of St. Thomas Taxable Bonds, Series 2020, issued and Outstanding hereunder.

"Business Day" means any day other than a Saturday, a Sunday or a day on which banking institutions in the city in which the Principal Corporate Trust Office of the Trustee is located are authorized or obligated by law or executive order to be closed.

"Certificate of the University" or **"Request of the University"** mean, respectively, a written certificate or request of the University executed by Dr. Richard L. Ludwick, President; Spencer Conroy, Vice President of Finance and Business Affairs; or Gita P. Bolt, Chief Legal Counsel or such other Person, acting singly, as may be designated by any of such officials to sign for the University.

"Closing Date" means February 3, 2020.

“**Code**” means the Internal Revenue Code of 1986, as amended, or any successor code or law, and any regulations in effect or promulgated thereunder.

“**Continuing Disclosure Undertaking**” has the meaning ascribed to such term in Section 6.06 of this Indenture.

“**Debt Service Fund**” means the fund by that name established pursuant to Section 5.01 of this Indenture.

“**Depository**” means DTC, or any other depository selected as set forth in Section 2.09 hereof that agrees to follow the procedures required to be followed by such depository in connection with the Bonds.

“**DTC**” means The Depository Trust Company and its successors and assigns.

“**DTC Participants**” means those broker-dealers, banks and other financial institutions from time to time for which DTC holds Bonds as securities depository.

“**EMMA**” means the Municipal Securities Rulemaking Board’s Electronic Municipal Market Access system or any successor thereof.

“**Event of Default**” as used with respect to this Indenture has the meaning specified in Section 7.01 hereof.

“**Fiscal Year**” means the period beginning July 1 of each year and ending on the next succeeding June 30 or any other twelve month period hereafter selected and designated by the University as the Fiscal Year of the University.

“**Indenture**” means this indenture, as originally executed or as it may from time to time be supplemented, modified or amended by any Supplemental Indenture.

“**Information Services**” means any service providing information with respect to called bonds that the University may designate in writing to the Trustee.

“**Interest Payment Date**” means April 1 and October 1 of each year, commencing April 1, 2020.

“**Investment Securities**” means any of the following obligations as and to the extent that such obligations are at the time legal investments for moneys held hereunder and then proposed to be invested (the Trustee is entitled to rely upon any investment direction from the University as a certification that such investment constitutes an Investment Security):

- (1) direct obligations of the United States of America (including obligations issued or held in book-entry form on the books of the Department of the Treasury of the United States of America or any Federal Reserve Bank and CATS and TIGRS) or obligations the timely payment of the principal of and interest on which are unconditionally guaranteed by the United States of America;

(2) bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following federal agencies, provided that such obligations are backed by the full faith and credit of the United States of America (stripped securities shall constitute Investment Securities only if they have been stripped by the agency itself): U.S. Export-Import Bank (direct obligations or fully guaranteed certificates of beneficial ownership), Farmers Home Administration (certificates of beneficial ownership), Federal Financing Bank, General Services Administration (participation certificates), U.S. Maritime Administration (guaranteed Title XI financing), U.S. Department of Housing and Urban Development (project notes, local authority bonds, new communities debentures-U.S. government guaranteed debentures, U.S. public housing notes and bonds-U.S. government guaranteed public housing notes and bonds), Government National Mortgage Association (GNMA-guaranteed mortgage-backed bonds, GNMA-guaranteed pass-through obligations), and Federal Housing Administration Debentures;

(3) bonds, debentures, notes, or other evidence of indebtedness issued or guaranteed by any of the following non-full faith and credit U.S. government agencies (stripped securities shall constitute Investment Securities only if they have been stripped by the agency itself): Federal Home Loan Bank System (Senior debt obligations), Federal Home Loan Mortgage Corporation ("FHLMC") (Participation Certificates, Senior debt obligations), Federal National Mortgage Association ("FNMA") (Mortgage-backed securities and senior debt obligations), Student Loan Marketing Association (Senior debt obligations), Resolution Funding Corp. (obligations) or Farm Credit System (Consolidated system wide bonds and notes);

(4) bonds or notes issued by any state or municipality which are rated by S&P and Moody's in one of the two highest rating categories assigned by such agencies;

(5) repurchase agreements with either a primary dealer on the reporting dealer list of the Federal Reserve or any bank, which, in either case, is rated "A" or better by S&P and Moody's, provided that (a) the term of such repurchase agreement is not greater than 90 days, (b) the Trustee or third party acting solely as agent for the Trustee has possession of the collateral, (c) the collateral is valued weekly and the market value of the collateral is maintained at an amount equal to at least 102% (or, if the collateral consists of obligations of FHLMC or FNMA, 103%) of the amount of cash transferred by the Trustee to the dealer bank or securities firm under the repurchase agreement plus interest, (d) failure to maintain the requisite collateral levels will require the Trustee to liquidate the collateral immediately, unless the repurchase agreement is immediately assigned to another counterparty who provides the required levels and type of collateral, (e) the repurchase agreement is collateralized by obligations described in (1), (2), or (3), above; and (f) the repurchase securities are free and clear of any third-party lien or claim;

(6) Unsecured Investment Agreements from banks, registered broker/dealers, or other financial institutions, who have a long-term debt rating, or whose parent has a long-term debt rating, without regard to qualifier, in the three highest rating categories by a major rating service without regard to modifier; provided, however, that, in the event the provider of the Agreement is downgraded to below the "A" category by all the rating

services, the provider must within 14 Business Days from the downgrade either (a) collateralize the Agreement as outlined in (vi) below (repo collateral language), (b) obtain a guaranty from a financial institution whose rating is at least "A" by a major rating agency, or (c) assign the Agreement to a financial institution whose rating is at least "A" by a major rating agency;

(7) Forward purchase agreements by financial institutions that have a long-term debt rating, or whose parent has a long-term debt rating, of not less than A by a major rating agency. Securities eligible for delivery under the agreement include only those described in (1), (2), (3), or (4) above. Any forward purchase agreement must be accompanied by a bankruptcy opinion that the securities delivered will not be considered a part of the bankruptcy estate in the event of a declaration of bankruptcy or insolvency by the provider;

(8) money market funds registered under the Federal Investment Company Act of 1940, whose shares are registered under the Federal Securities Act of 1933, and having a rating by S&P of AAAm-G; AAA-m; or AA-m and if rated by Moody's rated Aaa, Aa1 or Aa2;

(9) certificates of deposit secured at all times by collateral described in (1) and/or (2) above or collateral that may be used by a national bank for purpose of satisfying its obligations to collateralize pursuant to federal law, issued by commercial banks, savings and loan associations or mutual savings banks;

(10) certificates of deposit, savings accounts, deposit accounts or money market deposits which are fully insured by FDIC, including BIF and SAIF;

(11) unsecured certificates of deposit, time deposits, money market deposits, demand deposits and bankers' acceptances of any bank (including those of the Trustee, its parent and its affiliates) the short-term obligations of which are rated on the date of purchase "A-1+" or better by S&P and "P-1" or better by Moody's;

(12) commercial paper rated, at the time of purchase, "Prime-1" or better by Moody's and "A-1" or better by S&P;

(13) federal funds or bankers acceptances with a maximum term of one year of any bank which has an unsecured, uninsured and unguaranteed obligation rating of "Prime-1" or "A-3" or better by Moody's and "A-1" or "A" or better by S&P;

(14) shares in a Texas common law trust established pursuant to 1 Title 1, Division 7, Chapter 5 of the Government Code of the State which invests exclusively in investments permitted by Section 53635 of Title 5, Division 2, Chapter 4 of the Government Code of the State as it may be amended;

(15) obligations of a bank or other financial institution rated at least "Aa3" by one or more Rating Agency; and

(16) any other investments for which each Rating Agency then rating the Bonds confirms that such investment will not adversely affect its ratings of the Bonds.

Notwithstanding the foregoing, no investments will be made so as to cause a downgrading of any ratings assigned to the Bonds.

"Nominee" has the meaning ascribed to such term in Section 2.02(b) of this Indenture.

"Opinion of Counsel" means a written opinion of counsel (which may be counsel for the University) acceptable to the Trustee and the University. If and to the extent required by the provisions of Section 1.02 of this Indenture, each Opinion of Counsel shall include the statements provided for in Section 1.02 of this Indenture.

"Optional Redemption Account" means the account by that name within the Debt Service Fund established pursuant to Section 5.01(c)(3) of this Indenture.

"Outstanding," when used as of any particular time with reference to the Bonds, means (subject to the provisions of Section 11.09 hereof) all Bonds theretofore, or thereupon being, authenticated and delivered by the Trustee under this Indenture except, (a) Bonds theretofore cancelled by the Trustee or surrendered to the Trustee for cancellation; (b) Bonds with respect to which all liability of the University shall have been discharged in accordance with Section 10.02 of this Indenture; and (c) Bonds for the transfer or exchange of which, or in lieu of or in substitution for which, other Bonds shall have been authenticated and delivered by the Trustee pursuant to this Indenture.

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

"Principal Corporate Trust Office" means the corporate trust office of the Trustee with respect to the administration of this Indenture, which at the date of execution of this Indenture is that specified in Section 11.06 of this Indenture, provided, however, that for transfer, registration, exchange, payment and surrender of Bonds such term means the office or agency of the Trustee at which, at any particular time, its corporate trust agency or operations business shall be conducted, or such other office designated by the Trustee from time to time.

"Principal Payment Date" means, with respect to any Bond, any date on which the principal of such Bond becomes due, whether at maturity, call for redemption or acceleration.

"Proceeds Fund" means the fund by that name established pursuant to Section 3.03 hereof.

"Purchase Contract" means the Purchase Contract, dated January 23, 2020, between JP Morgan Securities LLC, as underwriter, and the University, delivered in connection with the sale of the Bonds.

"Rating Agency" means a nationally recognized rating service for securities like the Bonds, including specifically Fitch Ratings, Moody's Investors Service, Inc., and S&P Global

Ratings, if they are then providing or maintaining a rating on the Bonds at the request of the University.

“Record Date” means, with respect to any Interest Payment Date for the Bonds, the fifteenth day of the calendar month immediately preceding such Interest Payment Date, whether or not such day is a Business Day.

“Request of the University” has the meaning specified under the definition herein of **“Certificate of the University”** or **“Request of the University.”**

“Responsible Officer” of the Trustee means and includes every vice president, every assistant vice president, every trust officer and every officer and assistant officer of the Trustee, other than those specifically above mentioned, with regular responsibility for the administration of matters related to this Indenture.

“Securities Depositories” means The Depository Trust Company, 55 Water Street, 50th Floor, New York, N.Y. 10041-0099 Attention: Call Notification Department, Fax (212) 855-7232, or, in accordance with then-current guidelines of the Securities and Exchange Commission, such other addresses and/or such other securities depositories, or no such depositories, as the University may designate to the Trustee in writing.

“Special Record Date” means the date established by the Trustee pursuant to Section 2.02(c) of this Indenture as a record date for the payment of defaulted interest on Bonds.

“State” means the State of Texas.

“Stated Maturity Date” means the maturity date as set forth on the Bond.

“Supplemental Indenture” or **“Indenture Supplemental Hereto”** means any indenture amending or supplementing this Indenture hereafter duly authorized and entered into between the University and the Trustee in accordance with the provisions of this Indenture.

“Trust Estate” has the meaning assigned to such term in the habendum clause of the Granting Clauses.

“Trustee” means U.S. Bank National Association, a national banking association duly organized and existing under and by virtue of the laws of the United States of America, or its successor as Trustee as provided hereunder.

“University” means University of St. Thomas, a Texas nonprofit corporation, and its successors and assigns.

Section 1.02 Content of Certificates and Opinions. Every certificate (other than the certificate provided for in Sections 2.10 and 11.04 hereof) or opinion with respect to compliance with a condition or covenant provided for in this Indenture shall include (a) a statement that the Person or Persons making or giving such certificate or opinion have read such condition or covenant and the definitions herein relating thereto; (b) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in

such certificate or opinion are based; (c) a statement that, in the opinion of the signers, they have made or caused to be made such examination or investigation as is necessary to enable them to express an informed opinion as to whether or not such condition or covenant has been complied with; and (d) a statement as to whether, in the opinion of the signers, such condition or covenant has been complied with.

Any such certificate or opinion made or given by an officer of the University may be based, insofar as it relates to legal matters, upon a certificate or opinion of or representations by counsel, unless such member or officer knows that the certificate or opinion or representations with respect to the matters upon which such certificate or opinion is based as aforesaid are erroneous, or in the exercise of reasonable care should have known that the same were erroneous. Any such certificate or opinion made or given by counsel may be based, insofar as it relates to factual matters (with respect to which information is in the possession of the University) upon the certificate or opinion of or representations by an officer of the University, unless such counsel knows that the certificate or opinion or representations with respect to the matters upon which the opinion of such counsel may be based as aforesaid are erroneous or in the exercise of reasonable care should have known that the same were erroneous.

Any determination of the Trustee given in accordance with Article IX (regarding amendment of the Indenture) may be based solely on the written representation of a financial consultant or advisor, or the Opinion of Counsel or advice of counsel, selected by such party and not objected to by the other such party.

ARTICLE II

THE BONDS

Section 2.01 Authorization of Bonds. The Bonds are designated generally as the "University of St. Thomas Taxable Bonds, Series 2020." The aggregate principal amount of Bonds which may be issued and Outstanding under this Indenture shall not exceed \$40,000,000, exclusive of Bonds executed and authenticated as provided in Section 2.07 hereof. This Indenture constitutes a continuing agreement with the Trustee and the Holders of all of the Bonds Outstanding, to secure the full and final payment of the principal (or redemption price) of, and interest on all Bonds, subject to the covenants, agreements, provisions and conditions herein contained.

Section 2.02 Terms of Bonds.

(a) Terms of the Bonds.

(i) The Bonds shall be issued as book-entry Bonds in denominations of \$1,000 and any integral multiple thereof. The Bonds shall be dated the Closing Date and shall bear interest at the rates per annum set forth below from the Interest Payment Date to which interest has been paid as of the date on which it is authenticated or, if it is authenticated on or before the Record Date for the first Interest Payment Date, from its Closing Date; provided, however, that if, at the time of authentication of any Bond, interest is in default on such Bond, such Bond shall bear interest from the Interest

Payment Date to which interest has previously been paid or made available for payment thereon. Interest on the Bonds shall be calculated on the basis of a 360-day year and twelve 30-day months and shall be payable in arrears on each Interest Payment Date, upon maturity or upon prior redemption.

(ii) The Bonds shall mature on the dates set forth in the following schedule (subject to the right of prior redemption as provided in Article IV hereof):

<u>Principal Amount</u>	<u>Maturity Date (October 1)</u>	<u>Interest Rate (%)</u>
\$480,000	2026	3.642
495,000	2027	3.792
515,000	2028	3.974
540,000	2029	4.124
560,000	2030	4.224
585,000	2031	4.374
610,000	2032	4.474
640,000	2033	4.574
670,000	2034	4.674
705,000	2035	4.724
***	***	***
4,105,000	2040	5.173
***	***	***
12,140,000	2050	5.073
***	***	***
11,955,000	2059	5.323
6,000,000	2059	5.573

(iii) The Bonds are exempt from the registration requirements of the Securities Act of 1933, as amended, pursuant to Section 3(a)(4) thereof, so that registration of the Bonds under that Act is not required. This Indenture is exempt from qualification as an indenture under the Trust Indenture Act of 1939, as amended.

(b) General Terms of the Bonds.

The Bonds, when issued, will be registered in the name of Cede & Co., as nominee for DTC, and shall be evidenced by one Bond for each maturity in the total aggregate principal amount of the Bonds of such maturity. Registered ownership of the Bonds, or any portion thereof, may not thereafter be transferred except as set forth in Section 2.04 hereof. So long as Cede & Co., as nominee of DTC, or any successor nominee (the "Nominee") is the registered owner of the Bonds, references herein to the Bondholders, Holders or registered owners shall mean the Nominee as aforesaid and shall not mean the Beneficial Owners of the Bonds.

The principal of any Bonds shall be payable in lawful money of the United States of America upon surrender of such Bond at the Principal Corporate Trust Office of the Trustee. The interest on any Bond shall be payable to the Person whose name appears on the registration

books of the Trustee as the registered owner thereof as of the close of business on the Record Date for each Interest Payment Date, such interest to be paid by check mailed by first class mail, postage prepaid, on such Interest Payment Date, to the registered owner at its address as it appears on such registration books. Notwithstanding the foregoing, however, any Holder of all the Bonds and any Holder of \$1,000,000 or more in an aggregate principal amount of the Bonds shall be entitled to receive payments of interest on the Bonds held by it by wire transfer of immediately available funds to such bank or trust company located within the United States of America as such Holder shall designate in writing to the Trustee by the Record Date for such payment. So long as Cede & Co. is the registered owner of the Bonds, principal of and interest on the Bonds are payable by wire transfer in same day funds by the Trustee to Cede & Co., as nominee for the Depository.

(c) Any such interest not so punctually paid or duly provided for shall forthwith cease to be payable to the Bondholder on such Record Date and shall be paid to the Person in whose name the Bond is registered at the close of business on a Special Record Date for the payment of such defaulted interest. The Special Record Date shall be fixed by the Trustee, notice thereof being given to the Bondholders not less than 10 days prior to such Special Record Date.

Section 2.03 Execution of Bonds. The Bonds shall be executed for and on behalf of the University by its President or Vice President of Finance and Business Affairs and attested to by its Secretary signed in the name and on behalf of the University. The Bonds shall then be delivered to the Trustee for registration and authentication by it. In case any of the officers who shall have signed or attested any of the Bonds shall cease to be such officer or officers before the Bonds so signed or attested shall have been authenticated or delivered by the Trustee or issued by the University, such Bonds may nevertheless be authenticated, delivered and issued and, upon such authentication, delivery and issue, shall be as binding upon the University as though those who signed and attested the same had continued to be such officers of the University. Also, any Bond may be signed and attested on behalf of the University by such Persons as on the actual date of the execution of such Bond shall be the proper officers although on the nominal date of such Bond any such Person shall not have been such officer. The signatures of the President or Vice President of Finance and Business Affairs may be mechanically or photographically reproduced on the Bonds. The corporate seal (or a facsimile thereof) shall be affixed, impressed, imprinted, engraved or otherwise reproduced on the Bonds if required by the University's bylaws or authorizing resolutions.

Only such of the Bonds as shall bear thereon a certificate of authentication and registration in substantially the form set forth in Exhibit A hereto, manually executed by the Trustee, shall be valid or obligatory for any purpose or entitled to the benefits of this Indenture, and such certificate of the Trustee shall be conclusive evidence that the Bonds so authenticated have been duly authenticated and delivered hereunder and are entitled to the benefits of this Indenture.

Section 2.04 Transfer of Bonds. The registration of any Bond may, in accordance with its terms, be transferred, upon the books required to be kept pursuant to the provisions of Section 2.06 of this Indenture, by the Person in whose name it is registered, in Person or by its duly authorized attorney, upon surrender of such Bond for cancellation, accompanied by delivery of a written instrument of transfer in a form acceptable to the Trustee, duly executed. The Trustee

shall require the payment by the Holder requesting such transfer of any tax or other governmental charge required to be paid with respect to such transfer, and there shall be no other charge to any Holder for any such transfer. The cost of printing Bonds and any services rendered or expenses incurred by the Trustee in connection with any transfer shall be paid by the University.

No registration of transfers of Bonds shall be required to be made during the period established by the Trustee for selection of Bonds for redemption and no registration of transfer of a particular Bond shall be required after such Bond has been selected for redemption.

Section 2.05 Exchange of Bonds. Bonds may be exchanged at the Principal Corporate Trust Office for a like aggregate principal amount of the Bonds of the same maturity of other authorized denominations. The Trustee shall require the payment by the Holder requesting such exchange of any tax or other governmental charge required to be paid with respect to such exchange, and there shall be no other charge to any Holder for any such exchange. The cost of printing Bonds and any services rendered or expenses incurred by the Trustee in connection with any exchange shall be paid by the University.

No exchanges of Bonds shall be required to be made during the period established by the Trustee for selection of Bonds for redemption and no registration of transfer of a particular Bond shall be required after such Bond has been selected for redemption.

Section 2.06 Bond Register. The Trustee will keep or cause to be kept, at its Principal Corporate Trust Office, books for the registration of transfer of the Bonds, which shall at all reasonable times during normal business hours upon reasonable notice be open to inspection by the University; and, upon presentation for such purpose, the Trustee shall, under such reasonable regulations as it may prescribe, register the transfer or cause to be registered the transfer, on said books, of Bonds as hereinbefore provided.

Section 2.07 Temporary Bonds. The Bonds may be initially issued in temporary form exchangeable for definitive Bonds when ready for delivery. The temporary Bonds may be printed, lithographed or typewritten, shall be of such denomination as may be determined by the University, shall be in registered form and may contain such reference to any of the provisions of this Indenture as may be appropriate. Every temporary Bond shall be executed by the University and authenticated by the Trustee upon the same conditions and in substantially the same manner as the definitive Bonds. If the University issues temporary Bonds, it will execute and furnish definitive Bonds without delay, and thereupon the temporary Bonds may be surrendered, for cancellation, in exchange therefor at the Principal Corporate Trust Office of the Trustee, and the Trustee shall authenticate and deliver in exchange for such temporary Bonds an equal aggregate principal amount of definitive Bonds of authorized denominations, of the same maturity or maturities. Until so exchanged, the temporary Bonds shall be entitled to the same benefits under this Indenture as definitive Bonds authenticated and delivered hereunder.

Section 2.08 Bonds Mutilated, Lost, Destroyed or Stolen. If any Bond shall become mutilated, the University, at the expense of the Holder of said Bond, shall execute, and the Trustee shall thereupon authenticate and deliver, a new Bond of like tenor and principal amount in exchange and substitution for the Bond so mutilated, but only upon surrender to the Trustee of

the Bond so mutilated. Every mutilated Bond so surrendered to the Trustee shall be cancelled by it and delivered to, or upon the order of, the University. If any Bond issued hereunder shall be lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the Trustee and, if such evidence be satisfactory to it and indemnity satisfactory to it shall be given, the University, at the expense of the Holder, shall execute, and the Trustee shall thereupon authenticate, register and deliver, a new Bond of like tenor in lieu of and in substitution for the Bond so lost, destroyed or stolen. If any Bond mutilated, lost, destroyed or stolen shall have matured or shall have been called for redemption, instead of issuing a substitute Bond the Trustee may pay the same without surrender upon receipt of indemnity satisfactory to the Trustee. The University may require payment from the Holder of a sum not exceeding the actual cost of preparing each new Bond issued under this Section and of the expenses which may be incurred by the University and the Trustee. Any Bond issued under the provisions of this Section in lieu of any Bond alleged to be lost, destroyed or stolen shall constitute an original additional contractual obligation on the part of the University whether or not the Bond so alleged to be lost, destroyed or stolen be at any time enforceable by anyone, and shall be entitled to the benefits of this Indenture with all other Bonds secured by this Indenture.

Section 2.09 Book-Entry System; Use of Depository. Notwithstanding any provision of this Indenture to the contrary:

(a) The Bonds shall initially be registered as provided in Section 2.02 hereof. Registered ownership of the Bonds, or any portion thereof, may not thereafter be transferred except:

(i) To any successor of the Depository or its nominee, or to any substitute depository designated pursuant to clause (ii) of this subsection (a) ("substitute depository"); provided that any successor of the Depository or substitute depository shall be qualified under any applicable laws to provide the service proposed to be provided by it;

(ii) To any substitute depository designated by the University and not objected to by the Trustee, upon (1) the resignation of the Depository or its successor (or any substitute depository or its successor) from its functions as depository or (2) a determination by the University that the Depository or its successor (or any substitute depository or its successor) is no longer able to carry out its functions as depository; provided that any such substitute depository shall be qualified under any applicable laws to provide the services proposed to be provided by it; or

(iii) To any Person as provided below, upon (1) the resignation of the Depository or its successor (or substitute depository or its successor) from its functions as depository; provided that no substitute depository which is not objected to by the Trustee can be obtained or (2) a determination by the University that it is in its best interests to remove the Depository or its successor (or any substitute depository or its successor) from its functions as depository.

(b) In the case of any transfer pursuant to clause (i) or clause (ii) of subsection (a) hereof, upon receipt of the Outstanding Bonds by the Trustee, together with a Request of the

University to the Trustee, a single new Bond for each maturity shall be executed and delivered in the aggregate principal amount of the Bonds of such maturity then Outstanding, registered in the name of such successor or such substitute depository, or their nominees, as the case may be, all as specified in such Request of the University. In the case of any transfer pursuant to clause (iii) of subsection (a) hereof, upon receipt of the Outstanding Bonds by the Trustee, new Bonds shall be executed and delivered in such authorized denominations numbered in consecutive order from R-1 up and registered in the names of such Persons as are requested in such a Request of the University, subject to the limitations of Section 2.02 hereof, provided the Trustee shall not be required to deliver such new Bonds within a period less than 60 days from the date of receipt of such Request of the University.

(c) In the case of partial redemption or an advance refunding of the Bonds evidencing all or a portion of the principal amount then Outstanding, the Depository shall make an appropriate notation on the Bonds indicating the date and amounts of such reduction in principal.

(d) The University and the Trustee shall be entitled to treat the Person in whose name any Bond is registered as the Bondholder thereof for all purposes of this Indenture and any applicable laws, notwithstanding any notice to the contrary received by the Trustee or the University; and neither the University nor the Trustee shall have any responsibility for transmitting payments to, communication with, notifying, or otherwise dealing with any Beneficial Owners of the Bonds. Neither the University nor the Trustee will have any responsibility or obligations, legal or otherwise, to the Beneficial Owners or to any other party including the Depository or its successor (or substitute depository or its successor), except for the Holder of any Bond.

(e) Except as provided in subsection (i) below, all of the Outstanding Bonds shall be so registered in the registration books kept by the Trustee, and the provisions of subsection (j) of this Section shall apply thereto.

(f) The University and the Trustee shall have no responsibility or obligation to any DTC Participant or to any Beneficial Owner, except as otherwise expressly provided herein. Without limiting the immediately preceding sentence, the University and the Trustee shall have no responsibility or obligation with respect to (1) the accuracy of the records of DTC, the Nominee or any DTC Participant with respect to any ownership interest in the Bonds, (2) the delivery to any DTC Participant or any other Person, other than a Bondholder as shown in the registration books kept by the Trustee, of any notice with respect to the Bonds, including any notice of redemption or (3) the payment to any DTC Participant or any other Person, other than a Bondholder, as shown in the registration books kept by the Trustee, of any amount with respect to principal of or interest on the Bonds. The Trustee shall pay all principal of and interest on the Bonds only to or upon the order of the respective Bondholders, as shown on the applicable Record Date in the registration books kept by the Trustee, or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the obligations with respect to payment of principal of and interest on the Bonds to the extent of the sum or sums so paid. The University and the Trustee may treat and consider the Person in whose name each Bond is registered in the registration books kept by the Trustee as the Holder and absolute owner of such Bond for the purpose of payment of principal of and interest on such Bond, for the purpose of giving notices of redemption and other matters with

respect to such Bond, for the purpose of registering transfers with respect to such Bond, and for all other purposes whatsoever.

(g) No Person other than a Bondholder, as shown in the registration books kept by the Trustee, shall receive a certificated Bond evidencing the right to receive payment of principal and interest pursuant to this Indenture.

(h) The University shall, if not previously on file, execute and deliver to DTC a letter of representation in customary form with respect to the Bonds (the "Representation Letter"), but such Representation Letter shall not in any way limit the provisions of subsection (f) of this Section or in any other way impose upon the University any obligation whatsoever with respect to Persons having interests in the Bonds other than the Bondholders, as shown on the registration books kept by the Trustee.

(i) The University may terminate the services of DTC with respect to the Bonds. DTC may determine to discontinue providing its services with respect to the Bonds at any time by giving written notice and all known information on the DTC Participants and the Beneficial Owners having an interest in the Bonds to the University and the Trustee and discharging its responsibilities with respect thereto under applicable law. Upon the discontinuance or termination of the services of DTC with respect to the Bonds, unless a substitute Securities Depository is appointed by the University to undertake the functions of DTC hereunder, the University is obligated to deliver Bond certificates to or upon the order of the Beneficial Owners of such Bonds, as described in this Indenture, and such Bonds shall no longer be restricted to being registered in the registration books kept by the Trustee in the name of the Nominee, but may be registered in whatever name or names Bondholders transferring or exchanging such Bonds shall designate, in accordance with the provisions of this Indenture.

(j) So long as any Bond is registered in the name of the Nominee, all payments with respect to principal, and interest on such Bond and all notices with respect to such Bond shall be made and given, respectively, in the manner provided in the Representation Letter. Bondholders shall have no lien or security interest in any rebate or refund paid by DTC to the Trustee which arises from the payment by the Trustee of principal of or interest on the Bonds in immediately available funds to DTC.

(k) In the event DTC ceases to act as the Securities Depository for the Bonds, all references to DTC or the DTC Participants herein shall be to their successors.

Section 2.10 Disposition of Cancelled Bonds. When paid in full, each Bond shall be delivered to the Trustee, who shall forthwith cancel such Bond and deliver a certificate evidencing such cancellation to the University. The Trustee shall destroy such cancelled Bonds in accordance with its customary procedures.

Section 2.11 CUSIP Numbers. The University in issuing the Bonds may use "CUSIP" numbers (if then generally in use), and, if so, the Trustee shall use "CUSIP" numbers in notices of redemption as a convenience to Holders; provided that any such notice may state that no representation is made as to the correctness of such numbers either as printed on the Bonds or as contained in any notice of a redemption and that reliance may be placed only on the other

identification numbers printed on the Bonds, and any such redemption shall not be affected by any defect in or omission of such CUSIP numbers.

ARTICLE III

ISSUANCE OF BONDS; APPLICATION OF PROCEEDS; ESTABLISHMENT OF PROCEEDS FUND

Section 3.01 Authentication and Delivery' of Bonds. At any time after the execution of this Indenture, the University may execute and the Trustee shall authenticate, register and deliver Bonds in the aggregate principal amount set forth in Section 2.01 of this Indenture, in each case exclusive of Bonds executed and authenticated as provided in Section 2.07 hereof.

Section 3.02 Application of Proceeds of the Bonds. The proceeds received by the University from the sale of the Bonds being the sum of \$39,769,513.68 (consisting of the aggregate principal amount of the Bonds, less an underwriters' discount of \$230,486.32), shall be deposited with the Trustee, which shall forthwith set aside or transfer such proceeds to the Proceeds Fund which shall be distributed in accordance with a Request of the University. The Trustee may establish such temporary funds or accounts on its records as it may deem appropriate to facilitate such transfer and deposit.

Section 3.03 Establishment and Application of Proceeds Fund. The Trustee shall establish, maintain and hold a separate fund designated as the "Proceeds Fund." The moneys in the Proceeds Fund shall be held and applied as directed by the University in the next sentence. The University hereby directs that all amounts in the Proceeds Fund be wired to the Trustee on the Closing Date and disbursed as set forth in a Request of the University.

ARTICLE IV

REDEMPTION

Section 4.01 Terms of Redemption.

(a) **Optional Redemption without Premium.** The University reserves the right, at its option, to cause the redemption of the Bonds maturing on October 1 in the years 2040 and 2059 (5.573% coupon) (the "Par Call Bonds") in whole or in part in principal amounts of \$1,000 or any integral multiple thereof, on April 1, 2030 (the "Par Call Date"), or from time to time on any date thereafter, at the principal amount thereof plus accrued and unpaid interest to the date of redemption.

(b) **Optional Redemption with Premium Prior to the Par Call Date.** From time to time, the University reserves the right, at its option, to cause the redemption of the Bonds, in whole or in part (and, if in part, in authorized denominations and on a pro rata basis, subject to the provisions described in Section 4.02 hereof), at the Make-Whole Redemption Price on any Business Day prior to the Par Call Date, with respect to the Par Call Bonds, and on any Business Day, with respect to the Bonds maturing on October 1 in the years 2026 through 2035, 2050 and 2059 (5.323% coupon). The University shall retain an independent accounting firm or an independent financial advisor to determine the Make-Whole Redemption Price and perform all

actions and make all calculations required to determine the Make-Whole Redemption Price. The Trustee and the University may conclusively rely on such accounting firm's or financial advisor's calculations in connection with, and its determination of, the Make-Whole Redemption Price, and neither the University or the Trustee will have any liability for such reliance. The determination of the Make-Whole Redemption Price by such accounting firm or financial advisor shall be conclusive and binding on the University, the Trustee and the Holders of the Bonds. For purposes of this paragraph,

(i) "Make-Whole Redemption Price" means the greater of (i) 100% of the principal amount of the Bonds to be redeemed or (ii) the sum of the present values of the remaining scheduled payments of principal and interest to the stated maturity of the Bonds to be redeemed (not including any portion of those payments of interest accrued and unpaid as of the date on which such Bonds are to be redeemed), discounted to the date on which such Bonds are to be redeemed on a semi-annual basis assuming a 360-day year consisting of twelve 30-day months at the adjusted Treasury Rate plus 30 basis points for Bonds maturing October 1, 2026 and October 1, 2027, plus 35 basis points for Bonds maturing October 1, 2028 and October 1, 2029, plus 40 basis points for Bonds maturing October 1, 2030 through 2032, plus 45 basis points for bonds maturing October 1, 2033 through 2035, 2040, and 2050, and plus 50 basis points for Bonds maturing October 1, 2059, plus, in each case, accrued and unpaid interest on such Bonds to, but excluding, the redemption date; and

(ii) "Treasury Rate" means, with respect to any redemption date, the rate per annum equal to (i) the semiannual equivalent yield to maturity, or (ii) if no such semiannual equivalent yield to maturity is available, the interpolated yield to maturity (on a day count basis) of the Comparable Treasury Issue, assuming a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for such redemption date.

(iii) As used in connection with the above definition of "Treasury Rate" the following capitalized terms have the following meanings:

A. "Comparable Treasury Issue" means the United States Treasury security or securities selected by a Designated Investment Banker as having an actual or interpolated maturity comparable to the remaining term of the Bonds to be redeemed that would be used, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of a comparable maturity to the remaining term of such Bonds.

B. "Comparable Treasury Price" means, with respect to any redemption date, the average of the Primary Treasury Dealer Quotations for such redemption date or, if the Designated Investment Banker obtains only one Primary Treasury Dealer Quotation, such Primary Treasury Dealer Quotation.

C. "Designated Investment Banker" means a Primary Treasury Dealer appointed by the University.

D. "Primary Treasury Dealer" means one or more entities appointed by the University, which, in each case, is a primary U.S. Government securities dealer in the City of New York, New York, and its or their respective successors.

E. "Primary Treasury Dealer Quotations" means, with respect to each Primary Treasury Dealer and any redemption date, the average, as determined by the Designated Investment Banker, of the bid and ask prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Designated Investment Banker by such Primary Treasury Dealer at 3:30 p.m. New York time at least five Business Days preceding such redemption date.

F. "Business Day" means any day other than (i) a Saturday or Sunday or legal holiday or a day on which banking institutions in the city or cities in which the Principal Corporate Trust Office of the Trustee is located are authorized by law or executive order to close or (ii) a day on which the New York Stock Exchange is closed.

(c) **Mandatory Sinking Fund Redemption.** The Bonds maturing in 2040, 2050, 2059 (5.323% coupon), and 2059 (5.573% coupon) are subject to mandatory sinking fund redemption and will be redeemed by the University at a redemption price equal to the principal amount thereof plus interest accrued thereon to the redemption date, on the dates, and in the principal amounts shown in the following schedules:

Term Bond Maturing October 1, 2040

<u>October 1</u>	<u>Principal Amount</u>
2036	\$740,000
2037	775,000
2038	820,000
2039	860,000
2040*	910,000

* Final Maturity

Term Bond Maturing October 1, 2050

<u>October 1</u>	<u>Principal Amount</u>
2041	\$955,000
2042	1,005,000
2043	1,060,000
2044	1,115,000
2045	1,170,000
2046	1,230,000
2047	1,295,000
2048	1,365,000

2049	1,435,000
2050*	1,510,000
* Final Maturity	

Term Bond Maturing October 1, 2059
(5.323% coupon)

<u>October 1</u>	<u>Principal Amount</u>
2051	\$1,060,000
2052	1,115,000
2053	1,185,000
2054	1,245,000
2055	1,315,000
2056	1,390,000
2057	1,465,000
2058	1,550,000
2059*	1,630,000
* Final Maturity	

Term Bond Maturing October 1, 2059
(5.573% coupon)

<u>October 1</u>	<u>Principal Amount</u>
2051	\$530,000
2052	565,000
2053	590,000
2054	625,000
2055	660,000
2056	695,000
2057	735,000
2058	775,000
2059*	825,000
* Final Maturity	

There will be credited against and in satisfaction of the sinking fund installments Bonds (i) redeemed at the election of the University pursuant to this Indenture, (ii) purchased by the University and delivered to the Trustee for cancellation or (iii) defeased in accordance with this Indenture, and the principal amount of Bonds redeemed, purchased or defeased will be applied against and in fulfillment of the required sinking fund installments thereafter payable, among sinking fund installments as directed by a Request of the University.

Section 4.02 Selection of Bonds for Redemption. If less than all of the Bonds are to be redeemed, the University may select the maturities of Bonds to be redeemed. If less than all Bonds of any maturity are to be redeemed, the Trustee shall determine on a pro rata basis the Bonds, or portions thereof, within such maturity to be redeemed.

If the Bonds are registered in book-entry only form and so long as DTC is the sole registered owner of the Bonds, if less than all of the Bonds of a maturity are called for prior redemption, the particular Bonds or portions thereof to be redeemed shall be selected on a pro rata pass-through distribution of principal basis in accordance with DTC procedures, provided that, so long as the Bonds are held in book-entry form, the selection for redemption of such Bonds shall be made in accordance with the operational arrangements of DTC then in effect.

It is the University's intent that redemption allocations made by DTC be made on a pro rata pass-through distribution of principal basis as described above. However, the University can provide no assurance that DTC, DTC's direct and indirect participants or any other intermediary will allocate the redemption of Bonds on such basis. If the DTC operational arrangements do not allow for the redemption of the Bonds on a pro rata pass-through distribution of principal basis as discussed above, then the Bonds will be selected for redemption, in accordance with DTC procedures, by lot. The Trustee can provide no assurance as to how DTC, or any other parties, will allocate redemption payments.

Section 4.03 Notice of Redemption. Notice of redemption shall be given by the Trustee as hereinafter provided to (i) the respective Holders of any Bonds designated for redemption at their addresses appearing on the registration books of the Trustee on the date such notice is mailed; (ii) the Securities Depositories; (iii) one or more Information Services; and (iv) the Municipal Securities Rulemaking Board. Each notice of redemption shall state the date of such notice, the redemption date, the place or places of redemption (including the name and appropriate address or addresses of the Trustee), the CUSIP number (if any) of the maturity or maturities, and, if less than all the Bonds of any maturity are to be redeemed, the distinctive certificate numbers of the Bonds of such maturity to be redeemed and, in the case of Bonds to be redeemed in part only, the respective portions of the principal amount thereof to be redeemed. Each such notice shall also state that on said date there will become due and payable on each of said Bonds the redemption price thereof or of said specified portion of the principal amount thereof in the case of a Bond to be redeemed in part only, together with interest accrued thereon to the redemption date, and that from and after such redemption date interest thereon shall cease to accrue, and shall require that such Bonds be then surrendered at the address or addresses of the Trustee specified in the redemption notice.

Any notice of redemption shall be mailed by first class mail, postage prepaid, to Bondholders not less than 20 days or more than 60 days prior to the date fixed for redemption. Notices to the Information Services shall be mailed by the Trustee by certified, registered or overnight mail at the time of the mailing of notices to Bondholders. Notices to the Securities Depositories shall be given by telecopy or by certified, registered or overnight mail at the time of the mailing of notices to Bondholders. If U.S. mail is no longer available, for whatever reason, at the time of such redemption, a means of nationally recognized transmission, in the Trustee's reasonable judgment, shall be employed in order to communicate the notices referenced herein to the intended recipients.

Notice of redemption of Bonds shall be given by the Trustee, at the expense of the University. Failure by the Trustee to give notice pursuant to this Section 4.03, or the insufficiency of any such notice, shall not affect the sufficiency of the proceedings for redemption of any Bond for which notice was properly given.

The notice with respect to any redemption of Bonds may state that: (i) such redemption is conditional upon the receipt by the Trustee, on or prior to the date fixed for such redemption, of such moneys sufficient to pay the principal of, and accrued but unpaid interest to the redemption date on, such Bonds to be redeemed, and that if such moneys shall not have been so received said notice shall be of no force and effect and such Bonds shall not be required to be redeemed; and (ii) such notice is revocable at any time by the Trustee, at the written direction of the University, prior to the date fixed for redemption. In the event a notice of redemption of Bonds contains such conditions and sufficient moneys are not so received or the notice is so revoked, the redemption of Bonds as described in the conditional notice of redemption shall not be made and the Trustee shall, within a reasonable time after the date on which such redemption was to occur, give notice to the Persons and in the manner in which the notice of redemption was given, that sufficient moneys were not so received or the notice was so revoked and that there will be no redemption of Bonds pursuant to the notice of redemption.

Section 4.04 Partial Redemption of Bonds. Upon surrender of any Bond redeemed in part only, the University shall execute and the Trustee shall authenticate, register and deliver to the Holder thereof, at the expense of the University, a new Bond or Bonds of authorized denominations equal in aggregate principal amount to the unredeemed portion of the Bond surrendered. In the event of any partial redemption of a Bond which is registered in the name of the Nominee, DTC may elect to make a notation on the Bond certificate which reflects the date and amount of the reduction in principal amount of said Bond in lieu of surrendering the Bond certificate to the Trustee for exchange. The University and the Trustee shall be fully released and discharged from all liability upon, and to the extent of, payment of the redemption price for any partial redemption and upon the taking of all other actions required hereunder in connection with such redemption.

Section 4.05 Effect of Redemption. Notice of redemption having been duly given as aforesaid and moneys for payment of the redemption price of, together with interest accrued to the redemption date on, the Bonds (or portions thereof) so called for redemption being held by the Trustee, on the redemption date designated in such notice, the Bonds (or portions thereof) so called for redemption shall become due and payable at the redemption price specified in such notice and interest accrued thereon to the redemption date, interest on the Bonds (or portions thereof) so called for redemption shall cease to accrue from and after the redemption date, said Bonds (or portions thereof) shall cease to be entitled to any benefit or security under this Indenture, and the Holders of said Bonds (or portions thereof) shall have no rights in respect thereof except to receive payment of said redemption price and accrued interest to the redemption date, subject to the Holders rights set forth in Section 4.04.

All Bonds redeemed in full pursuant to the provisions of this Article IV shall upon surrender thereof be cancelled by the Trustee, who shall deliver a certificate evidencing such cancellation to the University. The Trustee shall destroy such Bonds.

ARTICLE V

ESTABLISHMENT OF DEBT SERVICE FUND

Section 5.01 Debt Service Fund.

(a) Upon the receipt of a payment from the University pursuant to Section 6.01 of this Indenture, the Trustee shall deposit all such amounts in the "University of St. Thomas Series 2020 Debt Service Fund" (the "Debt Service Fund"), which the Trustee shall establish and maintain and hold in trust.

(b) The Trustee shall deposit in the Debt Service Fund from time to time, upon receipt thereof, all payments received by the Trustee from the University pursuant to Section 6.01 of this Indenture, and, subject to Section 5.02 of this Indenture, any income received from the investment of moneys on deposit in the Debt Service Fund.

(c) The Trustee shall disburse and apply amounts in the Debt Service Fund only as hereinafter in this paragraph (c) authorized:

(1) On each Interest Payment Date, the Trustee shall apply moneys in the Debt Service Fund to pay the interest on the Bonds as such shall become due and payable (including accrued interest on any Bonds purchased or redeemed prior to maturity pursuant to this Indenture).

(2) The Trustee shall apply moneys in the Debt Service Fund to pay the principal of the Bonds as such principal becomes due and payable.

(3) If Bonds are redeemed prior to stated maturity pursuant to Article IV of this Indenture, the Trustee shall deposit the prepayment of principal and interest and any premium to the Optional Redemption Account within the Debt Service Fund which the Trustee shall establish and maintain and shall be applied thereafter to the redemption of Bonds as promptly as practicable in accordance with the provisions of this Indenture.

(d) In making payments of principal of and interest on the Bonds, the Trustee shall use all amounts pledged therefor under this Indenture received by the Trustee.

(e) At least six Business Days before each Interest Payment Date, the Trustee shall determine the amount, if any, credited or to be credited to the Debt Service Fund during the period from the day after the last Interest Payment Date to the next succeeding Interest Payment Date from any source. The Trustee shall give notice to the University of such amount and the amount due, which notice shall be mailed, telecopied or delivered in such a manner that the University will receive such notice by the fifth Business Day before such next succeeding Interest Payment Date. Any verbal notice shall be supplemented by notice given in accordance with the preceding sentence. Failure by the Trustee to give notice pursuant to this paragraph, or the insufficiency of any such notice, shall not affect the payment obligations of the University under Section 6.01 of this Indenture, including without limitation the timing thereof.

(f) If the Trustee has not received any payment required to be made by the University to pay principal or the redemption price of, or interest on the Bonds by the due date, the Trustee shall immediately notify the University of such insufficiency by telephone, telecopy, electronic mail or telegram and confirm such notification by written notice. Failure by the Trustee to give notice pursuant to this paragraph, or the insufficiency of any such notice, shall not affect the payment obligations of the University under this Indenture, including without limitation the timing thereof.

(g) Except to the extent such moneys are required to be held for the payment of principal of or interest on the Bonds then due and payable or to effect the discharge of liability on the Bonds pursuant to Article X hereof, so long as no Event of Default (or any event which would be an Event of Default hereunder with the passage of time or the giving of notice) exists hereunder, on the fifth day after each Interest Payment Date, the Trustee, unless otherwise instructed by the University, shall return to the University (free and clear of the pledge and lien of this Indenture) any moneys then on deposit in the Debt Service Fund.

Section 5.02 Investment of Moneys in Funds. Any moneys in any of the funds and accounts to be established by the Trustee pursuant to this Indenture shall be invested upon the Request of the University (such direction to specify the particular investment to be made), by the Trustee, if and to the extent then permitted by law, in Investment Securities. In the absence of such written direction, the Trustee shall invest in units of a money-market fund or portfolio that is rated by each Rating Agency at least as high as the then current rating of such Rating Agency on the Bonds if such Rating Agency is then rating the Bonds provided that such fund or portfolio is an Investment Security. Moneys in any fund or account shall be invested in Investment Securities with respect to which payments of principal thereof and interest thereon are scheduled to be paid or are otherwise payable (including Investment Securities payable at the option of the Holder) not later than the date on which such moneys will be required by the Trustee. For investment purposes only, the Trustee may commingle the funds and accounts established hereunder (other than any fund or account established pursuant to Article X hereof) but shall account for each separately. Any Investment Securities that are registrable securities shall be registered in the name of the Trustee.

Any interest, profit or loss on any investments of moneys in any fund or account under this Indenture shall be credited or charged to the respective funds from which such investments are made. The Trustee may sell or present for redemption any obligations so purchased whenever it shall be necessary in order to provide moneys to meet any payment on the Bonds, and the Trustee shall not be liable or responsible for any loss, fee, tax or other charge resulting from any investment, reinvestment or liquidation hereunder. Unless otherwise directed by the University, the Trustee may make any investment permitted under this Section through or with its own commercial banking or investment departments.

The University acknowledges that to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grant the University the right to receive brokerage confirmations of security transactions as they occur, the University specifically waives receipt of such confirmations to the extent permitted by law. The Trustee will furnish the University periodic cash transaction statements which include detail for all investment transactions made by the Trustee hereunder.

The Trustee or any of its affiliates may act as sponsor, advisor or manager in connection with any investments made by the Trustee hereunder. The Trustee is hereby authorized, in making or disposing of any investment permitted by this Section, to deal with itself (in its individual capacity) or with any one or more of its affiliates, whether it or such affiliate is acting as an agent of the Trustee or for any third Person or is dealing as principal for its own account.

Section 5.03 Amount Remaining in Funds and Accounts. Any amounts remaining in the Debt Service Fund or any other fund or account established hereunder after payment in full of the Bonds (or after provision for payment thereof as provided herein) and the fees, charges and expenses of the Trustee, shall belong and be paid to the University by the Trustee.

ARTICLE VI COVENANTS

Section 6.01 Punctual Payment. The University is unconditionally and generally obligated to pay the principal (whether at maturity, by redemption or acceleration), redemption premium, and interest on the Bonds, and the University covenants that it will promptly pay or cause to be paid such principal and redemption premium of and interest on each Bond issued hereunder at the times and places and in the manner provided herein and in the Bonds, according to the true intent and meaning thereof.

Section 6.02 Extension of Payment of Bonds. The University shall not directly or indirectly extend or assent to the extension of the maturity of any of the Bonds or the time of payment of any of the claims for interest by the purchase or funding of such Bonds or claims for interest or by any other arrangement except with the written consent of the Bondholders and, if the maturity of any of the Bonds or the time of payment of any such claims for interest shall be extended without consent required herein, such Bonds or claims for interest shall not be entitled, in case of any default hereunder, to the benefits of this Indenture, except subject to the prior payment in full of the principal of all of the Bonds then Outstanding and of all claims for interest thereon which shall not have been so extended. Nothing in this Section shall be deemed to limit the right of the University to issue bonds for the purpose of refunding any Outstanding Bonds, and such issuance shall not be deemed to constitute an extension of maturity of Bonds.

Section 6.03 Protection of Lien. The University hereby agrees not to make or create or suffer to be made or created any assignment or lien on the Trust Estate having priority or preference over the assignment and lien hereof upon the Trust Estate or any part thereof except as otherwise specifically provided herein.

Section 6.04 Power to Issue Bonds and Make Pledge. The University is duly authorized pursuant to law to issue the Bonds and to enter into this Indenture and to pledge the Trust Estate purported to be pledged under this Indenture in the manner and to the extent provided in this Indenture. The Bonds and the provisions of this Indenture are and will be the legal, valid and binding obligations of the University enforceable in accordance with their terms, and the University and Trustee shall at all times, to the extent permitted by law and subject to the provisions of this Indenture, defend, preserve and protect said pledge and all the rights of the Bondholders under this Indenture against all claims and demands of all Persons whomsoever.

Section 6.05 Accounting Records and Financial Statements. (a) The Trustee shall at all times keep, or cause to be kept, proper books of record and account, prepared in accordance with the Trustee's accounting practices for books of record and account relating to similar trust accounts and in accordance with the customary standards of the industry for such books of record and account, in which complete and accurate entries shall be made of all transactions made by it relating to the proceeds of Bonds, and all funds and accounts established pursuant to this Indenture. Such books of record and account shall be available for inspection by the University and any Bondholder, or their respective agents or representatives duly authorized in writing, at reasonable hours, upon reasonable notice and under reasonable circumstances.

(b) The Trustee shall furnish to the University on or before the 15th day of each month, a financial statement (which need not be audited and may be in the form of the regular account statements prepared by the Trustee) covering receipts, disbursements, allocation and application of funds received by the Trustee pursuant to this Indenture and any other moneys (other than proceeds of the Bonds held by the University) in any of the funds and accounts held by the Trustee pursuant to this Indenture for the immediately preceding month.

Section 6.06 Continuing Disclosure.

(a) The University agrees to post on its website, within six months after the end of each fiscal year of the University, the University's audited financial statements and updated information of the same general type as any financial information and operating data concerning the University included in the Offering Memorandum with respect to the Bonds (the "Offering Memorandum"). Specifically, the University will provide annual updates of the following tables contained in Appendix A of the Offering Memorandum:

(i) Full-time and part-time faculty; all for or as of most recently concluded academic year (Table 1).

(ii) Freshmen applications, acceptances, and matriculation for or as of most recently concluded academic year (Table 2).

(iii) Incoming student enrollment history by freshmen and transfers for or as of most recently concluded academic year (Table 3).

(iv) Enrollment history, enrollment (FTE) by undergraduate and graduate for or as of most recently concluded academic year (Table 4).

(v) Student financial aid, including University aid and aid from other sources, for the past four fiscal years (Table 5).

(vi) Tuition, fees, room & board for the past five academic years (Table 7).

(vii) Market value of the University's endowment for past five fiscal years (Table 8).

(b) Financial statements will be prepared in accordance with the accounting principles described in Appendix B to the Offering Memorandum or such other accounting principles as the University may be required to employ from time to time pursuant to State law or regulation.

(c) The University's current fiscal year end is June 30. Accordingly, it must provide updated information by December 31 in each year, unless the University changes its fiscal year. If the University does not have audited financial statements as of any December 31, the University will provide unaudited financial information by December 31 in such year and will provide audited financial statements for the applicable fiscal year as soon as the audited financial statements are available.

(d) The University has agreed to update information as provided herein, and undertakes to provide no other continuing financial information or reports on material events that may occur. The University has not agreed to provide other information that may be relevant or material to a complete presentation of its financial results of operations, condition, or prospects or agreed to update any information that is provided, except as specified herein. The University makes no representation or warranty concerning such information or concerning its usefulness to a decision to invest in or sell Bonds at any future date.

Section 6.07 Consolidation, Merger, Conveyance, or Transfer only on Certain Terms.

The University shall not consolidate with or merge into any other Person or convey or transfer its assets substantially as an entirety to any Person, unless:

(a) such consolidation, merger, conveyance, or transfer shall be on such terms as shall fully preserve the rights and powers of the Trustee and the Bondholders;

(b) the survivor of such consolidation or merger, or the Person which so acquires such assets, shall be a Person organized and existing under the laws of the United States of America or any State or the District of Columbia and shall execute and deliver to the Trustee an agreement supplemental hereto and a promissory note in form satisfactory to the Trustee, containing an assumption by such successor of the due and punctual payment of the Outstanding Bonds and the performance and observance of every covenant and condition of this Loan Agreement and the Indenture to be performed or observed by the University;

(c) immediately after giving effect to such transaction no Default shall have occurred and be continuing under the terms of the Indenture or this Loan Agreement; and

(d) the University shall have delivered to the Trustee a Certificate of the University and an Opinion of Counsel, each of which shall state that such consolidation, merger, conveyance, or transfer and such supplemental agreement comply with this Section and that all conditions precedent herein provided for relating to such transaction have been complied with.

Section 6.08 Successor Substituted.

Upon any consolidation or merger of the University or any conveyance or transfer of its assets substantially as an entirety in accordance with Section 6.07, the survivor of such consolidation or merger, or the Person to which such conveyance or transfer is made, shall succeed to, and be substituted for, and may exercise every right and power of, the University under this Indenture, subject, however, to the limitation that no such conveyance or transfer of the assets of the University substantially as an entirety shall have the effect of releasing any such Person from its liability hereunder for payment of the Outstanding Bonds, unless such conveyance or transfer is followed by the complete liquidation of such Person and substantially all its assets immediately following such conveyance or transfer are the securities of such survivor or such Person received in such conveyance or transfer.

Section 6.09 Corporate Existence.

Subject to Sections 6.07 and 6.08, the University will do or cause to be done all things necessary to preserve and keep in full force and effect its corporate existence, rights (charter and statutory), and franchises; provided, however, that the University shall not be required to preserve any right or franchise if its governing body shall determine that the preservation thereof is no longer desirable in the conduct of its business and that the loss thereof is not disadvantageous in any material respect to the Bondholders.

Section 6.10 Maintenance and Insurance of Properties.

The University will cause all its properties used or useful in the conduct of its business to be maintained and kept in good condition, repair, and working order (subject to normal wear and tear) and supplied with all necessary equipment and will cause to be made all necessary repairs, renewals, replacements, betterments, and improvements thereof, all as in the judgment of the University may be necessary so that the business carried on in connection therewith may be properly and advantageously conducted at all times. Nothing in this Section, however, shall prevent the University from discontinuing the operation and maintenance of any of its properties, or the transfer of title of any of its properties, if such discontinuance or transfer is, in the judgment of the governing body of the University, desirable in the conduct of its business and not disadvantageous in any material respect to the Bondholders.

The University will insure (including by means of self-insurance) its property and operations against such losses and in such amounts as is customary for companies operating similar property and engaged in similar operations as the University.

Section 6.11 Compliance With Laws and Payment of Taxes, Etc.

With respect to a properties owned by it, the University shall comply with all present and future laws relating to the use and occupancy of such property, and will procure and maintain all necessary licenses and permits relating thereto.

The University shall pay all taxes, assessments and other governmental charges lawfully levied or assessed against properties of the University.

Section 6.12 Limitations on Liens.

(a) Except as otherwise hereinafter permitted, the University shall not suffer to exist any debt of the University or any claims or demands against the University, which, if unpaid, might (in the hands of the Holder or any Person who shall have guaranteed the same or who has any right or obligation to purchase the same), by law or upon bankruptcy or insolvency or otherwise, be given any priority whatsoever over its general creditors.

(b) Notwithstanding the foregoing limitations on liens, the following superior or priority mortgages, liens, and encumbrances shall be permitted:

(i) purchase money liens, pledges, or security interests (which shall include conditional sale agreements, equipment and other financing leases, or other title retention agreements and leases in the nature of title retention agreements) upon or in personal property or mortgages, liens, pledges, or security interests existing in real or personal property at the time of acquisition thereof, or, in the case of any Person which thereafter becomes the University, mortgages, liens, pledges, or security interests upon or in its real or personal property existing at the time such Person becomes the University, or replacements, extensions, or renewals of any such mortgages, liens, pledges, or security interests in connection with the replacement, extension, or renewal (without increase in principal amount) of the debt secured thereby, provided that no such mortgage, lien, pledge, or security interest extends or shall extend to or cover any property of such Person other than the property then being acquired and fixed improvements then or thereafter erected thereon;

(ii) purchase or construction money mortgages, liens, pledges, or security interests (which shall include conditional sales agreements or other title retention agreements and leases in the nature of title retention agreements) upon or in real property, or replacements, extensions, or renewals of any such mortgages, liens, pledges, or security interests in connection with the replacement, extension, or renewal (without increase in principal amount) of the debt secured thereby, provided that no such mortgage, lien, pledge, or security interest extends or shall extend to or cover any property of such Person other than the property being acquired or constructed and fixed improvements then or thereafter erected thereon or the property on which the fixed improvement is being constructed;

(iii) the lien of any instrument given as additional security for the obligation of any Person to make payments in respect of the Bonds or other parity obligations;

(iv) security interests in pledges of donations, gifts, or other charitable contributions to secure debt, or donor restrictions imposed on any donations, gifts, or other charitable contributions;

(v) establishment of such funds, accounts, subaccounts, and escrows, and grant of trusts, pledges, liens, or security interests in such funds, accounts, subaccounts, and escrows as may be necessary and customary for the issuance or

discharge of additional obligations on a parity with or subordinate to the Bonds with respect to the general obligation of the University, including but not limited to reserves, debt service funds, proceeds funds, and escrows, including funds, accounts, and subaccounts for the benefit of third persons providing security or credit support for such obligations;

(vi) to the extent the University determines a conveyance, transfer, or grant does not materially adversely affect the interests of the Bondholders, conveyances, transfers, or grants of property or interests in property of the University, including mortgages, liens, pledges, or security interests in existing real or personal property of the University, necessary or reasonably appropriate to establish contractual or debt obligations, which contractual or debt obligations are used to establish one or more enterprises of the University or its affiliates or subsidiaries, including academic buildings, dormitories, or other facilities, which may or may not be self-supporting and which may include revenues and accounts receivable from such facilities; and

(vii) to the extent of University affiliates or subsidiaries, the University may not transfer its properties to affiliates or subsidiaries except as is otherwise permitted to carry out a permissible encumbrance described in clauses (i) through (vi) of this Subsection, or to the extent the University determines such transfer does not materially adversely affect the interests of the Bondholders, but the affiliates or subsidiaries may otherwise purchase or transfer interests in real and personal property and grant mortgages, liens, pledges, or security interests in existing real or personal property of the affiliate, and the University may guaranty obligations of the affiliates or subsidiaries provided that such guaranty is subordinate to or on a parity with the University's general obligation securing the Bonds.

(c) The University may sign such security agreements and sign and file such financing statements and take all other actions necessary to evidence and perfect any lien permitted by this Indenture.

Section 6.13 Additional Indebtedness.

Subject to the provisions of Sections 6.03 and 6.12, this Indenture does not restrict the University under any circumstances from creating additional debt including, without limitation, bonds and commercial paper notes, and it does not restrict the University from pledging, mortgaging, granting a security interest in, disposing of, or conveying any of its property without making any provision for the security of the Bonds.

ARTICLE VII

EVENTS OF DEFAULT; REMEDIES ON DEFAULT

Section 7.01 Events of Default; Acceleration; Waiver of Default. Each of the following events shall constitute an "Event of Default" hereunder.

(a) Failure by the University to make the due and punctual payment of the principal of any Bond as the same shall become due and payable (whether at maturity, by proceedings for redemption, by declaration or otherwise);

(b) Failure by the University to make the due and punctual payment of any installment of interest on any Bond when and as such interest installment shall become due and payable;

(c) Failure by the University to perform or observe any other of the covenants, agreements or conditions on its part in this Indenture, other than as referred to in paragraphs (a) and (b) above, or in the Bonds contained, and such default shall have continued for a period of 180 days after written notice thereof, specifying such default and requiring the same to be remedied, shall have been given to the University by the Trustee, or the University and the Trustee by the Holders of not less than a majority in aggregate principal amount of the Bonds at the time Outstanding;

(d) The entry of a decree or order by a court having jurisdiction in the premises adjudging the University as bankrupt or insolvent, or approving as properly filed a petition seeking reorganization, arrangement, adjustment or composition of or in respect of the University under the Federal Bankruptcy Code or any other applicable Federal or state law, or appointing a receiver, liquidator, assignee, or sequestrator (or other similar official) of the University or of any substantial part of its property, or ordering the winding up or liquidation of its affairs, and the continuance of any such decree or order unstayed and in effect for a period of 60 consecutive days; or

(e) The University institutes proceedings to be adjudicated as bankrupt or insolvent, or the consent by the University is given to bankruptcy or insolvency proceedings being instituted against it, or the filing by the University of a petition or answer or consent seeking reorganization or relief under the Federal Bankruptcy Code or any other similar applicable Federal or state law, or the consent by the University to the filing of any such petition or to the appointment of a receiver, liquidator, assignee, trustee or sequestrator (or other similar official) of the University or of any substantial part of its property, or the making by the University of an assignment for the benefit of creditors, or the admission by the University in writing of its inability to pay its debts generally as they become due.

No default specified in (c) above shall constitute an Event of Default unless the University shall have failed to correct such default within the applicable 180-day period; provided, however, that if the default shall be such that it can be corrected, but cannot be corrected within such period, it shall not constitute an Event of Default if corrective action is

instituted by the University within the applicable period and diligently pursued until the default is corrected.

Upon the occurrence and continuation of an Event of Default, the Trustee may, and upon the written request of the Holders of not less than a majority in aggregate principal amount of the Bonds then Outstanding shall, by notice in writing delivered to the University, declare the principal of all Bonds then Outstanding and the interest accrued thereon immediately due and payable, and such principal and interest shall thereupon become and be immediately due and payable. Interest on the Bonds shall cease to accrue from and after the date of declaration of any such acceleration. Notwithstanding the foregoing, the Trustee shall not be required to take any action upon the occurrence and continuation of an Event of Default under Section 7.01(c) above until a Responsible Officer of the Trustee has actual knowledge of such Event of Default.

The preceding paragraph, however, is subject to the condition that if, at any time after the principal of the Bonds shall have been so declared due and payable, and before any judgment or decree for the payment of the moneys due shall have been obtained or entered as hereinafter provided, there shall have been deposited with the Trustee a sum which, together with any other amounts then held in the Debt Service Fund, is sufficient to pay all the principal of such Bonds matured prior to such declaration and all matured installments of interest (if any) upon all the Bonds, and the reasonable expenses (including reasonable attorneys' fees) of the Trustee, and any and all other defaults actually known to the Trustee (other than in the payment of principal of and interest on such Bonds due and payable solely by reason of such declaration) shall have been made good or cured to the satisfaction of the Trustee in its sole discretion or provision deemed by the Trustee to be adequate shall have been made therefor, then, and in every such case, the Holders of at least a majority in aggregate principal amount of the Bonds in each case then Outstanding (by written notice to the University and to the Trustee) may, on behalf of the Holders of all Bonds, rescind and annul such declaration with respect to the Bonds and its consequences and waive such default; provided that no such rescission and annulment shall extend to or shall affect any subsequent default, or shall impair or exhaust any right or power consequent thereon.

Section 7.02 Institution of Legal Proceedings by Trustee. In addition, if one or more of the Events of Default hereunder shall happen and be continuing, the Trustee in its sole discretion may, and upon the written request of the Holders of a majority in aggregate principal amount of the Bonds then Outstanding, and upon being indemnified to its satisfaction in its sole discretion therefor (including with respect to any expenses or liability the Trustee may incur) shall, proceed to protect or enforce its rights or the rights of the Holders under this Indenture, by a suit in equity or action at law, either for the specific performance of any covenant or agreement contained herein, or in aid of the execution of any power herein granted, or by mandamus or other appropriate proceeding for the enforcement of any other legal or equitable remedy as the Trustee shall deem most effectual in support of any of its rights or duties hereunder.

Section 7.03 Application of Moneys Collected by Trustee. Any moneys collected by the Trustee and moneys in the Debt Service Fund on or after the occurrence of an Event of Default shall be applied in the order following, at the date or dates fixed by the Trustee and, in the case of distribution of such moneys on account of principal or interest, upon presentation of

the Bonds, and stamping thereon the payment, if only partially paid, and upon surrender thereof, if fully paid:

First. To the payment of costs and expenses of collection, just and reasonable compensation to the Trustee for its own services and for the services of counsel, agents and employees by it properly engaged and employed, and for advances made pursuant to the provisions of this Indenture with interest on all such advances at a rate per annum equal to the yield on the Bonds plus two percent.

Second. In case the principal of none of the Outstanding Bonds shall have become due and remains unpaid, to the payment of interest in default on the Outstanding Bonds in the order of the maturity thereof, such payments to be made ratably and proportionately to the Persons entitled thereto without discrimination or preference, except as specified in Section 6.02; provided, however, that no payment of interest shall be made with respect to any Bonds held by the University, or actually known by the Trustee to be held by any affiliate of the University, or any nominee of the University or any affiliate of the University, until interest due on all Bonds not so registered shall have been paid.

Third. In case the principal of any of the Outstanding Bonds shall have become due by declaration or otherwise and remains unpaid, first to the payment of principal of all Outstanding Bonds then due and unpaid, then to the payment of interest in default in the order of maturity thereof; in every instance such payment to be made ratably to the Persons entitled thereto without discrimination or preference, except as specified in Section 6.02; provided, however, that no payment of principal or interest shall be made with respect to any Bonds held by the University, or known by the Trustee to be held by any affiliate of the University or any nominee of the University, or any affiliate of the University, until all amounts due on all Bonds not so held have been paid.

Section 7.04 Effect of Delay or Omission to Pursue Remedy. No delay or omission of the Trustee or of any Holder of Bonds to exercise any right or power arising from any default shall impair any such right or power or shall be construed to be a waiver of any such default or acquiescence therein, and every power and remedy given by this Article VII to the Trustee or to the Holders of Bonds may be exercised from time to time, and as often as shall be deemed expedient. In case the Trustee shall have proceeded to enforce any right under this Indenture, and such proceedings shall have been discontinued or abandoned because of waiver or for any other reason, or shall have been determined adversely to the Trustee, then and in every such case the University and the Trustee, and the Holders of the Bonds, severally and respectively, shall be restored to their former positions and rights hereunder in respect to the trust estate; and all remedies, rights and powers of the University, the Trustee and the Holders of the Bonds shall continue as though no such proceedings had been taken.

Section 7.05 Remedies Cumulative. No remedy herein conferred upon or reserved to the Trustee or to any Holder of the Bonds is intended to be exclusive of any other remedy, but 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.

Section 7.06 Trustee Appointed Agent for Bondholders. The Trustee is hereby appointed the agent and attorney of the Holders of all Bonds Outstanding hereunder for the purpose of filing any claims relating to the Bonds.

Section 7.07 Power of Trustee to Control Proceedings. In the event that the Trustee, upon the happening of an Event of Default, shall have taken some action, by judicial proceedings or otherwise, pursuant to its duties hereunder, whether upon its own discretion or upon the request of the Holders of a majority in aggregate principal amount of the Bonds then Outstanding, it shall have full power, in the exercise of its discretion for the best interests of the Holders of the Bonds, with respect to the continuance, discontinuance, withdrawal, compromise, settlement or other disposal of such action; provided, however, that the Trustee shall not, unless there no longer continues an Event of Default hereunder, discontinue, withdraw, compromise or settle, or otherwise dispose of any litigation pending at law or in equity, if at the time there has been filed with it a written request signed by the Holders of at least a majority in aggregate principal amount of the Bonds Outstanding hereunder opposing such discontinuance, withdrawal, compromise, settlement or other disposal of such litigation.

All rights of action under this Indenture or under any of the Bonds secured hereby which are enforceable by the Trustee may be enforced by it without the possession of any of the Bonds, or the production thereof at the trial or other proceedings relative thereto, and any such suit, action or proceeding Instituted by the Trustee shall be brought in its name as Trustee of an express trust for the equal and ratable benefit of the Bondholders, subject to the provisions of this Indenture.

Section 7.08 Limitation on Bondholders' Right to Sue. No Holder of Bonds issued hereunder shall have the right to file any suit, action or proceeding at law or in equity, for any remedy under this Indenture, unless (a) such Holder shall have previously given to the Trustee written notice of the occurrence of an Event of Default hereunder; (b) the Holders of at least a majority in aggregate principal amount of all the Bonds then Outstanding shall have made written request upon the Trustee to exercise the powers hereinbefore granted or to University such action, suit or proceeding in its own name; (c) said Holders shall have furnished to the Trustee indemnity satisfactory to it against the costs, expenses (including reasonable attorneys' fees) and liabilities to be incurred in compliance with such request; and (d) the Trustee shall have refused or omitted to comply with such request for a period of 60 days after such written request shall have been received by, and said furnishing of indemnity shall have been made to, the Trustee.

Such notification, request, furnishing of indemnity and refusal or omission by the Trustee are hereby declared, in every case, to be conditions precedent to the exercise by any Holder of Bonds of any remedy hereunder; it being understood and intended that no one or more Holders of Bonds shall have any right in any manner whatever by its action to enforce any right under this Indenture, except in the manner herein provided, and that all proceedings at law or in equity to enforce any provision of this Indenture shall be instituted, had and maintained in the manner herein provided and for the equal benefit of all Holders of the Outstanding Bonds, subject to the provisions of this Indenture.

The right of any Holder of any Bond to receive payment of the principal of and interest on such Bond out of the funds pledged herein, as herein provided, on and after the respective due dates expressed in such Bond, or to file suit for the enforcement of any such payment on or after such respective dates, shall not be impaired or affected without the consent of such Holder, notwithstanding the foregoing provisions of this Section or Section 7.07 of this Indenture or any other provision of this Indenture.

ARTICLE VIII

THE TRUSTEE

Section 8.01 Duties, Immunities and Liabilities of Trustee. (a) The Trustee shall, prior to an Event of Default, and after the curing or waiving of all Events of Default which may have occurred, perform such duties and only such duties as are specifically set forth in this Indenture. The Trustee shall, during the existence of any Event of Default which has not been cured or waived, exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in their exercise, as a prudent person would exercise or use under the circumstances in the conduct of such person's own affairs.

(b) The University may remove the Trustee at any time unless an Event of Default shall have occurred and then be continuing, and shall remove the Trustee if at any time requested to do so by an instrument or concurrent instruments in writing signed by the Holders of not less than a majority in aggregate principal amount of the Bonds then Outstanding (or their attorneys duly authorized in writing) or if at any time the Trustee shall cease to be eligible in accordance with subsection (e) of this Section, or shall become incapable of acting, or shall be adjudged a bankrupt or insolvent, or a receiver of the Trustee or its property shall be appointed, or any public officer shall take control or charge of the Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation, in each case by giving written notice of such removal to the Trustee, and thereupon shall appoint, with the consent of the University, a successor Trustee by an instrument in writing.

(c) The Trustee may at any time resign by giving written notice of such resignation to the University 30 days prior to such resignation, and by giving the Bondholders notice of such resignation by mail at the addresses shown on the Bond registration books maintained by the Trustee. Upon receiving such notice of resignation, the University shall promptly appoint a successor Trustee by an instrument in writing.

(d) Any removal or resignation of the Trustee and appointment of a successor Trustee shall become effective upon acceptance of appointment by the successor Trustee. Notwithstanding any other provision of this Indenture, no removal, resignation or termination of the Trustee shall take effect until a successor acceptable to the University shall be appointed. If no successor Trustee shall have been appointed and have accepted appointment within 45 days of giving notice of removal or notice of resignation as aforesaid, the resigning Trustee or any Bondholder (on behalf of himself and all other Bondholders) may petition any court of competent jurisdiction for the appointment of a successor Trustee, and such court may thereupon, after such notice (if any) as it may deem proper, appoint such successor Trustee. Any successor Trustee appointed under this Indenture shall signify its acceptance of such appointment

by executing and delivering to the University and to its predecessor Trustee a written acceptance thereof, and thereupon such successor Trustee, without any further act, deed or conveyance, shall become vested with all the moneys, estates, properties, rights, powers, trusts, duties and obligations of such predecessor Trustee, with like effect as if originally named Trustee herein; but, nevertheless at the Request of the University or the request of the successor Trustee, such predecessor Trustee shall execute and deliver any and all instruments of conveyance or further assurance and do such other things as may reasonably be required for more fully and certainly vesting in and conveying to such successor Trustee all the right, title and interest of such predecessor Trustee in and to any property held by it under this Indenture and shall pay over, transfer, assign and deliver to the successor Trustee any money or other property subject to the trusts and conditions herein set forth. Upon request of the successor Trustee, the University shall execute and deliver any and all instruments as may be reasonably required for more fully and certainly vesting in and confirming to such successor Trustee all such moneys, estates, properties, rights, powers, trusts, duties and obligations. Upon acceptance of appointment by a successor Trustee as provided in this subsection, the University shall mail a notice of the succession of such Trustee to the trusts hereunder to the Bondholders at the addresses shown on the Bond registration books maintained by the Trustee. If the University fails to mail such notice within 30 days after acceptance of appointment by the successor Trustee, the successor Trustee shall cause such notice to be mailed at the expense of the University.

(e) Any Trustee appointed under the provisions of this Indenture shall be a trust or banking institution or corporation having trust powers, doing business and having a corporate trust office in the State or, if it shall not have a corporate trust office in the State, having the power under State law to perform all the duties of the Trustee hereunder as evidenced by an opinion of its counsel, having a combined capital (exclusive of borrowed capital) and surplus of at least \$75,000,000 and subject to supervision or examination by State or federal authorities. In case at any time the Trustee shall cease to be eligible in accordance with the provisions of this subsection (e), the Trustee shall resign immediately in the manner and with the effect specified in this Section.

Section 8.02 Merger or Consolidation. Any company into which the Trustee may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which the Trustee may sell or transfer all or substantially all of its corporate trust business, provided such company shall be eligible under subsection (e) of Section 8.01 hereof, shall be the successor to such Trustee without the execution or filing of any paper or any further act, anything herein to the contrary notwithstanding.

Section 8.03 Rights of Trustee. (a) The recitals of facts herein and in the Bonds contained shall be taken as statements of the University, and the Trustee does not assume any responsibility for the correctness of the same, or make any representations as to the validity or sufficiency of this Indenture or the Bonds, or incur any responsibility in respect thereof, other than in connection with the duties or obligations herein or in the Bonds assigned to or imposed upon it. The Trustee shall, however, be responsible for its representations contained in its certificate of authentication on the Bonds. The Trustee shall not be liable in connection with the performance of its duties hereunder, except for its own negligence or willful misconduct.

(b) The Trustee shall not be liable for any error of judgment made in good faith by a Responsible Officer, unless it shall be proved that the Trustee was negligent or engaged in willful misconduct in ascertaining the pertinent facts.

(c) The Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Holders of not less than a majority in aggregate principal amount of the Bonds at the time Outstanding relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee under this Indenture. The permissive right of the Trustee to do things enumerated in this Indenture shall not be construed as a duty.

(d) The Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Indenture at the request, order or direction of any of the Bondholders pursuant to the provisions of this Indenture unless such Bondholders shall have furnished to the Trustee reasonable security or indemnity satisfactory to the Trustee against the costs, expenses and liabilities which may be incurred therein or thereby.

(e) The Trustee shall not be deemed to have knowledge of any Event of Default unless and until it shall have actual knowledge thereof, or shall have received written notice thereof, at its Principal Corporate Trust Office. Except as otherwise expressly provided herein, the Trustee shall not be bound to ascertain or inquire as to the performance or observance of any of the terms, conditions, covenants or agreements herein or of any of the documents executed in connection with the Bonds or as to the existence of an Event of Default hereunder.

(f) No provision of this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of its rights or powers. The Trustee has no obligation or liability to the Bondholders for the payment of interest or principal with respect to the Bonds, except as set forth in this Indenture.

(g) The Trustee shall not be bound to ascertain or inquire as to the validity or genuineness of any collateral given to or held by it. The Trustee shall not be responsible for the recording or filing of any document relating to this Indenture or of financing statements (or continuation statements in connection therewith) or of any supplemental instruments or documents of further assurance as may be required by law in order to perfect the security interests in any collateral given to or held by it.

(h) The Trustee shall not be concerned with or accountable to anyone for the subsequent use or application of any moneys which shall be released or withdrawn in accordance with the provisions hereof.

(i) The Trustee makes no representation or warranty, express or implied as to the title, value, design, compliance with specifications or legal requirements, quality, durability, operation, condition, merchantability or fitness for any particular purpose for the use contemplated by the University of the projects constructed, rehabilitated, purchased or otherwise acquired or refinanced with the proceeds of the Bonds. In no event shall the Trustee be liable for incidental, indirect, special or consequential damages in connection with or arising from this

Indenture for the existence, furnishing or use of the projects constructed, rehabilitated, purchased or otherwise acquired or refinanced with the proceeds of the Bonds.

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

(k) All indemnifications and releases from liability granted herein to the Trustee shall extend to the directors, officers, employees and agents of the Trustee.

(l) The Trustee will not be considered in breach of or in default in its obligations hereunder or progress in respect thereto in the event of delay in the performance of such obligations due to unforeseeable causes beyond its control and without its fault or negligence, including, but not limited to, acts of God or of the public enemy or terrorists, acts of a government, acts of the other party, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, earthquakes, explosion, mob violence, riot, inability to procure or general sabotage or rationing of labor, equipment, facilities, sources of energy, material or supplies in the open market, litigation or arbitration involving a party or others relating to zoning or other governmental action or inaction pertaining to any project refinanced with the proceeds of the Bonds, malicious mischief, condemnation, and unusually severe weather or delays of suppliers or subcontractors due to such causes or any similar event and/or occurrences beyond the control of the Trustee.

Section 8.04 Right of Trustee to Rely on Documents. The Trustee shall be protected in acting upon any notice, requisition, resolution, request, consent, order, certificate, report, opinion, bond or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties. The Trustee may consult with counsel, who may be counsel of or to the University, with regard to legal questions, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance therewith.

The Trustee shall not be bound to recognize any Person as the Holder of a Bond unless and until such Bond is submitted for inspection, if required, and such Holder's title thereto is satisfactorily established, if disputed.

Whenever in the administration of the trusts imposed upon it by this Indenture the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may be deemed to be conclusively proved and established by a Certificate of the University, and such Certificate shall be full warranty to the Trustee for any action taken or suffered in good faith under the provisions of this Indenture in reliance upon such Certificate, but in its discretion the Trustee may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as it may deem reasonable.

Section 8.05 Preservation and Inspection of Documents. All documents received by the Trustee under the provisions of this Indenture shall be retained in its possession and shall be subject at all reasonable times to the inspection of the University and any Bondholder, and their

agents and representatives duly authorized in writing, at reasonable hours, upon reasonable notice and under reasonable conditions.

Section 8.06 Compensation and Indemnification of Trustee. The University shall pay to the Trustee from time to time reasonable compensation for all services rendered hereunder and all reasonable expenses, charges, legal and consulting fees and other disbursements and those of its attorneys, agents and employees incurred in and about the performance of its powers and duties hereunder. The University further covenants and agrees to the extent permitted by law to indemnify the Trustee against any loss, expense and liability (other than those which are due to the Trustee's negligence or willful misconduct) which it may incur arising out of or in the exercise and performance of its powers and duties hereunder, including the costs and expenses of defending against any claim of liability. The obligations of the University under this Section shall survive resignation or removal of the Trustee hereunder and payment of the Bonds and discharge of this Indenture.

ARTICLE IX

MODIFICATION OF INDENTURE

Section 9.01 Modification without Consent of Bondholders. Subject to the conditions and restrictions in this Indenture contained, the University and the Trustee, from time to time and at any time, may enter into an Indenture or Supplemental Indentures, which indenture or indentures thereafter shall form a part hereof, including, without limitation, for one or more of the following purposes, provided that the Trustee shall have received a written representation from the University to the effect that such amendment or modification will not materially and adversely affect the interests of the Holders of the Bonds:

(a) to add to the covenants and agreements of the University in this Indenture contained, other covenants and agreements thereafter to be observed, or to assign or pledge additional security for the Bonds, or to surrender any right or power herein reserved to or conferred upon the University;

(b) to make such provisions for the purpose of curing any ambiguity, inconsistency or omission, or of curing, correcting or supplementing any defective provision, contained in this Indenture, or in regard to such matters or questions arising under this Indenture as the University may deem necessary or desirable and not inconsistent with this Indenture;

(c) to modify, amend or supplement this Indenture or any Supplemental Indenture in such manner as to permit the qualification hereof or thereof under the Trust Indenture Act of 1939, as amended, or any similar federal statute hereafter in effect, and, if they so determine, to add to this Indenture or any Supplemental Indenture such other terms, conditions and provisions as may be permitted by said Trust Indenture Act of 1939, as amended, or similar federal statute; or

(d) for any other purpose provided such amendment or modification will not materially and adversely affect the interests of the Holders of the Bonds.

Any Supplemental Indenture authorized by the provisions of this Section may be executed by the University and the Trustee without the consent of the Holders of any of the Bonds at the time Outstanding, notwithstanding any of the provisions of Section 9.02 hereof, but the Trustee shall not be obligated to enter into any such Supplemental Indenture which affects the Trustee's own rights, duties or immunities under this Indenture or otherwise.

The Trustee shall mail notice of any modification of the Indenture pursuant to this Section and an executed copy of a Supplemental Indenture or Indenture Supplemental Hereto, as applicable, authorized by this Section to each Rating Agency then rating the Bonds promptly after execution thereof by the University and the Trustee.

Section 9.02 Modification with Consent of Bondholders. With the written consent of the Holders of not less than a majority in aggregate principal amount of the Bonds at the time Outstanding, the University and the Trustee may from time to time and at any time, enter into an Indenture or Supplemental Indentures for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this Indenture or of any Supplemental Indenture; provided, however, that no such Supplemental Indenture shall (1) extend the fixed maturity of any Bonds or reduce the rate of interest thereon or extend the time of payment of interest, or reduce the amount of the principal thereof without consent of the Holder of each Bond so affected; or (2) reduce the aforesaid percentage of Holders of Bonds whose consent is required for the execution of such Supplemental Indentures or extend the time of payment or permit the creation of any lien on the funds pledged herein prior to or on a parity with the lien of this Indenture or deprive the Holders of the Bonds of the lien created by this Indenture upon the funds pledged herein, without the consent of the University and the Holders of all the Bonds then Outstanding. Upon receipt by the Trustee of a Certificate of the University authorizing the execution of any such Supplemental Indenture, and upon the filing with the Trustee of evidence of the consent of the Bondholders, as aforesaid, the Trustee shall join with the University in the execution of such Supplemental Indenture unless such Supplemental Indenture affects the Trustee's own rights, duties or immunities under this Indenture or otherwise, in which case the Trustee may in its discretion, but shall not be obligated to, enter into such Supplemental Indenture.

It shall not be necessary for the consent of the Bondholders under this Section to approve the particular form of any proposed Supplemental Indenture, but it shall be sufficient if such consent shall approve the substance thereof.

Promptly after the execution by the University and the Trustee of any Supplemental Indenture pursuant to the provisions of this Section, the Trustee shall mail a notice, setting forth in general terms the substance of such Supplemental Indenture, to the Bondholders at the addresses shown on the Bond registration books maintained by the Trustee. Any failure of the Trustee to give such notice, or any defect therein, shall not, however, in any way impair or affect the validity of any such Supplemental Indenture.

The Trustee shall mail an executed copy of such Supplemental Indenture to the University and each Rating Agency then rating the Bonds promptly after execution by the University and the Trustee.

Section 9.03 Effect of Supplemental Indenture. Upon the execution of any Supplemental Indenture pursuant to the provisions of this Article IX, this Indenture shall be and shall be deemed to be modified and amended in accordance therewith, and the respective rights, duties and obligations under this Indenture of the University, the Trustee and all Holders of Outstanding Bonds shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modifications and amendments, and all the terms and conditions of any such Supplemental Indenture shall be part of the terms and conditions of this Indenture for any and all purposes.

Section 9.04 Opinion of Counsel as to Supplemental Indenture. Subject to the provisions of Section 8.04 of this Indenture, the Trustee shall be provided an Opinion of Counsel as conclusive evidence that any Supplemental Indenture executed pursuant to the provisions of this Article IX complies with the requirements of this Article IX.

Section 9.05 Notation of Modification on Bonds; Preparation of New Bonds. Bonds authenticated and delivered after the execution of any Supplemental Indenture pursuant to the provisions of this Article IX may bear a notation, in form approved by the University, as to any matter provided for in such Supplemental Indenture, and if such Supplemental Indenture shall so provide, new Bonds, so modified as to conform, in the opinion of the University, to any modification of this Indenture contained in any such Supplemental Indenture, may be prepared by the University, authenticated by the Trustee and delivered without cost to the Holders of the Bonds then Outstanding, upon surrender for cancellation of existing Bonds, in equal aggregate principal amounts.

ARTICLE X

SATISFACTION AND DISCHARGE

Section 10.01 Discharge of Indenture. Bonds may be paid by the University in any of the following ways, provided that the University also pays or causes to be paid any other sums payable hereunder by the University:

- (a) by paying or causing to be paid the principal of and interest on the Bonds Outstanding, as and when the same become due and payable;
- (b) by depositing with the Trustee, in trust, at or before maturity, money or securities in the necessary amount (as provided in Section 10.03 hereof) to pay or redeem all Bonds Outstanding; or
- (c) by delivering to the Trustee, for cancellation by it, all Bonds Outstanding.

If the University shall pay all Bonds then Outstanding as provided above and shall also pay or cause to be paid all other sums payable hereunder by the University, then and in that case, at the election of the University (evidenced by a Certificate of the University, filed with the Trustee, signifying the intention of the University to discharge all such indebtedness and this Indenture), and notwithstanding that any Bonds shall not have been surrendered for payment, this Indenture and the pledge of certain funds made under this Indenture and all covenants, agreements and other obligations of the University under this Indenture shall cease, terminate,

become void and be completely discharged and satisfied, except only as provided in this Indenture, including Section 10.02 hereof. In such event, upon Request of the University, the Trustee shall cause an accounting for such period or periods as may be requested by the University to be prepared and filed with the University and shall execute and deliver to the University all such instruments as may be necessary or desirable to evidence such discharge and satisfaction, and the Trustee shall pay over, transfer, assign or deliver to the University all moneys or securities or other property held by it pursuant to this Indenture which are not required for the payment or redemption of Bonds not theretofore surrendered for such payment or redemption and which are not required for the payment of fees, expenses and amounts owed to the Trustee.

Section 10.02 Discharge of Liability on Bonds. Upon the deposit with the Trustee, in trust, at or before maturity, of money or securities in the necessary amount (as provided in Section 10.03 hereof) to pay or redeem any Outstanding Bond, whether upon or prior to its maturity or the redemption date of such Bond (provided that, if such Bond is to be redeemed prior to the maturity thereof, notice of such redemption shall have been given as in Article IV provided or provision satisfactory to the Trustee shall have been made for the giving of such notice), then all liability of the University in respect of such Bond shall cease, terminate and be completely discharged, except only that thereafter the Holder thereof shall be entitled to payment of the principal of and interest on such Bond by the University, and the University shall remain liable for such payment but only out of the money or securities deposited with the Trustee as aforesaid for its payment; provided further, however, that the provisions of Section 10.04 hereof shall apply in all events.

The University may at any time surrender to the Trustee for cancellation by it any Bonds previously issued and delivered, which the University may have acquired in any manner whatsoever, and such Bonds, upon such surrender and cancellation, shall be deemed to be paid and retired.

Section 10.03 Deposit of Money or Securities with Trustee. Whenever in this Indenture it is provided or permitted that there be deposited with or held in trust by the Trustee money or securities in the amount necessary to pay or redeem any Bonds, such amount (which may include money or securities held by the Trustee in the funds established pursuant to this Indenture) shall be equal (taking into account income which will accrue from the investment thereof on the date of deposit of such funds but without taking into account any income from the subsequent reinvestment thereof) to the principal amount of such Bonds and all unpaid interest thereon to maturity, except that, in the case of Bonds which are to be redeemed prior to maturity and in respect of which notice of such redemption shall have been given as provided in Article IV or provision satisfactory to the Trustee shall have been made for the giving of such notice, the amount to be deposited or held shall be the principal amount of such Bonds and all unpaid interest thereon to the redemption date, and shall be:

- (a) lawful money of the United States of America; or
- (b) noncallable notes, bills and bonds issued by the Department of the Treasury (including without limitation (1) obligations issued or held in book entry form on the books of the Department of the Treasury and (2) the interest component of

Resolution Funding Corporation strips for which separation of principal and interest is made by request to the Federal Reserve Bank of New York in book entry form), United States Treasury Obligations, State and Local Government Series and Zero Coupon United States Treasury Bonds,

provided, in each case, that the Trustee shall have been irrevocably instructed (by the terms of this Indenture or by Request of the University) to apply such money to the payment of such principal of and interest on such Bonds and provided, further, that the University and the Trustee shall have received a verification report of a firm of certified public accountants or other financial services firm acceptable to the University verifying that the money or securities so deposited or held together with earnings thereon will be sufficient to make all payments of principal of and interest on the Bonds to be discharged to and including the earlier of their respective maturity dates or the date they are to be redeemed.

Amounts held pursuant to this section shall not be held as part of the Trust Estate shall be held solely for the Bonds with respect to which such deposit is made,

Section 10.04 Payment of Bonds after Discharge of Indenture. Notwithstanding any provision of this Indenture, and subject to applicable escheat laws, any moneys held by the Trustee in trust for the payment of the principal of or interest on any Bonds and remaining unclaimed for one year after the principal of all the Outstanding Bonds has become due and payable (whether at maturity or upon call for redemption or by declaration as provided in this Indenture), if such moneys were so held at such date, or one year after the date of deposit of such moneys if deposited after said date when all of the Bonds became due and payable, shall be repaid to the University free from the Trust Estate and shall no longer be a claim on the general obligations of the University or other claims created by this Indenture, and all liability of the Trustee with respect to such moneys shall thereupon cease; provided, however, that before the repayment of such moneys to the University as aforesaid, the Trustee may (at the cost of the University) first mail to the Holders of Bonds which have not yet been paid, at the addresses shown on the registration books maintained by the Trustee, a notice, in such form as may be deemed appropriate by the Trustee, with respect to the Bonds so payable and not presented and with respect to the provisions relating to the repayment to the University of the moneys held for the payment thereof.

ARTICLE XI

MISCELLANEOUS

Section 11.01 Successor Is Deemed Included in All References to Predecessor. Whenever in this Indenture either the University or the Trustee is named or referred to, such reference shall be deemed to include the successors or assigns thereof, and all the covenants and agreements in this Indenture contained by or on behalf of the University or the Trustee shall bind and inure to the benefit of the respective successors and assigns thereof whether so expressed or not.

Section 11.02 Limitation of Rights to Parties and Bondholders. Nothing in this Indenture or in the Bonds expressed or implied is intended or shall be construed to give to any

Person other than the University, the Trustee and the Holders of the Bonds any legal or equitable right, remedy or claim under or in respect of this Indenture or any covenant, condition or provision therein or herein contained; and all such covenants, conditions and provisions are and shall be held to be for the sole and exclusive benefit of the University, the Trustee and the Holders of the Bonds.

Section 11.03 Waiver of Notice. Whenever in this Indenture the giving of notice by mail or otherwise is required, the giving of such notice may be waived in writing by the Person entitled to receive such notice and in any such case the giving or receipt of such notice shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

Section 11.04 Destruction of Bonds. Whenever in this Indenture provision is made for the cancellation by the Trustee and the delivery to the University of any Bonds, the Trustee shall, in lieu of such cancellation and delivery, destroy such Bonds (in the presence of an officer, employee or agent of the University, if the University shall so require) and at the request of the University deliver a certificate of such destruction to the University.

Section 11.05 Severability of Invalid Provisions. If any one or more of the provisions contained in this Indenture or in the Bonds shall for any reason be held to be invalid, illegal or unenforceable in any respect, then such provision or provisions shall be deemed severable from the remaining provisions contained in this Indenture and such invalidity, illegality or unenforceability shall not affect any other provision of this Indenture, and this Indenture shall be construed as if such invalid or illegal or unenforceable provision had never been contained herein. The University hereby declares that it would have entered into this Indenture and each and every other Section, paragraph, sentence, clause or phrase hereof and authorized the issuance of the Bonds pursuant thereto irrespective of the fact that any one or more Sections, paragraphs, sentences, clauses or phrases of this Indenture or in the Bonds may be held illegal, invalid or unenforceable.

Section 11.06 Notices. It shall be sufficient service of any notice, request, complaint or demand on the University or the Trustee if the same shall have been actually received when mailed by first class mail or overnight mail, postage prepaid, addressed as follows:

As to the University:	University of St. Thomas 3800 Montrose Blvd. Houston, TX 77006 Attention: Spencer Conroy, Vice President of Finance and Business Affairs Telephone: (713) 525-6960
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As to the Trustee:	U.S. Bank National Association Global Corporate Trust 8 Greenway Plaza Suite 1100 Houston, Texas 77046 Telephone: (713)-212-7577
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The University or the Trustee, may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent. If requested by the University or the Trustee, any notice required to be given hereunder in writing may be given by any form of telephonic or electronic transmission capable of making a written record. The Trustee and the University shall exchange written information appropriate to receiving such form of telephonic or electronic transmission.

Section 11.07 Evidence of Rights of Bondholders. Any request, consent or other instrument required or permitted by this Indenture to be signed and executed by Bondholders may be in any number of concurrent instruments of substantially similar tenor and shall be signed or executed by such Bondholders in Person or by an agent or agents duly appointed in writing. Proof of the execution of any such request, consent or other instrument or of a writing appointing any such agent, or of the holding by any Person of Bonds transferable by delivery, shall be sufficient for any purpose of this Indenture and shall be conclusive in favor of the Trustee and of the University if made in the manner provided in this Section.

The fact and date of the execution by any Person of any such request, consent or other instrument or writing may be proved by the certificate of any notary public or other officer of any jurisdiction, authorized by the laws thereof to take acknowledgments of deeds, certifying that the Person signing such request, consent or other instrument acknowledged the execution thereof, or by an affidavit of a witness of such execution duly sworn to before such notary public or other officer.

The ownership of Bonds shall be proved by the Bond registration books held by the Trustee.

Any request, consent, or other instrument or writing of the Holder of any Bond shall bind every future Holder of the same Bond and the Holder of every Bond issued in exchange therefor or in lieu thereof, in respect of anything done or suffered to be done by the Trustee or the University in accordance therewith or reliance thereon.

Section 11.08 Disqualified Bonds. In determining whether the Holders of the requisite aggregate principal amount of Bonds have concurred in any demand, request, direction, consent or waiver under this Indenture, Bonds which are owned or held by or for the account of the University or by any Person directly or indirectly controlling or controlled by, or under direct or indirect common control with, the University shall be disregarded and deemed not to be Outstanding for the purpose of any such determination; provided, however, that the Trustee shall not be deemed to have knowledge that any Bond is owned or held by or for the account of the University unless the University is the registered Holder or the Trustee has received written notice that any other registered Holder is the owner or is holding for the account of the University. Bonds so owned which have been pledged in good faith may be regarded as Outstanding for the purposes of this Section if the pledgee shall establish to the satisfaction of the Trustee the pledgee's right to vote such Bonds and that the pledgee is not a Person directly or indirectly controlling or controlled by, or under direct or indirect common control with, the University. In case of a dispute as to such right, any decision by the Trustee taken upon the advice of counsel shall be full protection to the Trustee.

Section 11.09 Money Held for Particular Bonds. The money held by the Trustee for the payment of the interest, principal, or redemption price due on any date with respect to particular Bonds (or portions of Bonds in the case of Bonds redeemed in part only) shall, on and after such date and pending such payment, be set aside on its books and held in trust by it for the Holders of the Bonds entitled thereto, subject, however, to the provisions of Section 10.04 hereof.

Section 11.10 Funds and Accounts. Any fund required by this Indenture to be established and maintained by the Trustee may be established and maintained in the accounting records of the Trustee, either as a fund or an account, and may, for the purposes of such records, any audits thereof and any reports or statements with respect thereto, be treated either as a fund or as an account; but all such records with respect to all such funds shall at all times be maintained in accordance with customary standards of the industry, to the extent practicable, and with due regard for the requirements of Section 5.02 hereof and for the protection of the security of the Bonds and the rights of every Holder thereof.

Section 11.11 Article and Section Headings and References. The headings or titles of the several Articles and Sections hereof, and any table of contents appended to copies hereof, shall be solely for convenience of reference and shall not affect the meaning, construction or effect of this Indenture.

All references herein to "Articles," "Sections" and other subdivisions are to the corresponding Articles, Sections or subdivisions of this Indenture; the words "herein," "hereof," "hereby," "hereunder" and other words of similar import refer to this Indenture as a whole and not to any particular Article, Section or subdivision hereof; and words of the masculine gender shall mean and include words of the feminine and neuter genders.

Section 11.12 Waiver of Personal Liability. No trustee, officer, agent or employee of the University shall be individually or personally liable for the payment of the principal of or interest on the Bonds or be subject to any personal liability or accountability by reason of the issuance thereof.

Section 11.13 Execution in Several Counterparts. This Indenture may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original; and all such counterparts, or as many of them as the University and the Trustee shall preserve undestroyed, shall together constitute but one and the same instrument.

Section 11.14 Governing Law; Venue. This Indenture shall be construed in accordance with and governed by the Constitution and the laws of the State applicable to contracts made and performed in the State. This Indenture shall be enforceable in the State, and any action arising out of this Indenture shall be filed and maintained in Harris County, Texas unless the University waives this requirement.

Section 11.15 Complete Agreement. This Indenture represents the complete agreement between the parties with respect to the Bonds and related matters.

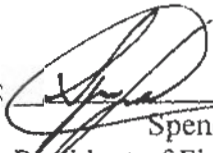
Section 11.16 Action to be Taken on Days Other Than Business Days. Except as otherwise specifically provided herein, whenever this Indenture requires any action to be taken

on a day which is not a Business Day, such action shall be taken on the next succeeding Business Day with the same force and effect as if taken on such day. If any payment is made on the next Business Day as aforesaid, no interest shall accrue for the intervening period.

[Signature Page Follows]

IN WITNESS WHEREOF, UNIVERSITY OF ST. THOMAS has caused this Indenture to be signed in its name by its duly authorized officer and U.S. BANK NATIONAL ASSOCIATION, in token of its acceptance of the trusts created hereunder, has caused this Indenture to be signed in its corporate name by its officer hereunto duly authorized, all as of the day and year first above written.

UNIVERSITY OF ST. THOMAS

By:  _____
Spencer Conroy
Vice President of Finance and Business Affairs

**U.S. BANK NATIONAL ASSOCIATION, as
Trustee**

By: _____
Authorized Officer

IN WITNESS WHEREOF, UNIVERSITY OF ST. THOMAS has caused this Indenture to be signed in its name by its duly authorized officer and U.S. BANK NATIONAL ASSOCIATION, in token of its acceptance of the trusts created hereunder, has caused this Indenture to be signed in its corporate name by its officer hereunto duly authorized, all as of the day and year first above written.

UNIVERSITY OF ST. THOMAS

By: _____
Spencer Conroy
Vice President of Finance and Business Affairs

U.S. BANK NATIONAL ASSOCIATION, as
Trustee

By:  _____
Authorized Officer

EXHIBIT A
FORM OF BOND

No. R-__ \$[***]¹

UNIVERSITY OF ST. THOMAS TAXABLE BOND, SERIES 2020

Rate of Interest:	Maturity Date:	Dated Date:	CUSIP:
[***]% ¹	October 1, [***] ¹	February 3, 2020	91502P [***] ¹

Registered Owner: CEDE & CO.

Principal Amount: [***]¹ AND 00/100 DOLLARS

University of St. Thomas (the "University"), for value received, hereby promises to pay to the Registered Owner identified above, or registered assigns, on the Maturity Date specified above (subject to any right of prior redemption hereinafter mentioned), the Principal Amount specified above, in lawful money of the United States of America and to pay interest thereon in like money from the Interest Payment Date (hereinafter defined) to which interest has been paid or, if this Bond is authenticated on or before February 3, 2020, in which event it shall bear interest from February 3, 2020 (provided that, if interest on this Bond is in default, it shall bear interest from the last Interest Payment Date to which interest has been paid or made available for payment), until payment of such principal sum shall be discharged as provided in the Indenture hereinafter mentioned. Interest shall be computed at the Rate of Interest per annum set forth above, payable on April 1 and October 1 in each year commencing on April 1, 2020 (each an "Interest Payment Date"), based on a 360-day year of twelve 30-day months. The principal hereof is payable upon surrender hereof at the corporate trust office of U.S. Bank National Association in St. Paul, Minnesota, or other office specified by the Trustee (together with any successor as trustee under the Indenture, herein called the "Trustee"). Except as otherwise provided in the Indenture, the interest hereon is payable to the Person whose name appears on the bond registration books of the Trustee as the registered owner hereof as of the close of business on the applicable Record Date, such interest to be paid by check mailed on each Interest Payment Date by first class mail to such registered owner at its address as it appears on such registration books. Notwithstanding the foregoing, however, any registered owner of all the Bonds and any registered owner of \$1,000,000 or more in an aggregate principal amount of the Bonds shall be entitled to receive payments of interest on the Bonds held by it by wire transfer of immediately available funds to such bank or trust company located within the continental United States of America as the registered owner shall designate in writing to the Trustee ten days before the Record Date for such payment.

This Bond is one of a duly authorized issue of bonds of the University designated as the "University of St. Thomas Taxable Bonds, Series 2020" (the "Bonds"), in the aggregate principal amount of \$40,000,000, issued pursuant to an Indenture, dated as of February 1, 2020, between

¹ Insert from Officer's Pricing Certificate.

the University and the Trustee (as it may be supplemented, modified or amended by any supplemental indenture, herein called the "Indenture"). The proceeds of the Bonds will be used by the University for the purposes and on the terms and conditions set forth in the Indenture.

This Bond is an unsecured general obligation of the University payable from the University's general funds and any additional funds provided under the Indenture.

Reference is hereby made to the Indenture (a copy of which is on file at said office of the Trustee) for a description of the rights thereunder of the registered owners of the Bonds, of the nature and extent of the security, of the rights, duties and immunities of the Trustee and of the rights and obligations of the University thereunder, to all of the provisions of which Indenture and supplemental indentures the registered owner of this Bond, by acceptance hereof, assents and agrees.

The University reserves the right, at its option, to cause the redemption of the Bonds maturing on October 1 in the years 2040 and 2059 (5.573% coupon) (the "Par Call Bonds") in whole or in part in principal amounts of \$1,000 or any integral multiple thereof, on April 1, 2030 (the "Par Call Date"), or from time to time on any date thereafter, at the principal amount thereof plus accrued and unpaid interest to the date of redemption.

From time to time, the University reserves the right, at its option, to cause the redemption of the Bonds maturing on October 1 in the years 2026 through 2035, 2050, and 2059 except to the extent Bonds may be redeemed on or after the Par Call Date at the principal amount thereof plus accrued interest, in whole or in part (and, if in part, in authorized denominations and on a pro rata basis, subject to the provisions described in Section 4.02 of the Indenture), in principal amounts of \$1,000 or any integral multiple thereof, on any Business Day, at the Make-Whole Redemption Price on any Business Day prior to the Par Call Date, with respect to the Par Call Bonds, and on any Business Day, with respect to the Bonds maturing on October 1 in the years 2026 through 2035, 2050 and 2059 (5.323% coupon). The University shall retain an independent accounting firm or an independent financial advisor to determine the Make-Whole Redemption Price and perform all actions and make all calculations required to determine the Make-Whole Redemption Price. The Trustee and the University may conclusively rely on such accounting firm's or financial advisor's calculations in connection with, and its determination of, the Make-Whole Redemption Price, and neither the University or the Trustee will have any liability for such reliance. The determination of the Make-Whole Redemption Price by such accounting firm or financial advisor shall be conclusive and binding on the University, the Trustee and the Holders of the Bonds. For purposes of this paragraph,

"Make-Whole Redemption Price" means the greater of (i) 100% of the principal amount of the Bonds to be redeemed or (ii) the sum of the present values of the remaining scheduled payments of principal and interest to the stated maturity of the Bonds to be redeemed (not including any portion of those payments of interest accrued and unpaid as of the date on which such Bonds are to be redeemed), discounted to the date on which such Bonds are to be redeemed on a semi-annual basis assuming a 360-day year consisting of twelve 30-day months at the adjusted Treasury Rate plus 30 basis points for Bonds maturing October 1, 2026 and October 1, 2027, plus 35 basis points for bonds maturing October 1, 2028 and October 1, 2029, plus 40 basis points for bonds maturing October 1, 2030 through 2032, plus 45 basis points for bonds

maturing October 1, 2033 through 2035, 2040, and 2050, and plus 50 basis points for bonds maturing October 1, 2059, plus, in each case, accrued and unpaid interest on such Bonds to, but excluding, the redemption date; and

“Treasury Rate” means, with respect to any redemption date, the rate per annum equal to (i) the semiannual equivalent yield to maturity, or (ii) if no such semiannual equivalent yield to maturity is available, the interpolated yield to maturity (on a day count basis) of the Comparable Treasury Issue, assuming a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for such redemption date.

As used in connection with the above definition of “Treasury Rate” the following capitalized terms have the following meanings:

A. “Comparable Treasury Issue” means the United States Treasury security or securities selected by a Designated Investment Banker as having an actual or interpolated maturity comparable to the remaining term of the Bonds to be redeemed that would be used, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of a comparable maturity to the remaining term of such Bonds.

B. “Comparable Treasury Price” means, with respect to any redemption date, the average of the Primary Treasury Dealer Quotations for such redemption date or, if the Designated Investment Banker obtains only one Primary Treasury Dealer Quotation, such Primary Treasury Dealer Quotation.

C. “Designated Investment Banker” means a Primary Treasury Dealer appointed by the University.

D. “Primary Treasury Dealer” means one or more entities appointed by the University, which, in each case, is a primary U.S. Government securities dealer in the City of New York, New York, and its or their respective successors.

E. “Primary Treasury Dealer Quotations” means, with respect to each Primary Treasury Dealer and any redemption date, the average, as determined by the Designated Investment Banker, of the bid and ask prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Designated Investment Banker by such Primary Treasury Dealer at 3:30 p.m. New York time at least five Business Days preceding such redemption date.

F. “Business Day” means any day other than (i) a Saturday or Sunday or legal holiday or a day on which banking institutions in the city or cities in which the Principal Corporate Trust Office of the Trustee is located are authorized by law or executive order to close or (ii) a day on which the New York Stock Exchange is closed.

The Bonds maturing in 2040 are subject to mandatory sinking fund redemption prior to their stated maturity at the price of par plus accrued interest on October 1 in each of the years and in the principal amounts, as follows:

<u>Maturity Date</u> (October 1)	<u>Amount</u>
2036	\$740,000
2037	775,000
2038	820,000
2039	860,000
2040*	910,000

* Final Maturity Date

The Bonds maturing in 2050 are subject to mandatory sinking fund redemption prior to their stated maturity at the price of par plus accrued interest on October 1 in each of the years and in the principal amounts, as follows:

<u>Maturity Date</u> (October 1)	<u>Amount</u>
2041	\$955,000
2042	1,005,000
2043	1,060,000
2044	1,115,000
2045	1,170,000
2046	1,230,000
2047	1,295,000
2048	1,365,000
2049	1,435,000
2050*	1,510,000

* Final Maturity Date

The Bonds maturing in 2059 (5.573% coupon) are subject to mandatory sinking fund redemption prior to their stated maturity at the price of par plus accrued interest on October 1 in each of the years and in the principal amounts, as follows:

<u>Maturity Date</u> (October 1)	<u>Amount</u>
2051	\$530,000
2052	565,000
2053	590,000
2054	625,000
2055	660,000
2056	695,000
2057	735,000
2058	775,000
2059*	825,000

* Final Maturity Date

The Bonds maturing in 2059 (5.323% coupon) are subject to mandatory sinking fund redemption prior to their stated maturity at the price of par plus accrued interest on October 1 in each of the years and in the principal amounts, as follows:

<u>Maturity Date</u> (October 1)	<u>Amount</u>
2051	\$1,060,000
2052	1,115,000
2053	1,185,000
2054	1,245,000
2055	1,315,000
2056	1,390,000
2057	1,465,000
2058	1,550,000
2059*	1,630,000

* Final Maturity Date

Notice of any redemption, identifying among other things the Bonds or portions thereof to be redeemed, shall be given by the Trustee not less than 20 and not more than 60 days before the date fixed for redemption by first class mail to each of the registered owners of Bonds designated for redemption at their addresses appearing on the bond registration books of the Trustee and to the University. If U.S. mail is no longer available, for whatever reason, at the time of such redemption, a means of nationally recognized transmission, in the Trustee's reasonable judgment, shall be employed in order to communicate the notices referenced herein to the intended recipients. Receipt of such notice by such registered owners shall not be a condition precedent to such redemption. Failure by the Trustee to give notice of redemption, or the insufficiency of any such notice, shall not affect the sufficiency of the proceedings for redemption of any Bond for which notice was properly given.

If this Bond is called for redemption and payment is duly provided herefor as specified in the Indenture, interest shall cease to accrue hereon from and after the date fixed for redemption.

If an Event of Default, as defined in the Indenture, shall occur, the principal of all Bonds may be declared due and payable upon the conditions, in the manner and with the effect provided in the Indenture. The Indenture provides that in certain events such declaration and its consequences may be rescinded by the registered owners of at least a majority in aggregate principal amount of the Bonds then Outstanding.

The Bonds are issuable as registered Bonds in denominations of \$1,000 and any integral multiple thereof. Subject to the limitations and upon payment of the charges, if any, provided in the Indenture, Bonds may be exchanged, at the designated corporate trust office of the Trustee, for a like aggregate principal amount of Bonds of the same maturity of other authorized denominations.

This Bond is transferable by the registered owner hereof, in Person or by its attorney duly authorized in writing, at said office of the Trustee, but only in the manner, subject to the

limitations and upon payment of the charges provided in the Indenture and upon surrender and cancellation of this Bond. Upon such transfer a new registered Bond or Bonds, of the same maturity and of authorized denomination or denominations, for the same aggregate principal amount will be issued to the transferee in exchange herefor.

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

The University and the Trustee may amend the Indenture for certain purposes without the consent of the registered owners of the Bonds. With the written consent of the Holders of not less than a majority in aggregate principal amount of the Bonds at the time Outstanding, the University and the Trustee may amend the Indenture; provided, however, that no such amendment shall (1) extend the fixed maturity of any Bonds or reduce the rate of interest thereon or extend the time of payment of interest, or reduce the amount of the principal thereof without consent of the Holder of each Bond so affected or (2) reduce the aforesaid percentage of registered owners of Bonds whose consent is required for the execution of supplemental indentures or extend the time of payment or permit the creation of any lien on funds pledged in the Indenture prior to or on a parity with the lien of the Indenture or deprive the registered owners of the Bonds of the lien created by the Indenture on the funds pledged therein, without the consent the registered owners of all the Bonds then Outstanding.

No trustee, officer, agent or employee of the University shall be individually or personally liable for the payment of this Bond or the interest thereon or be subject to any personal liability or accountability by reason of the issuance hereof.

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

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

IN WITNESS WHEREOF, the University of St. Thomas has caused this Bond to be executed in its name and on its behalf by the facsimile signature of its Vice President of Finance and Business Affairs, all as of the _____ of _____, 2020.

UNIVERSITY OF ST. THOMAS

By: _____
Spencer Conroy
Vice President of Finance and Business Affairs

FORM OF TRUSTEE'S CERTIFICATE OF
AUTHENTICATION AND REGISTRATION

This is one of the Bonds described in the within-mentioned Indenture which has been authenticated and registered this _____ of _____, 2020.

U.S. BANK NATIONAL ASSOCIATION, as
Trustee

By: _____
Authorized Officer

ASSIGNMENT

For value received the undersigned do(es) hereby sell, assign and transfer unto

**(print or type name, address, taxpayer identification no.
and zip code of assignee)**

the within-mentioned registered Bond and hereby irrevocably constitute(s) and appoint(s) _____ attorney, to transfer the same on the books of the Trustee with full power of substitution in the premises.

Dated: _____

Signature

NOTE: The signature to the assignment must correspond to the name as written on the face of this Bond in every particular, without any alteration or change whatsoever.

Signature Guaranteed By:

NOTE: The signature(s) to the assignment must be guaranteed by an eligible guarantor institution

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