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**TRUST INDENTURE**

**BETWEEN**

**ALLEGHENY COUNTY HOSPITAL DEVELOPMENT AUTHORITY**

**AND**

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

*\$165,000,000*

*Allegheny County Hospital Development Authority  
University of Pittsburgh Medical Center Revenue Bonds*

*Series 2007B  
Consisting of a Subseries 2007B-1 and a Subseries 2007B-2*

Dated as of July 1, 2007

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## **TABLE OF CONTENTS**

	<u>Page #</u>
<b>ARTICLE I</b>	<b>DEFINITIONS .....</b> 4
SECTION 101.	DEFINITIONS..... 4
SECTION 102.	CERTAIN FUNDS AND ACCOUNTS..... 20
<b>ARTICLE II</b>	<b>THE BONDS .....</b> 21
SECTION 201.	AUTHORIZED AMOUNT OF BONDS..... 21
SECTION 202.	ISSUANCE OF THE BONDS..... 21
SECTION 203.	INTEREST ON BONDS-GENERAL .....
SECTION 204.	INTEREST ON THE VARIABLE RATE BONDS..... 26
SECTION 205.	RESERVED .....
SECTION 206.	INTEREST ON THE ARS BONDS; AUCTION PROCEDURES..... 29
SECTION 207.	CONVERSION BETWEEN MODES..... 30
SECTION 208.	EXECUTION; LIMITED OBLIGATION; NO LIABILITY OF COMMONWEALTH .....
SECTION 209.	AUTHENTICATION .....
SECTION 210.	FORM OF BONDS AND TEMPORARY BONDS..... 38
SECTION 211.	REGISTRATION, TRANSFER AND EXCHANGE .....
SECTION 212.	MUTILATED, DESTROYED, LOST OR STOLEN BONDS..... 40
SECTION 213.	CANCELLATION AND DESTRUCTION OF SURRENDERED BONDS .....
SECTION 214.	ACTS OF BONDHOLDERS; EVIDENCE OF OWNERSHIP .....
SECTION 215.	REPLACEMENT BONDS..... 42
SECTION 216.	SUCCESSOR CUSTODIAN .....
SECTION 217.	DELIVERY OF BONDS..... 42
SECTION 218.	DEPOSIT OF FUNDS .....
<b>ARTICLE III</b>	<b>REVENUES AND FUNDS.....</b> 44
SECTION 301.	PAYMENTS, ETC., TO BE SUFFICIENT .....
SECTION 302.	PLEDGED REVENUES TO BE PAID OVER TO TRUSTEE..... 44
SECTION 303.	BOND FUND .....
SECTION 304.	2007A CLEARING FUND; 2007A PROJECT FUND..... 45
SECTION 305.	[RESERVED] .....
SECTION 306.	REBATE FUND .....
SECTION 307.	PROCEDURE WHEN FUNDS ARE SUFFICIENT TO PAY ALL BONDS..... 48
SECTION 308.	MONEYS TO BE HELD FOR ALL BONDHOLDERS, WITH CERTAIN EXCEPTIONS..... 48
SECTION 309.	ADDITIONAL ACCOUNTS AND SUBACCOUNTS .....
SECTION 310.	DEPOSITS AND SECURITY THEREFOR..... 48
SECTION 311.	INVESTMENT OR DEPOSIT OF FUNDS..... 49
SECTION 312.	VALUATION OF FUNDS..... 50

<b>ARTICLE IV</b>	<b>CONCERNING LIQUIDITY SUPPORT FACILITIES</b> .....	51
SECTION 401.	DELIVERY OF LIQUIDITY SUPPORT FACILITY .....	51
SECTION 402.	ALTERNATE LIQUIDITY SUPPORT FACILITY .....	51
SECTION 403.	MAINTENANCE OF LIQUIDITY SUPPORT FACILITY .....	53
SECTION 404.	NOTICE TO RATING AGENCIES .....	53
SECTION 405.	[RESERVED] .....	53
SECTION 406.	RIGHTS OF LIQUIDITY SUPPORT PROVIDER .....	53
SECTION 407.	REFERENCES TO LIQUIDITY SUPPORT PROVIDER AND LIQUIDITY SUPPORT FACILITY .....	54
SECTION 408.	COVENANT TO MAINTAIN AVAILABLE AMOUNT .....	54
SECTION 409.	DRAWS FOR PAYMENT OF PURCHASE PRICE UPON TENDER FOR PURCHASE .....	54
<b>ARTICLE V</b>	<b>REDEMPTION OF BONDS; TENDER AND PURCHASE OF VARIABLE RATE BONDS</b> .....	56
SECTION 501.	REDEMPTION DATES AND PRICES .....	56
SECTION 502.	NOTICE OF REDEMPTION .....	60
SECTION 503.	EFFECTS OF REDEMPTION OF BONDS .....	62
SECTION 504.	OPTIONAL TENDER OF DAILY, WEEKLY AND MONTHLY RATE BONDS .....	62
SECTION 505.	MANDATORY TENDER AND PURCHASE OF SEMIANNUAL, ANNUAL AND TERM RATE BONDS .....	67
SECTION 506.	MANDATORY TENDER AND PURCHASE OF BONDS UPON CHANGE TO A VARIABLE RATE MODE .....	70
SECTION 507.	MANDATORY TENDER AND PURCHASE OF BONDS ON FIXED RATE DATE OR UPON CHANGE TO ARS MODE .....	73
SECTION 507A.	ELECTION OF INITIAL PURCHASER TO RETAIN BONDS. ....	74
SECTION 508.	MANDATORY TENDER AND PURCHASE OF BONDS UPON REPLACEMENT OF LIQUIDITY SUPPORT FACILITY .....	74
SECTION 509.	MANDATORY TENDER AND PURCHASE OF BONDS DUE TO EXPIRATION OF LIQUIDITY SUPPORT FACILITY .....	78
SECTION 510.	UNTENDERED BONDS DEEMED TENDERED .....	81
SECTION 511.	PAYMENT OF PURCHASE PRICE OF TENDERED BONDS; REMARKETING PROCEEDS .....	81
SECTION 512.	REMARKETING OF PURCHASED BONDS; DELIVERY OF REMARKETED BONDS; INADEQUATE FUNDS FOR TENDER.....	82
<b>ARTICLE VI</b>	<b>GENERAL COVENANTS</b> .....	85
SECTION 601.	PAYMENT OF PRINCIPAL, PREMIUM, IF ANY, AND INTEREST .	85
SECTION 602.	MAINTENANCE OF POWERS .....	85
SECTION 603.	ENFORCEMENT, EXECUTION AND AMENDMENT AND OTHER CONTRACTS; NOTICE OF DEFAULT .....	85
SECTION 604.	EXTENSION OF TIME FOR PAYMENT .....	85
SECTION 605.	ANNUAL REPORTS AND STATEMENTS .....	86
SECTION 606.	FINANCING STATEMENTS AND OTHER ACTION TO PROTECT SECURITY INTEREST .....	86

SECTION 607.	FURTHER ASSURANCES; ADDITIONAL REVENUES .....	86
SECTION 608.	COMPLIANCE WITH INTERNAL REVENUE CODE.....	87
SECTION 609.	APPLICATION OF PROPERTY INSURANCE PROCEEDS AND CONDEMNATION AWARDS.....	87
<b>ARTICLE VII</b>	<b>EVENTS OF DEFAULT AND REMEDIES.....</b>	<b>88</b>
SECTION 701.	EVENTS OF DEFAULT DEFINED.....	88
SECTION 702.	REMEDIES, ACCELERATION AND ANNULMENT THEREOF .....	88
SECTION 703.	LEGAL PROCEEDINGS BY TRUSTEE.....	89
SECTION 704.	DISCONTINUANCE OF PROCEEDINGS BY TRUSTEE .....	89
SECTION 705.	BONDHOLDERS MAY DIRECT PROCEEDINGS .....	89
SECTION 706.	LIMITATIONS ON ACTIONS BY BONDHOLDERS .....	89
SECTION 707.	TRUSTEE MAY ENFORCE RIGHTS WITHOUT POSSESSION OF BONDS .....	90
SECTION 708.	REMEDIES NOT EXCLUSIVE .....	90
SECTION 709.	DELAYS AND OMISSION NOT TO IMPAIR RIGHTS.....	90
SECTION 710.	APPLICATION OF MONEYS IN EVENT OF DEFAULT.....	90
<b>ARTICLE VIII</b>	<b>TRUSTEE, AUCTION AGENT, BROKER-DEALERS AND REMARKETING AGENT .....</b>	<b>92</b>
SECTION 801.	ACCEPTANCE OF TRUST.....	92
SECTION 802.	NO RESPONSIBILITY FOR RECITALS, ETC. ....	92
SECTION 803.	TRUSTEE MAY ACT THROUGH AGENTS; ANSWERABLE ONLY FOR WILLFUL MISCONDUCT OR GROSS NEGLIGENCE.....	92
SECTION 804.	COMPENSATION AND INDEMNITY .....	92
SECTION 805.	NOTICE OF DEFAULT; RIGHT TO INVESTIGATE.....	93
SECTION 806.	RELIANCE ON REQUISITIONS, ETC.....	93
SECTION 807.	TRUSTEE MAY DEAL IN BONDS .....	94
SECTION 808.	CONSTRUCTION OF AMBIGUOUS PROVISIONS.....	94
SECTION 809.	RESIGNATION OF TRUSTEE.....	94
SECTION 810.	REMOVAL OF TRUSTEE.....	95
SECTION 811.	APPOINTMENT OF SUCCESSOR TRUSTEE.....	95
SECTION 812.	QUALIFICATION OF SUCCESSOR .....	95
SECTION 813.	INSTRUMENTS OF SUCCESSION .....	95
SECTION 814.	MERGER OF TRUSTEE .....	96
SECTION 815.	REPORTS OF TRUSTEE .....	96
SECTION 816.	NO OBLIGATION TO REVIEW REPORTS.....	96
SECTION 817.	LIMITATION ON TRUSTEE'S RESPONSIBILITIES RESPECTING ARBITRAGE.....	96
SECTION 818.	AUCTION AGENT.....	97
SECTION 819.	BROKER-DEALERS .....	98
SECTION 820.	REMARKETING AGENT .....	98
<b>ARTICLE IX</b>	<b>AMENDMENTS AND SUPPLEMENTS .....</b>	<b>99</b>
SECTION 901.	AMENDMENTS AND SUPPLEMENTS WITHOUT BONDHOLDERS' CONSENT .....	99

SECTION 902.	AMENDMENTS WITH BONDHOLDERS' CONSENT .....	100
SECTION 903.	TRUSTEE AUTHORIZED TO JOIN IN AMENDMENTS AND SUPPLEMENTS; RELIANCE ON COUNSEL .....	100
SECTION 904.	AMENDMENTS, ETC., OF THE AGREEMENT NOT REQUIRING CONSENT OF BONDHOLDERS .....	101
SECTION 905.	AMENDMENTS, ETC., OF THE AGREEMENT REQUIRING CONSENT OF BONDHOLDERS .....	101
SECTION 906.	AMENDMENTS, ETC., OF THE MASTER INDENTURE.....	101
SECTION 907.	CONDITIONS TO SUPPLEMENTS AND AMENDMENTS.....	101
<b>ARTICLE X</b>	<b>DEFEASANCE .....</b>	<b>102</b>
SECTION 1001.	DEFEASANCE.....	102
SECTION 1002.	DEPOSIT OF FUNDS FOR PAYMENT OF BONDS .....	102
<b>ARTICLE XI</b>	<b>MISCELLANEOUS .....</b>	<b>103</b>
SECTION 1101.	UNCLAIMED MONEYS.....	103
SECTION 1102.	NO RIGHTS CONFERRED ON OTHERS .....	103
SECTION 1103.	ILLEGAL PROVISIONS DISREGARDED .....	103
SECTION 1104.	CONTROLLING LAW .....	104
SECTION 1105.	SUCCESSORS AND ASSIGNS .....	104
SECTION 1106.	HEADINGS FOR CONVENIENCE ONLY .....	104
SECTION 1107.	SEVERABILITY .....	104
SECTION 1108.	NOTICES.....	104
SECTION 1109.	ADDITIONAL NOTICES TO RATING AGENCY.....	105
SECTION 1110.	COUNTERPARTS .....	106
SECTION 1111.	IMMUNITY OF OFFICERS, EMPLOYEES AND MEMBERS OF ISSUER.....	106
EXHIBIT A	FORM OF SERIES 2007B BONDS IN VARIABLE RATE MODE	
EXHIBIT B	NOTICE OF PROPOSED CHANGE TO A VARIABLE RATE MODE	
EXHIBIT C	NOTICE OF FAILURE OF CONDITIONS	
EXHIBIT D	NOTICE OF PROPOSED CHANGE FROM ANY VARIABLE RATE MODE TO ARS MODE	
EXHIBIT E	NOTICE OF FAILURE OF CONDITIONS	
EXHIBIT F	NOTICE OF PROPOSED CONVERSION TO FIXED RATE	
EXHIBIT G	NOTICE OF FAILURE OF CONDITIONS	

## TRUST INDENTURE

**THIS TRUST INDENTURE**, dated as of July 1, 2007 (the “**Indenture**”), between the **ALLEGHENY COUNTY HOSPITAL DEVELOPMENT AUTHORITY**, a body politic and corporate of the Commonwealth of Pennsylvania (the “**Issuer**”), and **THE BANK OF NEW YORK TRUST COMPANY, N.A.**, a national banking association duly established, existing and authorized to accept and execute trusts of the character herein set out under and by virtue of the laws of the United States of America, with a corporate trust office in Pittsburgh, Pennsylvania (the “**Trustee**”);

### WITNESSETH:

**WHEREAS**, the Issuer is a body corporate and politic existing under the laws of the Commonwealth of Pennsylvania (the “**Commonwealth**”) pursuant to the Municipality Authorities Act, as amended (hereinafter called the “**Act**”); and

**WHEREAS**, UPMC (the “**Corporation**”), a nonprofit corporation organized and existing under the laws of the Commonwealth has, by resolutions duly adopted, determined to undertake a project (the “**Project**”) consisting of financing (a) the current refunding of the Allegheny County Industrial Development Authority’s outstanding Hospital Revenue Draw Down Note, Series B-3 (Children’s Hospital Renovations Project) (the “**Prior Note**”) and (b) the payment of the costs of issuing the Bonds (hereinafter defined); and

**WHEREAS**, the Issuer is authorized under the Act to issue its bonds for the purposes aforesaid and the Issuer has determined that the public interest will be best served and that the purposes of the Act can be obtained by the Issuer’s issuance of bonds in order to obtain funds to loan to the Corporation for the foregoing Project; and

**WHEREAS**, it has been determined that in order to accomplish such purposes the Issuer will issue its revenue bonds in an aggregate principal amount of \$165,000,000, which shall be designated “Allegheny County Hospital Development Authority University of Pittsburgh Medical Center Revenue Bonds, Series 2007B (the “**Bonds**”)”, which Bonds shall consist of two subseries of bonds (each a “**Subseries**”); a Subseries 2007B-1 in the aggregate principal amount of \$100,000,000 (the “**Subseries 2007B-1 Bonds**”), and a Subseries 2007B-2 in the aggregate principal amount of \$65,000,000 (the “**Subseries 2007B-2 Bonds**”); and

**WHEREAS**, the execution and delivery of this Indenture and the issuance of the Bonds under the Act and this Indenture have been in all respects duly and validly authorized by resolution duly passed and approved by the Issuer; and

**WHEREAS**, pursuant to a Loan Agreement dated as of the date hereof (the “**Agreement**”) between the Issuer and the Corporation, the Issuer has agreed to loan to the Corporation the sale proceeds of the Bonds to finance the Project and the Corporation has agreed to pay to the Issuer installment payments sufficient to meet the obligations under the Bonds when the same become due and payable; and

**WHEREAS**, as security for its obligation to make payments required under the Agreement, the Corporation has issued and delivered to the Trustee four separate promissory notes (collectively, the “**2007B Notes**”), two under the terms of and pursuant to the Master Trust Indenture dated as of December 1, 1995, as supplemented by, among others, a Supplemental Master Trust Indenture No. 39 dated as of July 1, 2007 (as supplemented, the “**1995 Master Indenture**”) between the Corporation and The Bank of New York Trust Company, N.A., as master trustee (the “**Master Trustee**”), and two under the terms of and pursuant to the Master Trust Indenture dated as of May 1, 2007, as supplemented by, among others, a Supplemental Master Trust Indenture No. 2 dated as of July 1, 2007 (as supplemented, the “**2007 Master Indenture**”), between the Corporation, as obligated group agent, and the Master Trustee; and

**WHEREAS**, all things necessary to make the Bonds, when authenticated by the Trustee and issued as provided in this Indenture, the valid, binding and legal obligations of the Issuer according to the import thereof, and to constitute this Indenture a valid assignment and pledge of the installment payments and prepayments to be made by the Corporation under the Agreement and the 2007B Notes and a valid assignment of the right, title and interest of the Issuer under the Agreement and amounts payable to the Issuer under the Agreement (except Unassigned Rights, as hereinafter defined) and the 2007B Notes, have been done and performed, and the creation, execution and delivery of this Indenture, and the creation, execution and issuance of the Bonds, subject to the terms hereof, have in all respects been duly authorized:

**NOW, THEREFORE, THIS INDENTURE WITNESSETH**, that to secure all Bonds issued and Outstanding under this Indenture, the payment of the principal or redemption price thereof and interest thereon, the rights of the Bondholders, the performance and observance of all of the covenants contained in said Bonds and herein, and for and in consideration of the mutual covenants herein contained and of the purchase and acceptance of the Bonds by the holders thereof, from time to time, and of the acceptance by the Trustee of the trusts hereby created, and intending to be legally bound hereby, the Issuer does hereby sell, assign, transfer, set over, pledge and grant unto The Bank of New York Trust Company, N.A., as Trustee, its successors in the trust and its assigns forever, a security interest in all of the right, title and interest of the Issuer in and to the property hereinafter described (said property being herein sometimes referred to as the “**Trust Estate**”):

- (i) the Agreement and all payments received or receivable, with respect to the Bonds, by the Issuer from the Corporation pursuant thereto (excluding Unassigned Rights); and
- (ii) the 2007B Notes; and
- (iii) all income and receipts received or receivable by the Trustee with respect to the funds and accounts maintained under this Indenture (except with respect to the Rebate Fund); and
- (iv) any and all other property of every kind and nature from time to time hereafter, by delivery or by writing of any kind, conveyed, pledged, assigned or transferred as and for additional security hereunder by the Issuer, the Corporation, or by anyone on their behalf to the Trustee, including without limitation moneys of the

Corporation held by the Trustee in any of the funds and accounts established hereunder as security for the Bonds; *provided, however*, that there is expressly excepted and excluded from the lien and operation of this Indenture amounts held by the Trustee in the Rebate Fund (as such term is hereinafter defined).

**TO HAVE AND TO HOLD** the same and any other revenues, property, contracts or contract rights, accounts receivable, chattel paper, instruments, general intangibles or other rights and the proceeds thereof, which may, by delivery, assignment or otherwise, be subject to the lien and security interest created by this Indenture.

**IN TRUST NEVERTHELESS**, for the equal and ratable benefit and security of all present and future holders of the Bonds issued under this Indenture, without preference, priority or distinction (except as otherwise specifically provided herein) of any one Bond over any other Bond.

**PROVIDED, NEVERTHELESS**, and these presents are upon the express condition, that if the Issuer or its successors or assigns shall pay or cause to be paid the principal of such Bonds with interest, according to the provisions set forth in the Bonds and each or all of them shall provide for the payment or redemption of such Bonds by depositing or causing to be deposited with the Trustee the entire amount of funds or securities requisite for payment or redemption thereof when and as authorized by the provisions hereof, and shall also pay or cause to be paid all other sums payable hereunder by the Issuer, then these presents and the estate and rights hereby granted shall cease, determine and become void, and thereupon the Trustee, on payment of its lawful charges and disbursements then unpaid, on demand of the Issuer and upon the payment of the cost and expenses thereof, shall duly execute, acknowledge and deliver to the Issuer such instruments of satisfaction or release as may be necessary or proper to discharge this Indenture of record, and if necessary shall grant, reassign and deliver to the Issuer, its successors or assigns, all and singular the property, rights, privileges and interests by it hereby granted, conveyed and assigned, and all substitutes therefor, or any part thereof, not previously disposed of or released as herein provided; otherwise this Indenture shall be and remain in full force.

**AND IT IS HEREBY COVENANTED, DECLARED AND AGREED** by and between the parties hereto that all Bonds are to be issued, authenticated and delivered, and that all the Trust Estate is to be held and applied, subject to the further covenants, conditions, releases, uses and trusts hereinafter set forth, and the Issuer, for itself and its successors, does hereby covenant and agree to and with the Trustee and its respective successors in said trust, for the benefit of those who shall hold the Bonds, or any of them as follows:



## ARTICLE I

### DEFINITIONS

#### SECTION 101. DEFINITIONS.

In addition to the words and terms defined elsewhere in this Indenture, the following words and terms as used in this Indenture shall have the following meanings unless the context or use indicates another or different meaning or intent.

**“Acceleration Date”** means the date upon which the Trustee declares the principal of all Bonds then Outstanding to be immediately due and payable pursuant to Section 702 hereof.

**“Administrative Fee”** means the annual fee for the general administrative services of the Issuer.

**“Affiliate”** means a Person that controls or is controlled by the Corporation or, if both are controlled by the same third party, such third party. One Person shall be deemed to control another if it, directly, indirectly through control over a third party, or jointly with one or more controlled third parties, (i) owns more than 50% of the outstanding voting stock of or other equity interests in the other, (ii) has the power to elect or approve the election of more than 50% of the governing body of the other, or (iii) has the power to approve the operating and capital budgets and other major expenditures of the other, or (iv) is the sole member of the other.

**“Alternate Liquidity Support Facility”** means any irrevocable direct-pay letter of credit, line of credit or similar facility issued by, or bond purchase agreement entered into by, any financial or similar institution and obtained by or on behalf of the Corporation pursuant to Section 402 hereof, which Alternate Liquidity Support Facility is in effect and has been delivered to the Trustee to provide Liquidity Support for any Variable Rate Bonds.

**“Annual Rate”** means, with respect to each Bond that bears interest at an Annual Rate, the interest rate borne by such Bond when and if determined in accordance with Section 204(A)(5) hereof.

**“Annual Rate Determination Date”** means, with respect to each Bond that bears interest at an Annual Rate, (a) the Business Day before the effective date of a change to the Annual Rate Mode with respect to such Bond, and (b) the last Business Day prior to each anniversary of such effective date, so long as such Bond continues to bear interest at an Annual Rate.

**“Annual Rate Mode”** means the manner of determining the Annual Rate with respect to any Bond, as set forth in Section 204(A)(5) hereof.

**“Annual Rate Period”** means, with respect to each Bond that bears interest at an Annual Rate, (a) the period from and including the effective date of any change to the Annual Rate Mode

with respect to such Bond to and including the calendar day immediately preceding the anniversary of such effective date, and (b) each twelve calendar month period thereafter, so long as such Bond continues to bear interest at an Annual Rate.

**“ARS”** means Auction Rate Securities and refers to Bonds of any Subseries while such Bonds bear interest at the ARS Rate.

**“ARS Conversion Date”** means the effective date of a Change to ARS Mode on which the Bonds of a Subseries begin to bear interest at an ARS Rate.

**“ARS Interest Payment Date”** means the day following the end of each ARSs Interest Period (provided, however, that if the duration of the ARSs Interest Period is one year or longer, then the ARS Interest Payment Dates therefore shall be each June 1 and December 1 during such ARSs Interest Period and the day following the end of such ARSs Interest Period) and shall also mean the maturity date for the ARSs. If any such date is not a Business Day, the ARS Interest Payment Date shall be the next succeeding Business Day.

**“ARS Interest Period”** means (a) the period of time commencing on the Business Day following the Initial Period and ending on the Conversion Date to a Variable Rate Mode or the Fixed Mode, and thereafter (b) any period of time commencing on the Conversion Date to an ARS Mode and ending on the Conversion Date to a Variable Rate Mode or the Fixed Mode.

**“ARS Mode”** means the period of time during which Bonds of a Subseries bear interest at the ARS Rate.

**“ARS Period Record Date”** means the Business Day immediately preceding the ARS Interest Payment Date.

**“ARS Procedures”** means the procedures governing Bonds while they are in the ARS Mode as set forth in Exhibit H to the Series 2007A Bond Indenture.

**“ARS Rate”** means, during the ARS Mode, the interest rate borne by Bonds of a Subseries determined in accordance with the ARS Procedures.

**“Auction Agent”** means the party appointed to serve as Auction Agent by the Corporation pursuant to Article VIII.

**“Auction Date”** has the meaning set forth in the ARS Procedures.

**“Auction Procedures”** means the procedures for conducting Auctions for Bonds during an ARS Rate Period set forth in the ARS Procedures.

**“Authorized Denominations”** means (a) during the ARS Mode, \$25,000 or any multiple thereof, (b) during any Variable Rate Mode other than a Term Rate Mode, \$100,000 or any multiple thereof, and (c) during a Term Rate Mode (including the Initial Term Rate Mode) and during the Fixed Mode, \$5,000 or any multiple thereof.

**“Authorized Officer”** means with respect to the Corporation, a representative of the Corporation duly authorized and empowered to execute any document, certificate or agreement and legally bind the Corporation; and with respect to the Issuer, an individual duly authorized by the bylaws of the Issuer to legally bind the Issuer, or an individual so designated by a duly adopted resolution of the Issuer.

**“Available Amount”** means, as of any time, the maximum amount available to be drawn at such time under any Liquidity Support Facility that provides Liquidity Support for any Variable Rate Bonds.

**“Beneficial Owners”** mean the purchaser of an ownership interest in each Bond registered in the name of the Custodian while such Bond is registered under the book-entry-only system of registration described in Section 202(F) hereof.

**“Bond”** or **“Bonds”** means one or more of the Allegheny County Hospital Development Authority, University of Pittsburgh Medical Center Revenue Bonds, Series 2007B.

**“Bond Counsel”** shall mean any attorney or firm of attorneys nationally recognized in rendering opinions for the benefit of bondholders on matters pertaining to the tax-exempt nature of interest on obligations issued by states or their political subdivisions.

**“Bond Fund”** means the fund established in Article III, Section 303 hereof.

**“Bond Interest Period”** means (a) with respect to ARS, the period from and including each ARS Interest Payment Date to and including the calendar day immediately preceding the next ARS Interest Payment Date; (b) with respect to Variable Rate Bonds, the period from and including the next preceding Interest Accrual Date applicable to such Bond to and including the calendar day immediately preceding the next succeeding Interest Accrual Date applicable to such Bond; and (c) with respect to the Fixed Rate Bonds, the period from and including Fixed Rate Date to and including the calendar day immediately preceding the next Interest Payment Date, and thereafter, the period from and including each Interest Payment Date to and including the calendar day immediately preceding the next Interest Payment Date.

**“Bond Register”** means the registration books of the Issuer kept by the Trustee to evidence the registration and transfer of Bonds.

**“Bond Registrar”** means the Trustee, as keeper of the Bond Register.

**“Bond Year”** means that period commencing on the Closing Date of the Bonds through July 1, 2008 and, thereafter, the consecutive period of twelve months commencing on July 2, 2008 through the following July 1 or as otherwise selected by the Corporation.

**“Bondholder,” “holder,” “Owner,”** or **“owner of the Bonds”** means the Person in whose name a Bond is registered on the Bond Register.

**“Book-Entry Termination Date”** means the fifth Business Day following the date of receipt by the Trustee of the Issuer’s Written Request to terminate the book-entry system of registering the beneficial ownership of the Bonds.

**“Broker-Dealer”** means any entity that is permitted by law to perform the function required of a Broker-Dealer described in the Broker-Dealer Agreement, that (a) is a member of, or a direct participant in, the Custodian, (b) has been selected by the Corporation, and (c) is a party to a Broker-Dealer Agreement with the Auction Agent.

**“Broker-Dealer Agreement”** means each agreement among the Auction Agent, a Broker-Dealer and the Corporation pursuant to which the Broker-Dealer agrees to participate in Auctions as set forth in the Auction Procedures, in substantially the form attached to the Series 2007A Bond Indenture as Exhibit I, as from time to time amended or supplemented.

**“Business Day”** means a day which is not a Saturday or Sunday or other day on which commercial banks in (1) Pittsburgh, Pennsylvania, (2) New York, New York, (3) the city in which the principal business office of the Remarketing Agent is located, or (4) the city or cities in which the corporate trust office of the Trustee responsible for the administration of this Indenture or the principal offices of any Liquidity Support Provider are authorized or required by law or executive order to be closed, provided, however, that with respect to Bonds in an ARS Mode, “Business Day” shall have the meaning set forth in the ARS Procedures.

**“Certified Resolution”** shall mean, as the context requires: (a) one or more resolutions of the Issuer, certified by the Secretary or Assistant Secretary of the Issuer or other officer serving in a similar capacity, to have been duly adopted and to be in full force and effect as of the date of certification; or (b) one or more resolutions of the governing body of the Corporation or a duly authorized committee thereof, certified by the Secretary or Assistant Secretary of the Corporation or other officer serving in a similar capacity, to have been duly adopted and to be in full force and effect as of the date of certification.

**“Change to ARS Mode”** means a change in the type of interest rate borne by the Bonds to an ARS Rate pursuant to Section 207(B) hereof.

**“Change to Daily or Weekly Rate Mode”** means a Change to a Variable Rate Mode that is either to a Daily Rate or a Weekly Rate.

**“Change to Variable Rate Mode”** means a change in the type of interest rate borne by a Subseries of the Bonds to any Variable Rate pursuant to Section 207(A) or Section 207(C) hereof and shall include, without limitation, a change from a Term Rate Mode based on one Nominal Term Rate Period to a Term Rate Mode based on another Nominal Term Rate Period.

**“Clearing Fund”** means the fund established in Article III, Section 304 hereof.

**“Closing Date”** means July 18, 2007, the date of delivery of the Bonds.

**“Code”** means the Internal Revenue Code of 1986, as amended from time to time. Each reference to a section of the Code herein shall be deemed to include the United States Treasury

Regulations, including temporary regulations, relating to such section which are applicable to the Bonds or the use of the proceeds thereof.

**“Commonwealth”** shall mean the Commonwealth of Pennsylvania.

**“Conversion Date”** means the Fixed Rate Date or the effective date of a Change to a Variable Rate Mode or a Change to ARS Mode.

**“Costs”** with respect of the Project shall mean all expenditures which, under generally accepted accounting principles, consistently applied, would be allocable to the Project and payable from the proceeds of the Bonds.

**“Counsel”** shall mean an attorney at law or law firm (which may include counsel to the Corporation or in-house counsel) not unsatisfactory to the Trustee.

**“Custodian”** means (a) The Depository Trust Company, New York, New York, or (b) any successor thereto engaged by the Issuer at the request of the Corporation and which, during the ARS Mode, is approved by the Auction Agent, to operate a book-entry system for recording, through electronic or manual means, the beneficial ownership of the Bonds, in which system no physical certificates are issued to the Beneficial Owners of the Bonds, but in which a limited number of physical certificates are issued to and registered in the name of the Custodian or its nominee, and delivered to the Custodian; provided, that such book-entry system operated by the Custodian may include the use of subsystems of recording the beneficial ownership of Bonds which are operated by parties other than the Custodian and the use of a nominee for the Custodian; and the term “Custodian,” as used herein, includes any party operating any such subsystem.

**“Daily Rate”** means, with respect to each Bond, the interest rate borne by such Bond when and if determined in accordance with Section 204(A)(1) hereof.

**“Daily Rate Determination Date”** means, with respect to each Bond of a Subseries that bears interest at a Daily Rate, (a) the Business Day before the effective date of a Change to Daily Mode with respect to such Bond; and (b) each Business Day thereafter, so long as such Bond continues to bear interest at a Daily Rate.

**“Daily Rate Mode”** means the manner of determining the Daily Rate with respect to any Bond of a Subseries, as set forth in Section 204(A)(1) hereof.

**“Daily Rate Period”** means, with respect to each Bond that bears interest at a Daily Rate, the Variable Rate Period from and including a Business Day to and including the first day preceding the first Business Day thereafter.

**“Defaulted Interest”** means interest on any Bond which is payable but not duly paid on the date due.

**“Delivery Order”** means written instructions to the Custodian delivered prior to the Book-Entry Termination Date by or through Participants for the purpose of effecting transfers

through the Custodian's computerized book entry system of (a) beneficial ownership of any Bond; and/or (b) amounts credited to the account of a Participant in the records of the Custodian for the benefit of a Beneficial Owner of a Bond in accordance with the Custodian's standard procedures.

**"Draw"** means, with respect to any Liquidity Support Facility provided as Liquidity Support for Variable Rate Bonds, any drawing thereunder made by or on behalf of the Trustee in the manner authorized by and in accordance with the terms and conditions of such Liquidity Support Facility.

**"Effective Date"** means the effective date of any Liquidity Support Facility or the effective date of any Change to ARS Mode, as applicable.

**"Electronic Means"** means telegram, telex, telecopier, electronic mail or other telecommunications or electronic telecommunications device capable of creating a written notice that is operative as between the parties and acceptable for use by them, provided, however, that with respect to Bonds in an ARS Mode, "Electronic Means" shall have the meaning set forth in the ARS Procedures.

**"Event of Default"** means an event of default as defined in Section 701(A) hereof.

**"Expiration Date"** means, as of any date, the date upon which any Liquidity Support Facility is then scheduled to expire in accordance with its terms.

**"Extraordinary Redemption"** shall mean the redemption of the Bonds pursuant to Sections 510(C) and 609 hereof.

**"Favorable Opinion"** means an opinion of Bond Counsel addressed to the Issuer and the Trustee substantially to the effect that: (i) the action proposed to be taken is authorized or permitted by the Act and this Indenture and complies with their respective terms; and (ii) such action will not adversely affect (A) the exclusion from gross income of interest on the Bonds for purposes of federal income taxation, and (B) any applicable tax exemption with respect to the Bonds provided under Pennsylvania law.

**"Fitch"** means Fitch Ratings, its successors and assigns, or, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating organization, any other nationally recognized securities rating organization designated in writing by the Corporation.

**"Fixed Mode"** means the period of time when Bonds of a Subseries bear interest at a Fixed Rate.

**"Fixed Rate"** means the interest rate borne by a Subseries of Bonds from and after the Fixed Rate Date to Maturity, determined in accordance with Section 207(D)(2) hereof.

**"Fixed Rate Bonds"** means any and all Bonds that bear interest at a Fixed Rate.

**“Fixed Rate Commitment”** has the meaning set forth in Section 207(D)(4)(a)(i) hereof.

**“Fixed Rate Conversion Notice”** means the notice delivered in connection with a conversion to a Fixed Mode pursuant to Section 207(D) hereof and which shall be substantially in the form attached hereto as Exhibit F.

**“Fixed Rate Date”** means the effective date of a conversion of Bonds to bear interest at the Fixed Rate.

**“Fiscal Year”** shall mean a period of twelve consecutive months ending on June 30 of each year or such other 12 month period selected by the Corporation.

**“Governmental Obligations”** shall mean the following:

A. direct obligations (other than an obligation subject to variation in principal repayment) of the United States of America (“United States Treasury Obligations”),

B. obligations fully and unconditionally guaranteed as to timely payment of principal and interest by the United States of America,

C. obligations fully and unconditionally guaranteed as to timely payment of principal and interest by any agency or instrumentality of the United States of America when such obligations are backed by the full faith and credit of the United States of America, or

D. evidences of ownership of proportionate interests in future interest and principal payments on obligations described above held by a bank or trust company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor and the underlying government obligations are not available to any person claiming through the custodian or to whom the custodian may be obligated.

**“Immediate Notice”** means notice by Electronic Means or telephone, to such address as the addressee shall have directed in writing, promptly followed (only in the case of notice by telephone) by written notice by first class mail, postage prepaid.

**“Independent”** shall mean, with respect to any Person, one which is not and does not have a partner, director, officer, member or substantial stockholder who is a member of the Corporation or an Affiliate, or an officer or employee of the Corporation or an Affiliate; provided that the fact that a Person is retained regularly by or transacts business with the Corporation or Affiliate shall not, in and of itself, cause such Person to be deemed an employee of the Corporation or Affiliate for the purposes hereof.

**“Independent Public Accountant”** shall mean an Independent, nationally recognized accounting firm which is appointed by the Corporation for the purpose of examining and reporting on or passing on questions relating to the financial statements of the Corporation, has all certifications necessary for the performance of such services, and has a favorable reputation

for skill and experience in performing similar services in respect of entities of a comparable size and nature.

**“Initial Purchaser”** means (a) with respect to the Subseries 2007B-1 Bonds, J.P. Morgan Chase Bank, N.A., and (b) with respect to the Subseries 2007B-2 Bonds, RBC Municipal Products Inc. and its successors.

**“Initial Term Rate Period”** means the period from the Closing Date to and including April 15, 2039.

**“Interest Accrual Date”** means (a) with respect to any Bond which bears interest at a Daily Rate, Weekly Rate or Monthly Rate, (1) the effective date of the change to the Daily Rate Mode, the Weekly Rate Mode or the Monthly Rate Mode, as appropriate, whichever is later, and (2) the first Business Day of each calendar month thereafter; and (b) with respect to any Bond which bears interest at a Semiannual Rate, an Annual Rate, or a Term Rate, (1) the effective date of the change to the Semiannual Rate Mode, the Annual Rate Mode, or the Term Rate Mode, as appropriate, and (2) the first day of each sixth calendar month following the calendar month of such effective date.

**“Interest Component”** means, as of any date, the maximum amount, determined with reference to the relevant Interest Coverage Period and the Maximum Rate, for each Bond available to be drawn under any Liquidity Support Facility (as reduced and reinstated from time to time in accordance with the terms thereof) to pay accrued interest on any such Bond in accordance with Section 402 hereof.

**“Interest Coverage Period”** means the number of days specified in computing the Interest Component of the Available Amount under any Liquidity Support Facility with respect to Variable Rate Bonds, which shall be not less than the sum of (a) the maximum number of days in a Bond Interest Period, and (b) five calendar days.

**“Interest Mode”** or **“Mode”** means the ARS Mode, a Variable Rate Mode or the Fixed Mode.

**“Interest Payment Date”** means, (a) with respect to ARS, each ARS Interest Payment Date; (b) with respect to the Variable Rate Bonds bearing interest at a Daily Rate, a Weekly Rate or a Monthly Rate, the first Business Day of the calendar month next succeeding the end of the Bond Interest Period to which such Interest Payment Date relates; and (c) with respect to Fixed Rate Bonds and Variable Rate Bonds bearing interest at a Semiannual, Annual or Term Rate, April 15 and October 15 of each year.

**“Investment Securities”** means those investments selected by UPMC, including but not limited to Government Obligations, Federal Housing Administration debentures, certificates of deposits and other deposits, commercial paper, money market funds, State Obligations, repurchase agreements, investment contracts and such other investments as are determined by UPMC in accordance with its investment policy.



**“Letter of Representations”** means the Letter of Representations signed by the Issuer, the Auction Agent and the Trustee, and accepted by the Custodian, or any Blanket Issuer Letter of Representations signed by the Issuer and accepted by the Custodian, pertaining to the payment of the Bonds and the “book-entry” system for evidencing the beneficial ownership of the Bonds prior to the Book-Entry Termination Date, and shall include any supplements or amendments thereto.

**“Liquidity Support”** means, as to any Liquidity Support Facility, the obligation of the provider thereof to provide for the payment of the purchase price of any Variable Rate Bonds tendered or deemed tendered in accordance with any provision of Article V hereof.

**“Liquidity Support Facility”** means (a) any irrevocable direct-pay letter of credit, line of credit or similar facility issued by, or bond purchase agreement entered into by, any financial or similar institution and obtained by or on behalf of the Corporation pursuant to Section 401 hereof, which is in effect and has been delivered to the Trustee to provide Liquidity Support for any Variable Rate Bonds; or (b) in the event of delivery of any Alternate Liquidity Support Facility and so long as Liquidity Support for the Outstanding Variable Rate Bonds is provided thereby, such Alternate Liquidity Support Facility.

**“Liquidity Support Provider”** means, with respect to any Liquidity Support Facility, the issuer or provider of such Liquidity Support Facility.

**“London Banking Day”** means any day on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency) in the City of London, United Kingdom.

**“Mandatory Tender Date”** means any date on which an Owner or Beneficial Owner is required to tender any Bond for purchase in accordance with this Indenture.

**“Maturity”** when used with respect to any Bond means the date on which the principal of such Bond becomes due and payable as therein or herein provided, whether at the Stated Maturity Date or by acceleration or redemption or otherwise.

**“Maximum Rate”** means (a) with respect to any ARS, the lesser of 18% per annum and the maximum interest rate permitted by law; (b) with respect to any Variable Rate Bond, the lesser of 15% per annum and the maximum rate permitted by law.

**“Monthly Rate”** means the interest rate borne by any Subseries of Bonds when and if determined in accordance with Section 204(A)(3) hereof.

**“Monthly Rate Determination Date”** means (a) the last Business Day before the effective date of a change to the Monthly Rate Mode, and (b) the last Business Day of each calendar month thereafter, so long as any Bond continues to bear interest at a Monthly Rate.

**“Monthly Rate Mode”** means the manner of determining the Monthly Rate with respect to the Bonds, as set forth in Section 204(A)(3) hereof.

**“Monthly Rate Period”** means (a) the period from and including the effective date of any change to the Monthly Rate Mode with respect to the Bonds to and including the last day of the calendar month beginning on such effective date, and (b) each calendar month thereafter, so long as the Bonds continues to bear interest at a Monthly Rate.

**“Moody’s”** means Moody’s Investors Service, a corporation organized and existing under the laws of the State of Delaware, its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, for the purpose of the definition of Investment Securities only, “Moody’s” shall be deemed to refer to any other nationally recognized securities rating agency designated by the Corporation, with written notice to the Issuer and the Trustee.

**“Net Proceeds”** means proceeds from insurance or condemnation awards received with respect to damage to or a taking by eminent domain of the Property of a Member, net of payment of all reasonable expenses (including attorney’s fees and expenses, adjuster’s fees and expenses and the fees and expenses of the Trustee).

**“New York City time”** means the prevailing time in New York, New York.

**“Nominal Term Rate Period”** means, with respect to a Term Rate Mode, a period of three or more Semiannual Periods.

**“Officer’s Certificate”** means a certificate of the Corporation signed by the Chairman, Vice Chairman, President, any Vice President, Treasurer, Assistant Treasurer or any authorized officer of the Corporation.

**“Opinion of Counsel”** means a written opinion of counsel who may (except as otherwise expressly provided in this Indenture) be counsel for one or more of the Issuer or the Corporation; and, when given with respect to the status of interest on any Bond under federal income tax law, shall be Bond Counsel; and, when given with respect to any matter under Title 11 of the United States Code, as now or hereafter constituted (i.e., the Bankruptcy Code), shall be counsel of nationally recognized standing in the field of bankruptcy law.

**“Outstanding”** shall mean, with respect to the Bonds, all Bonds authenticated and delivered under this Indenture as of the time in question, except:

A. All Bonds theretofore canceled or required to be canceled under Section 213 hereof;

B. Bonds for the payment or redemption of which provision has been made in accordance with Article X hereof; provided that, if such Bonds are being redeemed, the required notice of redemption shall have been given or provision satisfactory to the Trustee shall have been made therefor, and that if such Bonds are being purchased, there shall be a firm commitment for the purchase and sale thereof; and

C. Bonds in substitution for which other Bonds have been authenticated and delivered pursuant to Article II hereof.

**“Participants”** means those securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations that participate with the Custodian in a system under which the Custodian holds securities of its participants and facilitates the clearance and settlement of securities transactions in such securities through electronic book-entry changes in accounts of the participants.

**“Paying Agent”** means the commercial bank, national banking association or trust company, if any, designated pursuant to this Indenture to receive and disburse the principal of and interest on the Bonds.

**“Person”** means an individual, a corporation, a partnership, a limited liability company, an association, a joint stock company, a joint venture, a trust, any unincorporated organization, a governmental body or a political subdivision, a municipality, a municipal authority or any other group or organization of individuals.

**“Principal Payment Date”** means each mandatory sinking fund Redemption Date, as set forth in Section 510(b) hereof, and the Stated Maturity Date.

**“Property”** means any and all rights, titles and interests in and to any and all property, whether real or personal, tangible or intangible and wherever situated.

**“Property, Plant and Equipment”** shall mean the line item labeled as such on the financial statements of the Corporation prepared in accordance with generally accepted accounting principles.

**“Purchased Bond”** means any Bond which has been purchased (beneficially or otherwise) by the Trustee for the account of any Liquidity Support Provider with the proceeds of a Draw under its Liquidity Support Facility, the ownership (beneficial or otherwise) of which is required to be registered in the name of such Liquidity Support Provider or its nominee, pursuant to Section 512 hereof.

**“Purchased Bond Rate”** means the rate per annum borne by the Purchased Bonds, determined in the Reimbursement Agreement.

**“Purchase Date”** means, as to any Variable Rate Bond, a date upon which such Bond is to be tendered to the Trustee for purchase, determined as permitted or as required pursuant to Article V hereof.

**“Purchase Price”** means an amount equal to the principal amount of any Bonds purchased on any Purchase Date, plus, if applicable, accrued and unpaid interest thereon, if any, to the Purchase Date.

**“Rating Agency”** means each nationally recognized securities rating agency, which at the time of issue of the Bonds includes Fitch, Moody’s and S&P, and each such entity’s successors and assigns.

**“Record Date”** means any Regular Record Date or any Special Record Date as those terms are defined herein.

**“Redemption Date”** means, as to the Bonds, the date upon which Bonds are to be redeemed, determined as provided in Section 510 herein.

**“Redemption Price”** means, with respect to any Bond (or portion thereof), the price to be paid upon redemption as set forth in Article V of this Indenture.

**“Regular Record Date”** means (a) with respect to any Bond that bears interest at an ARS Rate, a Daily Rate, a Weekly Rate, a Monthly Rate, or the Purchased Bond Rate, the opening of business on the Business Day prior to each Interest Payment Date with respect thereto; (b) with respect to any Bond that bears interest at a Semiannual Rate, Annual Rate, Term Rate or Fixed Rate, the first calendar day of the month (whether or not a Business Day) preceding each Interest Payment Date with respect thereto; and (d) with respect to each Redemption Date, the Business Day preceding the mailing of the applicable redemption notice for such Redemption Date.

**“Regulatory Body”** shall mean any federal, state or local government, department, agency, authority or instrumentality (other than the Issuer) and any other public or private body, including accrediting organizations, having regulatory jurisdiction and authority over the Corporation or the operations of the Corporation.

**“Reimbursement Agreement”** means, whenever a Liquidity Support Facility provides Liquidity Support for the Variable Rate Bonds, any reimbursement or repayment agreement pertaining to the Reimbursement Obligations, if any, of the Corporation with respect to such Liquidity Support Facility.

**“Reimbursement Obligations”** means all amounts owing from time to time by the Corporation to the Liquidity Support Provider of any Liquidity Support Facility then providing Liquidity Support for the Variable Rate Bonds under the Reimbursement Agreement.

**“Related Document”** means this Indenture, the 1995 Master Indenture, the 2007 Master Indenture, the 2007B Notes and the Loan Agreement.

**“Remarketing Agent”** means any remarketing agent for a Subseries of the Bonds appointed by the Corporation pursuant to Section 820 hereof.

**“Remarketing Agreement”** means the Remarketing Agreement, if any, by and between the Corporation and the Remarketing Agent, providing for the remarketing of Variable Rate Bonds following tenders and purchase as provided herein and the setting of Variable Rates, all in accordance with the provisions hereof.

**“Remarketing Commitment”** has the meaning set forth in Section 207(A)(3)(a)(1)(ii) hereof.

**“Remarketing Proceeds”** means the proceeds of the sale by the Remarketing Agent of any Bonds to parties other than the Issuer, the Corporation or an Affiliate which Bonds have been tendered or deemed tendered for purchase as provided in this Indenture.

**“Retained Bonds”** means Bonds that an Initial Purchaser has elected to retain in the event of a mandatory tender in accordance with Section 507A hereof.

**“Semiannual Date”** means (a) with respect to Bonds during the Initial Term Rate Period, each April 15 and October 15, commencing October 15, 2007, and (b) each date selected by the Corporation and set forth in a notice of conversion to a Term Rate Mode, which dates shall be the first day of a calendar month and shall be six months apart.

**“Semiannual Period”** means a six month period commencing on a Semiannual Date and ending on and including the day immediately preceding the next Semiannual Date, except that the first Semiannual Period after conversion to a Term Rate Mode may be for a period shorter or longer than six months.

**“Semiannual Rate”** means the interest rate borne by the Bonds when and if determined in accordance with Section 204(A)(4) hereof.

**“Semiannual Rate Determination Date”** means, with respect to each Bond that bears interest at a Semiannual Rate, (a) the Business Day before the effective date of a change to the Semiannual Rate Mode with respect to such Bonds, and (b) the last Business Day of each six calendar month period (beginning with the last Business Day of the six calendar month period commencing with such effective date) thereafter, so long as such Bond continues to bear interest at a Semiannual Rate.

**“Semiannual Rate Mode”** means the manner of determining the Semiannual Rate, as set forth in Section 204(A)(4) hereof.

**“Semiannual Rate Period”** means, with respect to each Bond that bears interest at a Semiannual Rate, (a) the period from and including the effective date of any change to the Semiannual Rate Mode with respect to such Bond to and including the last day of the six calendar month period beginning on such effective date, and (b) each six calendar month period thereafter, so long as such Bond continues to bear interest at a Semiannual Rate.

**“Series 2007A Bond Indenture”** means the Trust Indenture dated as of May 1, 2007 between the Issuer and the Trustee related to the Issuer’s University of Pittsburgh Medical Center Revenue Bonds, Series 2007A.

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

**“SIFMA Municipal Index”** means The Securities Industry and Financial Markets Association Municipal Swap Index as of the most recent date for which such index was published or such other weekly, high-grade index comprised of seven-day, tax-exempt variable rate demand notes produced by Municipal Market Data, Inc., or its successor, or as otherwise designated by The Securities Industry and Financial Markets Association; *provided, however*, that, if such index is no longer produced by Municipal Market Data, Inc. or its successor, then “SIFMA Municipal Index” shall mean such other reasonably comparable index selected by the Corporation.

**“Special Bond Payment Date”** means any date established by the Trustee for the payment of defaulted principal or interest on any Bond.

**“Special Record Date”** means the date fixed by the Trustee pursuant to Section 202(F) hereof for the payment of Defaulted Interest.

**“State Obligations”** means:

(i) Direct general obligations of any state of the United States of America or any subdivision or agency thereof to which is pledged the full faith and credit of a state the unsecured general obligation debt of which is rated “A3” by Moody’s and “A” by S&P, or better, or any obligation fully and unconditionally guaranteed by any state, subdivision or agency whose unsecured general obligation debt is so rated,

(ii) Direct general short-term obligations of any state agency or subdivision or agency thereof described in (i) above and rated “A-1” by S&P and “MIG-1” by Moody’s,

(iii) Special Revenue Bonds (as defined in the United States Bankruptcy Code) of any state, state agency or subdivision described in (i) above and rated “AA” or better by S&P and “Aa” or better by Moody’s,

(i) Pre-refunded municipal obligations rated “AAA” by S&P and “Aaa” by Moody’s meeting the following requirements:

(i) the municipal obligations are (A) not subject to redemption prior to maturity or (B) the trustee for the municipal obligations has been given irrevocable instructions concerning their call and redemption and the issuer of the municipal obligations has covenanted not to redeem such municipal obligations other than as set forth in such instructions;

(ii) the municipal obligations are secured by cash or United States Treasury Obligations which may be applied only to payment of the principal of, interest and premium on such municipal obligations;

(iii) the principal of and interest on the United States Treasury Obligations (plus any cash in the escrow) has been verified by the report of independent certified

public accountants to be sufficient to pay in full all principal of, interest, and premium, if any, due and to become due on the municipal obligations (“**Verification**”);

(iv) the cash or United States Treasury Obligations serving as security for the municipal obligations are held by an escrow agent or trustee in trust for owners of the municipal obligations;

(v) no substitution of a United States Treasury Obligation shall be permitted except with another United States Treasury Obligation and upon delivery of a new Verification; and

(vi) the cash or United States Treasury Obligations are not available to satisfy any other claims, including those by or against the trustee or escrow agent.

**“Stated Maturity Date”** means April 15, 2039.

**“Subseries”** means each subgroup of the Bonds established pursuant to Section 202 hereof and in the aggregate principal amounts detailed in Section 202 hereof, which include the Subseries 2007B-1 Bonds and the Subseries 2007B-2 Bonds.

**“Tax Regulatory Certificate”** shall mean the certificate of such designation dated as of the Closing Date executed by the Issuer and the Corporation.

**“Tender Address”** means (a) with respect to the Trustee, The Bank of New York Trust Company, N.A., ITS Bond Events, 2001 Bryan Street, 9th Floor, Dallas, TX 75201, and (b) with respect to the Remarketing Agent, the tender address designated by the Remarketing Agent in the Remarketing Agreement; provided, that any such address may be changed by any of the respective parties by giving written notice thereof 30 days or more in advance of the effective date of such change to the Bondholders and all the parties listed in Section 1108 hereof.

**“Term Rate”** means the interest rate borne by the Bonds when and if determined in accordance with Section 204(A)(6) hereof.

**“Term Rate Determination Date”** means a Business Day not more than 15 days and not less than one day prior to the effective date of a change to the Term Rate Mode.

**“Term Rate Mode”** means the manner of determining the Term Rate as set forth in Section 204(a)(6) hereof. A Term Rate Mode based on one Nominal Term Rate Period and a Term Rate Mode based on another Nominal Term Rate Period are different Term Rate Modes.

**“Term Rate Period”** means (a) the Initial Term Rate Period, and (b) any period of three or more Semiannual Periods equal to the applicable Nominal Term Rate Period determined pursuant to Section 204(a)(6) commencing on the Semiannual Date immediately following the last day of the immediately preceding Term Rate Period and running through and ending on the day immediately preceding the Semiannual Date which follows such commencement date by a period equal to such Nominal Term Rate Period; *provided, however*, that the first Term Rate Period after conversion from an ARS Rate or a Variable Rate (other than a Term Rate) to a Term

Rate shall commence on the Conversion Date and end on the day immediately preceding the Semiannual Date which follows the Semiannual Date occurring on or immediately preceding the Conversion Date by a period equal to the applicable Nominal Term Rate Period.

**“Termination Date”** means the earliest of (a) the Expiration Date; (b) the date on which the Liquidity Support Provider receives notice from the Trustee that the principal amount of and interest on all of the Bonds shall have been paid in full or deemed to have been paid in full pursuant to Section 1002 of this Indenture; or (c) the date which is five Business Days after the Trustee has received notice of an “event of default” pursuant to the Reimbursement Agreement that results in termination of the related facility.

**“Trustee”** means The Bank of New York Trust Company, N.A., having a corporate trust office in Pittsburgh, Pennsylvania, the Trustee hereunder, or any successor trustee.

**“Unassigned Rights”** means the fees and expenses payable to the Issuer under the Agreement, the Issuer’s right to indemnification under the Agreement, and the Issuer’s right to receive notices hereunder and under the Agreement, and the Issuer’s right to execute and deliver supplements and amendments to the Agreement.

**“Untendered Bonds”** mean any and all Bonds, except Retained Bonds and Purchased Bonds, that are not properly tendered (by physical delivery, Delivery Order or otherwise) to the Trustee for purchase on or prior to any Purchase Date applicable to such Bonds, for which the Trustee holds in trust an amount sufficient to pay the purchase price thereof, including accrued interest, if any, to such Purchase Date.

**“Variable Rate”** means the interest rate borne by the Bonds when and if determined in accordance with Section 204 hereof, and shall include the Daily Rate, the Weekly Rate, the Monthly Rate, the Semiannual Rate, the Annual Rate and the Term Rate, but shall not include the Purchased Bond Rate.

**“Variable Rate Bonds”** means the Bonds during any period when they bear interest at a Variable Rate.

**“Variable Rate Modes”** means the Daily Rate Mode, the Weekly Rate Mode, the Monthly Rate Mode, the Semiannual Rate Mode, the Annual Rate Mode and the Term Rate Mode, each of which, individually, is a “Variable Rate Mode.”

**“Variable Rate Period”** means a period during which the Bonds bear interest at any Variable Rate.

**“Weekly Rate”** means the interest rate borne by the Bonds when and if determined in accordance with Section 204(a)(2) hereof.

**“Weekly Rate Determination Date”** means (a) the last Business Day before the effective date of a change to the Weekly Rate Mode, and (b) each Wednesday (or, if any such Wednesday is not a Business Day, the next succeeding Business Day) thereafter, so long as the Bonds continues to bear interest at a Weekly Rate.



**“Weekly Rate Mode”** means, with respect to each Bond, the manner of determining the Weekly Rate with respect to such Bond, as set forth in Section 204(a)(2) hereof.

**“Weekly Rate Period”** means, with respect to each Bond that bears interest at a Weekly Rate, each period from and including the Weekly Rate Determination Date with respect to such Bond to and including the calendar day immediately preceding the next Weekly Rate Determination Date with respect to such Bond, so long as such Bond continues to bear interest at a Weekly Rate.

**“Written Request”** with reference to the Issuer means a request in writing signed by an Authorized Officer of the Issuer and with reference to the Corporation means a request in writing signed by an Authorized Officer of the Corporation.

All accounting terms not otherwise defined herein have the meanings assigned to them in accordance with generally accepted accounting principles in effect from time to time.

The words “hereof,” “herein,” “hereto,” “hereby” and “hereunder” (except in the form of Bond), refer to the entire Indenture except as otherwise noted.

Every “request,” “requisition,” “order,” “demand,” “application,” “notice,” “statement,” “consent” or similar action hereunder by the Issuer shall, unless the form thereof is specifically provided, be in writing signed by an Authorized Officer of the Issuer.

All words and terms importing the singular number shall, where the context requires, import the plural number and vice versa, and all words and terms used in this Indenture and not defined herein shall, if defined in the Agreement, have the meaning set forth therein.

## SECTION 102. CERTAIN FUNDS AND ACCOUNTS

All references herein to the “Clearing Fund,” the “Bond Fund,” and the “Rebate Fund,” shall mean the funds so designated which are established or authorized to be established pursuant to Article III hereof.

## ARTICLE II

### THE BONDS

#### SECTION 201. AUTHORIZED AMOUNT OF BONDS.

No Bonds may be issued under the provisions of this Indenture except in accordance with this Article II. The total principal amount of Bonds that may be issued is hereby expressly limited to \$165,000,000. The Bonds shall be subject to redemption prior to maturity as provided therein and in Article V hereof.

#### SECTION 202. ISSUANCE OF THE BONDS.

A. (i) The Bonds shall be issued by the Issuer in accordance with this Indenture and designated as its "University of Pittsburgh Medical Center Revenue Bonds, Series 2007B." The Bonds shall be issued in two Subseries, as described below. The Bonds shall be issuable as fully registered bonds in Authorized Denominations. Unless the Issuer shall otherwise direct, the Bonds of each Subseries shall be numbered from R-1 upward. The Bonds of each Subseries shall be designated and be in the aggregate principal amounts as follows:

<u>Subseries Designation</u>	<u>Aggregate Principal Amount</u>
Subseries 2007B-1	\$100,000,000
Subseries 2007B-2	\$65,000,000

(ii) Each Subseries of the Bonds, substantially in the form of Exhibit A, shall be issued as Term Rate Bonds in the Initial Term Rate Period. The Bonds shall mature on the Stated Maturity Date. The Subseries 2007B-1 Bonds are not subject to conversion to a different Interest Mode or to a different Term Rate Period prior to October 15, 2010. The Subseries 2007B-2 Bonds are not subject to conversion to a different Interest Mode or to a different Term Rate Period prior to October 15, 2012.

B. The Bonds shall bear interest from their date, or from the most recent Interest Payment Date to which interest has been paid, whichever is later, payable on each Interest Payment Date, at the rates determined pursuant to this Article II, and shall mature (subject to prior redemption) on the Stated Maturity Date.

C. The Bonds shall be subject to redemption prior to maturity to the extent and as provided in Article V of this Indenture, shall be subject to Auctions as provided in this Article II, and shall be subject to tender and purchase to the extent and as provided in Article V of this Indenture.

D. The principal of, premium, if any, and interest on the Bonds shall be payable in any currency of the United States of America which, at the respective dates of payment thereof, is legal tender for the payment of public and private debts, and such principal and premium, if any, shall be payable at the designated trust or agency office of the Trustee, or its successor Trustee, or at the office of the Paying Agent, if any, named in any such Bond upon presentation and surrender thereof. Payment of the principal of and interest on any Bond shall be made to the Person appearing on the Bond Register as the Owner thereof in the following manner:

1. Prior to the Book-Entry Termination Date, interest for each Bond Interest Period on the Bonds, calculated for each day at the applicable ARS Rate, Variable Rate or Fixed Rate shall be paid by the Trustee to the Custodian as the Owner thereof, for the benefit of the Beneficial Owners thereof, in accordance with the procedures set forth in the Letter of Representations. From and after the Book-Entry Termination Date, on each Interest Payment Date, interest due on each Bond shall be paid by check or draft mailed by the Trustee on such Interest Payment Date, any applicable Redemption Date (which has not been voided or cancelled as provided herein and provided notice of redemption has been duly given to the Owner of such Bond) and any Acceleration Date to the Person who is the Owner of such Bond on the Record Date for such Interest Payment Date at such Owner's address appearing on the Bond Register; provided, that any Owner of \$1,000,000 or more in aggregate principal amount of Bonds may be paid interest by wire transfer to an account in the United States, but only if, such Owner makes a written request of the Trustee, received before the close of the Trustee's business on the Record Date immediately preceding the date scheduled for the payment of such interest, if any, which request shall specify the account address.

2. Prior to the Book-Entry Termination Date, the principal of and premium, if any, on the Bonds shall be paid by the Trustee to the Custodian as the Owner thereof, for the benefit of the Beneficial Owners thereof, in accordance with the Letter of Representations. From and after the Book-Entry Termination Date, the principal of and premium, if any, on each Bond shall be paid by the Trustee by check or draft payable to the Owner of such Bond. Said check or draft shall be delivered to the Owner or such Owner's duly authorized agent on or after the Stated Maturity Date of such Bond or, if earlier, any applicable Redemption Date (which has not been voided or cancelled as provided herein and provided notice of redemption has been duly given to the Owner of such Bond) or any Acceleration Date, but only upon the presentation for payment and the surrender of such Bond at the Dallas, Texas, agency payment office of the Trustee or at such other location designated in writing by the Trustee, notice of which designation shall be given (at the expense of the Trustee) to each Owner; provided, that any Owner of \$1,000,000 or more in aggregate principal amount of Bonds may be paid principal of and premium, if any, by wire transfer to an account in the United States, but only upon the presentation for payment and surrender of such Bonds at the Dallas, Texas, agency payment office of the Trustee or at such other location designated in writing by the Trustee, notice of which designation shall be given (at the expense of the Trustee) to each Owner, and only if such Owner makes a written request of the Trustee, received before the close of the Trustee's business on the Record Date immediately preceding the date scheduled for the payment of such principal and premium, if any, which request shall specify the account address.

E. Defaulted Interest with respect to any Bond shall cease to be payable to the holder of such Bond as of the relevant Regular Record Date and shall be payable to the holder in whose name such Bond is registered at the close of business on the Special Record Date for the payment of such Defaulted Interest, which Special Record Date shall be fixed in the following manner:

1. The Corporation shall notify the Trustee in writing of the amount of Defaulted Interest proposed to be paid on each Bond and the date of the proposed payment (which date shall be such as will enable the Trustee to comply with clause (2) hereof), and shall deposit with the Trustee at the time of such notice an amount of money equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest or shall make arrangements satisfactory to the Trustee for such deposit prior to the date of the proposed payment. Money deposited with the Trustee shall be held in trust for the benefit of the holders of the Bonds entitled to such Defaulted Interest as provided in this Section.

2. Following receipt of such funds the Trustee shall fix a Special Record Date for the payment of such Defaulted Interest which shall be not less than 10 days prior to the date of the proposed payment and not less than 10 days after the receipt by the Trustee of the notice of the proposed payment.

3. The Trustee shall promptly notify the Corporation of such Special Record Date and, in the name and at the expense of the Corporation, shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed, first-class postage prepaid, to each holder of a Bond entitled to such notice at the address of such holder as it appears on the Bond Register not less than 10 days prior to such Special Record Date.

F. Book-Entry System.

1. On the Closing Date, all Bonds of a Subseries maturing on the same date shall be issued in the form of a single certificate, which certificate shall be registered in the name of the Custodian or its nominee, and delivered to the Custodian or its agent. The Custodian shall hold each such Bond certificate in fully immobilized form for the benefit of the Beneficial Owners pursuant to the Letter of Representations until the earliest to occur of either

(a) the date of maturity of the Bonds, at which time the Custodian shall surrender such certificates to the Trustee for cancellation upon payment by the Trustee of the principal of and interest on the Bonds coming due on such date; or

(b) the Redemption Date of any Bonds evidenced by such certificate, at which time the Custodian shall surrender such certificate to the Trustee for cancellation and exchange for a new immobilized certificate in the aggregate principal amount of the Bonds remaining unredeemed, if any, following payment by the Trustee of the principal of, premium, and interest on the Bonds coming due on such Redemption Date; or

(c) each Conversion Date, at which time the Custodian shall surrender such certificate to the Trustee for cancellation and exchange for a single, new certificate

provided to the Trustee by or on behalf of the Issuer at the expense of the Corporation in the respective aggregate principal amount(s) of all of the Bonds; or

(d) the Book-Entry Termination Date; or

(e) the date the Issuer at the written request of the Corporation determines to utilize a new Custodian for the Bonds, at which time the then-existing Custodian shall surrender the immobilized certificate to the Trustee for transfer to the new Custodian and cancellation as herein provided.

If the earliest to occur of the aforementioned events is an event described in Section 202(F)(1)(b) hereof, and a new certificate is issued and delivered to the Custodian for any unredeemed portion of the Bonds, such new certificate shall again be held by the Custodian in fully immobilized form for the benefit of the Beneficial Owners pursuant to the Letter of Representations until the next occurrence of one of the events described in this Section 202(F)(1).

2. For so long as any Outstanding Bonds are registered in the name of the Custodian or its nominee and held by the Custodian in fully immobilized form, as described in Section 202(F)(1) hereof, (1) the rights of the Beneficial Owners shall be evidenced solely by an electronic and/or manual entry made from time to time on the records established and maintained by the Custodian in accordance with the Letter of Representations, and (2) no certificates evidencing such Bonds shall be issued and registered in the name of the Beneficial Owner or such Beneficial Owner's nominee.

3. The "Book-Entry" system of registering ownership of the Bonds may be terminated by the Issuer upon Written Request from the Corporation (provided the Corporation is not then in default of any payment then due on the Outstanding Bonds). Upon receipt of such request the Issuer shall deliver to the Trustee (i) a Written Request that it issue and deliver Bond certificates to each Beneficial Owner or such Beneficial Owner's nominee on the Book-Entry Termination Date; and (ii) a list identifying the Beneficial Owners as to name, address, amount of Bonds to be held and taxpayer identification number, and shall also deliver a supply of such certificates to the Trustee, if necessary for such purpose. Upon surrender to the Trustee of the immobilized certificates evidencing all of the then Outstanding Bonds, the Trustee, based on the information provided to it by the Issuer as provided above, shall issue and deliver new certificates to each Beneficial Owner or such Beneficial Owner's duly appointed agent, naming such Beneficial Owner or such Beneficial Owner's agent as the Owner thereof. Such certificates shall be in Authorized Denominations. Following such issuance, the Owners of such Bonds may transfer and exchange such Bonds in accordance with Section 211 hereof.

4. NEITHER THE ISSUER NOR THE TRUSTEE NOR THE CORPORATION WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO PARTICIPANTS, BENEFICIAL OWNERS OR OTHER NOMINEES OF SUCH BENEFICIAL OWNERS FOR (1) SENDING TRANSACTION STATEMENTS; (2) MAINTAINING, SUPERVISING OR REVIEWING, OR THE ACCURACY OF, ANY RECORDS MAINTAINED BY DTC OR ANY PARTICIPANT OR OTHER NOMINEES OF SUCH BENEFICIAL OWNERS; (3) PAYMENT OR THE TIMELINESS OF PAYMENT BY DTC TO ANY PARTICIPANT, OR BY ANY PARTICIPANT OR OTHER NOMINEES OF

BENEFICIAL OWNERS TO ANY BENEFICIAL OWNER, OF ANY AMOUNT DUE IN RESPECT OF THE PRINCIPAL OF OR REDEMPTION PREMIUM, IF ANY, OR INTEREST ON BOOK-ENTRY BONDS; (4) DELIVERY OR TIMELY DELIVERY BY DTC TO ANY PARTICIPANT, OR BY ANY PARTICIPANT OR OTHER NOMINEES OF BENEFICIAL OWNERS TO ANY BENEFICIAL OWNERS, OF ANY NOTICE (INCLUDING NOTICE OF REDEMPTION) OR OTHER COMMUNICATION WHICH IS REQUIRED OR PERMITTED UNDER THE TERMS OF THE APPLICABLE INDENTURE TO BE GIVEN HOLDERS OR OWNERS OF BOOK-ENTRY BONDS; (5) THE SELECTION OF THE BENEFICIAL OWNERS TO RECEIVE PAYMENT IN THE EVENT OF ANY PARTIAL REDEMPTION OF BOOK-ENTRY BONDS; OR (6) ANY ACTION TAKEN BY DTC OR ITS NOMINEE AS THE REGISTERED OWNER OF BOOK-ENTRY BONDS.

#### SECTION 203. INTEREST ON BONDS-GENERAL.

A. All Bonds (other than Purchased Bonds) within a Subseries shall operate in the same Interest Mode at any given time.

From the Closing Date until a Conversion Date, if any, the Subseries 2007B-1 Bonds shall bear interest at an initial Term Rate of 5.375% per annum and the Subseries 2007B-2 Bonds shall bear interest at an initial Term Rate of 5.30%, and in each case computed on the basis of a 360-day year consisting of twelve 30-day months. The Bonds are not subject to conversion from the Initial Term Rate Period prior to (a) October 15, 2010 for the Subseries 2007B-1 Bonds, and (b) October 15, 2012 for the Subseries 2007B-2 Bonds.

From and after a Conversion Date pertaining to a Change to Variable Rate Mode with respect to a Subseries of the Bonds until a subsequent Conversion Date, the Bonds of such Subseries shall bear interest at the specified Variable Rate (computed on the basis of a 365 or 366 day year, as applicable, for the number of days actually elapsed with respect to any period during which the Bond of such Subseries bears interest at a Daily Rate, a Weekly Rate or a Monthly Rate, or on the basis of a 360-day year of twelve 30-day months with respect to any period during which a Bond bears interest at either a Semiannual Rate, an Annual Rate or a Term Rate).

From and after a Conversion Date pertaining to a Change to ARS Mode until a subsequent Conversion Date, the Bonds of such Subseries shall bear interest at the specified ARS Rate (computed as described in the ARS Procedures).

From and after the Fixed Rate Date with respect to a Subseries of the Bonds, the Bonds of such Subseries shall bear interest at a Fixed Rate (computed on the basis of a 360-day year, consisting of twelve 30-day months). Each Purchased Bond shall bear interest at the Purchased Bond Rate.

B. While in the ARS Mode, interest on the Bonds of such Subseries shall accrue at the ARS Rate for each Auction Period and shall be payable in arrears on each applicable ARS Interest Payment Date.

C. During any Variable Rate Mode or the Fixed Mode, interest on the Bonds of such Subseries shall accrue at the applicable interest rate for each Bond Interest Period and shall be payable in arrears on each applicable Interest Payment Date.

D. The Subseries 2007B-1 Bonds and the Subseries 2007B-2 Bonds may be converted to different interest modes at different times, in accordance with the provisions of this Indenture, but all Bonds within a Subseries must operate in the same Interest Mode. All Bonds in the ARS Mode must have the same Auction Period.

#### SECTION 204. INTEREST ON THE VARIABLE RATE BONDS.

A. Bonds in Variable Rate Modes shall operate as described in this Section 204.

1. Daily Rate Mode. During any period in which Bonds bear interest at a Daily Rate, the Remarketing Agent, having due regard to prevailing market conditions, shall certify to the Trustee by Electronic Means on each Business Day the interest rate which would be, but would not exceed, the interest rate which would result in the fair market value of such Bond being 100% of the principal amount thereof, if such Bond were sold on such Business Day; provided, that such interest rate shall not exceed the Maximum Rate. Such interest rate shall be the Daily Rate with respect to such Bond for such Business Day. The Daily Rate for any non-Business Day shall be either the rate certified by the Remarketing Agent on the last day on which such a certification was made, or if such non-Business Day is the first day of a period during which such Bonds bear interest at a Daily Rate, the rate established on the last Business Day before the date of such commencement of such period.

If for any reason the Remarketing Agent does not set a Daily Rate on any Business Day or a court holds that the rate set for any day is invalid, illegal or unenforceable, the Daily Rate for such Bond for that day shall be the SIFMA Municipal Index.

2. Weekly Rate Mode. On the last Business Day before the effective date of a change to the Weekly Rate Mode and on each Weekly Rate Determination Date thereafter, so long as any such Bond continues to bear interest at a Weekly Rate, the Remarketing Agent, having due regard to prevailing market conditions, shall certify to the Trustee by Electronic Means the interest rate which would be, but would not exceed, the interest rate which would result in the fair market value of such Bond being 100% of the principal amount thereof, if such Bond were sold on such Weekly Rate Determination Date; provided, that such interest rate shall not exceed the Maximum Rate. Such interest rate shall be the Weekly Rate for such Bond for the next Weekly Rate Period.

If for any reason the Remarketing Agent does not set a Weekly Rate on any Weekly Rate Determination Date or a court holds that the rate set for any Weekly Rate Period is invalid, illegal or unenforceable, the Weekly Rate for such Bonds for that Weekly Rate Period shall be the SIFMA Municipal Index.

3. Monthly Rate Mode. On the last Business Day before the effective date of a change to the Monthly Rate Mode and on each Monthly Rate Determination Date thereafter, so long as any such Bond continues to bear interest at a Monthly Rate, the Remarketing Agent,

having due regard to prevailing market conditions, shall certify to the Trustee by Electronic Means the interest rate which would be, but would not exceed, the interest rate which would result in the fair market value of any Bonds being 100% of the principal amount thereof, if the Bonds were sold on such Monthly Rate Determination Date; provided, that such interest rate shall not exceed the Maximum Rate. Such interest rate shall be the Monthly Rate for such Bonds for the next Monthly Rate Period.

If for any reason the Remarketing Agent does not set a Monthly Rate on any Monthly Rate Determination Date or a court holds that the rate set for any Monthly Rate Period is invalid, illegal or unenforceable, the Monthly Rate for such Bonds for that Monthly Rate Period shall be calculated by the Corporation using the following criteria: 75% of the interest rate for 30-day taxable commercial paper (prime paper placed through dealers) as published in The Wall Street Journal in the last issue published on or the day before the day on which the Remarketing Agent would have set the Monthly Rate.

4. Semiannual Rate Mode. On the last Business Day before the effective date of a change to the Semiannual Rate Mode and on each Semiannual Rate Determination Date thereafter so long as any such Bond continues to bear interest at a Semiannual Rate, the Remarketing Agent, having due regard to prevailing market conditions, shall certify to the Trustee by Electronic Means the interest rate which would be, but would not exceed, the interest rate which would result in the fair market value of such Bonds being 100% of the principal amount thereof, if such Bonds were sold on such Semiannual Rate Determination Date; provided, that such interest rate shall not exceed the Maximum Rate. Such interest rate shall be the Semiannual Rate for such Bonds for the next Semiannual Rate Period.

If for any reason the Remarketing Agent does not set a Semiannual Rate on any Semiannual Rate Determination Date or a court holds that the rate set for any Semiannual Rate Period is invalid, illegal or unenforceable, the Semiannual Rate for such Bonds for that Semiannual Rate Period shall be calculated by the Corporation using the following criteria: 80% of the yield shown for six-month United States Treasury Notes or Bonds, as published in The Wall Street Journal in the last issue published on or before the Business Day immediately preceding the commencement of such Semiannual Rate Period; and if that issue does not contain such a yield, the Semiannual Rate shall be determined by linear interpolation between the yields shown in that issue for United States Treasury Notes and Bonds having the next shorter and next longer number of months to maturity.

5. Annual Rate Mode. On the last Business Day before the effective date of a change to the Annual Rate Mode and on each Annual Rate Determination Date thereafter, so long as any such Bond continues to bear interest at an Annual Rate, the Remarketing Agent, having due regard to prevailing market conditions, shall certify to the Trustee by Electronic Means the interest rate which would be, but would not exceed, the interest rate which would result in the fair market value of such Bonds being 100% of the principal amount thereof, if the Bonds were sold on such date; provided, that such interest rate shall not exceed Maximum Rate. Such interest rate shall be the Annual Rate for such Bond for the next Annual Rate Period.



If for any reason the Remarketing Agent does not set an Annual Rate on any Annual Rate Determination Date or a court holds that the rate set for any Annual Rate Period is invalid, illegal or unenforceable, the Annual Rate for such Bonds for that Annual Rate Period shall be calculated by the Corporation using the following criteria: 80% of the yield shown for twelve-month United States Treasury Notes or Bonds, as published in The Wall Street Journal in the last issue published on or before the Business Day immediately preceding the commencement of such Annual Rate Period; and if such issue does not contain such a yield, the Annual Rate will be determined by linear interpolation between the yields shown in such issue for United States Treasury Notes and Bonds having the next shorter and next longer number of months to maturity.

6. Term Rate Mode. On the last Business Day before the effective date of a change to the Term Rate Mode and on each Term Rate Determination Date thereafter, so long as any such Bond continues to bear interest at a Term Rate, the Remarketing Agent, having due regard to prevailing market conditions, shall certify to the Trustee by Electronic Means the interest rate which would be, but would not exceed, the interest rate which would result in the fair market value of such Bonds being 100% of the principal amount thereof, if the Bonds were sold on such date; provided, that such interest rate shall not exceed the Maximum Rate. Such interest rate shall be the Term Rate for such Bond for the next Term Rate Period.

If for any reason the Remarketing Agent does not set a Term Rate on any Term Rate Determination Date or a court holds that the rate set for any Term Rate Period is invalid, illegal or unenforceable, the Term Rate for such Bonds for that Term Rate Period shall be calculated by the Corporation using the following criteria: 80% of the yield shown for X--month (X being equal to the number of months in such Term Rate Period) United States Treasury Notes or Bonds, as published in The Wall Street Journal in the last issue published on or before the Business Day immediately preceding the commencement of such Term Rate Period; and if such issue does not contain such a yield, the Term Rate will be determined by linear interpolation between the yields shown in such issue for United States Treasury Notes and Bonds having the next shorter and next longer number of months to maturity.

7. Remarketing Agent Certifications. The certifications to be made by the Remarketing Agent pursuant to this Section shall be made available by 12:00 Noon, New York City time, communicated by Electronic Means by the Remarketing Agent to the Trustee on the dates required or requested hereunder. The Trustee shall be entitled to conclusively rely on, and be protected in acting in accordance with, any such certification.

B. The Remarketing Agent shall notify the Trustee and the Corporation by Electronic Means, no later than 12:00 noon, New York City time:

1. On the Business Day preceding each Purchase Date occurring at the request of any Owner of a Bond during a period in which such Bond bears interest at either a Daily Rate or a Weekly Rate, of the Daily Rate or Weekly Rate, as the case may be, in effect for each day since the last day of the next preceding Bond Interest Period with respect to such Bond; and

2. On the Business Day preceding any Redemption Date occurring during a period in which any Bond bears interest at either a Daily Rate or a Weekly Rate which Redemption Date is not the 1st day of a calendar month, of the Daily Rate or Weekly Rate, as the case may be, in effect for each day since the last day of the next preceding Bond Interest Period with respect to such Bond; and

3. On (A) the Business Day preceding the Effective Date of any Alternate Liquidity Support Facility or (B) the penultimate Business Day preceding the Expiration Date of any Liquidity Support Facility, but only if such Effective Date or Expiration Date, as the case may be, occurs during a period in which the Bonds bear interest at a Daily Rate or a Weekly Rate and which Effective Date or Expiration Date is not the 1st day of a calendar month, of the Daily Rate or Weekly Rate in effect for each day since the last day of the next preceding Bond Interest Period with respect to such Bond; and

4. On each Daily Rate Determination Date, of the Daily Rate in effect for each Bond which bears interest at a Daily Rate for the next Daily Rate Period; and

5. On each Weekly Rate Determination Date, of the Weekly Rate in effect for each Bond which bears interest at a Weekly Rate for the next Weekly Rate Period; and

6. On each Monthly Rate Determination Date, of the Monthly Rate in effect for each Bond which bears interest at a Monthly Rate for the next Monthly Rate Period; and

7. On each Semiannual Rate Determination Date, of the Semiannual Rate for each Bond which bears interest at a Semiannual Rate for the next Semiannual Rate Period; and

8. On each Annual Rate Determination Date, of the Annual Rate for each Bond which bears interest at an Annual Rate for the next Annual Rate Period; and

9. On each Term Rate Determination Date, of the Term Rate for each Bond which bears interest at a Term Rate for the next Term Rate Period.

C. The determination of Variable Rates and Purchased Bond Rates, and the calculation of interest payable on any Variable Rate Bonds and any Purchased Bonds as provided in this Section 204 shall be conclusive and binding on the Issuer, the Trustee, the Remarketing Agent, the Corporation, the Owners of the Bonds and any Beneficial Owners of the Bonds.

SECTION 205. RESERVED.

SECTION 206. INTEREST ON THE ARS BONDS; AUCTION PROCEDURES.

Interest on the ARS Bonds shall be determined and Auctions shall be conducted with respect to Bonds bearing interest at an ARS Rate in accordance with the provisions set forth in the ARS Procedures as amended from time to time, which are incorporated herein by reference.

## SECTION 207. CONVERSION BETWEEN MODES.

All Bonds in a Subseries must operate in the same Interest Mode, and, with respect to a Subseries of Bonds in the ARS Mode, must have the same Auction Period. Following conversion of a Subseries of Bonds to the Fixed Mode, Bonds of different maturities may bear interest at different Fixed Rates but all Bonds of the same maturity shall bear interest at the same Fixed Rate. Accordingly, if any Bonds are to be converted into a different Interest Mode, all Bonds of such Subseries must be converted into such different Interest Mode at the same time.

### A. Conversion from ARS Mode to a Variable Rate Mode.

At the option of the Corporation, all of a Subseries of Bonds (in an amount which is an Authorized Denomination for the new Rate Period) may be converted from an ARS Rate Mode to a Variable Rate Mode. Any such conversion shall be made as follows:

(i) The Conversion Date from an ARS Rate Mode shall be on the Interest Payment Date following the final Auction Period.

(ii) The Corporation shall give written notice of any such conversion to the Issuer, the Trustee, the Remarketing Agent, if any, the Auction Agent and the Broker-Dealer not less than seven (7) Business Days prior to the date on which the Trustee is required to notify the registered owners of the conversion pursuant to subparagraph (iii) below. Such notice shall specify the Bonds to be converted, the Conversion Date and the new rate period to which the conversion will be made. Together with such notice, the Corporation shall file with the Issuer and the Trustee a Favorable Opinion. No change to a Variable Rate Mode shall become effective unless the Corporation shall also file, with the Issuer and the Trustee, an Opinion of Bond Counsel to the same effect dated the Conversion Date.

(iii) Not less than twenty (20) days prior to the Conversion Date, the Trustee shall mail a written notice of the conversion to the registered owners of all Bonds to be converted, specifying the Conversion Date.

(iv) At anytime prior to 10:00 a.m. New York City time on the Business Day immediately preceding the Conversion Date, the Corporation may withdraw its notice of conversion and the Auction for such Bonds shall be held on such Auction Date as if no conversion notice had ever been given. If on a Conversion Date there has not been a timely withdrawal of the conversion notice as set forth in the preceding sentence or any condition precedent to such conversion is not satisfied, the Trustee will give notice by Electronic Means as soon as practicable and in any event not later than the next succeeding Business Day to the registered owner of the Subseries of Bonds to have been converted, the Issuer, and the Broker-Dealer that such conversion has not occurred, that the Subseries of Bonds will not be purchased on the failed Conversion Date, that the Auction Agent will continue to implement the Auction Procedures on the Auction Dates with respect to such Bonds which otherwise would have been converted excluding however, the Auction Date falling on the Business Day next preceding the failed Conversion Date, and that the interest rate will continue to be the ARS Rate; provided, however, that the interest rate borne by the Bonds which otherwise would have been converted

during the Auction Period commencing on such failed Conversion Date will be the Maximum Interest Rate, and the Auction Period will be the seven-day Auction Period.

(v) On the Conversion Date applicable to the Subseries of Bonds to be converted, the Bonds to be converted shall be subject to mandatory tender at a purchase price equal to 100% of the principal amount thereof, plus accrued interest. The principal portion of the Purchase Price of the Bonds so tendered is payable solely from the proceeds of the remarketing of such Bonds. In the event that the conditions of a conversion are not satisfied, including the failure to remarket all applicable Bonds on a Mandatory Tender Date, the Bonds will not be subject to mandatory tender, will be returned to their owners, will automatically convert to a seven-day Auction Period and will bear interest at the Maximum Rate.

(vi) If the conditions to conversion to the ARS Rate Mode are not met, (a) such Bonds will not be subject to mandatory tender pursuant to Section 503 hereof, (b) the ARS Rate shall be the Maximum Rate, (c) the Auction Period shall be of the duration determined in accordance with the ARS Procedures, and (d) the Trustee shall give notice in substantially the form attached hereto as Exhibit C to the Auction Agent and to the Custodian by Electronic Means.

B. Conversion From Variable Rate Mode to ARS Mode.

1. While the Bonds of a Subseries are in any Variable Rate Mode, the Corporation may effect a Change to ARS Mode by delivering a written notice in substantially the form attached hereto as Exhibit D to the Liquidity Support Provider (if any), the Remarketing Agent, the Trustee and the Custodian (if prior to the Book-Entry Termination Date) that the Bonds of such Subseries will be converted from the applicable Variable Rate Mode to the ARS Mode on a proposed effective date specified in such notice, which proposed effective date shall be not less than 30 days from the date of such notice and shall be a Business Day and a Interest Payment Date; provided that if the proposed conversion is to occur during a period when the redemption price for the Bonds includes a premium in accordance with Section 501(A), provision for payment of such premium to Bondholders on the date of the Change to ARS Mode has been made by the Corporation. Such notice shall be accompanied by an executed Auction Agreement and an executed Broker-Dealer Agreement.

The Change to ARS Mode shall take effect only if: (a) an Auction Agreement has been duly executed and delivered by the parties thereto and is in full force and effect not less than 14 days prior to the Effective Date; and (b) a Broker-Dealer Agreement has been duly executed and delivered by the parties thereto and is in full force and effect not less than 14 days prior to the Effective Date; and (c) an Auction Agent has been appointed by the Corporation in accordance with Section 818 of the Indenture and a Broker-Dealer has been appointed by the Corporation in accordance with Section 819 of the Indenture.

2. The Trustee shall mail the notice received pursuant to Section 207(B)(1) hereof on or before the third Business Day after receipt thereof to the Owners of the applicable Subseries of Bonds.

3. Notwithstanding the foregoing, in the event that all Bonds of the Subseries are not sold or remarketed as ARS on the proposed effective date of a Change to ARS Mode or if any of the requirements of Section 207(B)(1) have not be satisfied, such Subseries of Bonds will not be converted to an ARS Mode and if the change was from a Variable Rate Mode, such Bonds will continue to operate in the applicable Variable Rate Mode, subject to the further provisions of Section 207(B)(4) hereof. If such Subseries of Bonds does not convert to an ARS Mode, the Trustee shall give a notice in substantially the form attached hereto as Exhibit E to the Remarketing Agent and the Owners of the Bonds of such Subseries.

4. If such Subseries of Bonds is not converted to the ARS Mode, such Subseries of Bonds shall nevertheless be subject to mandatory tender pursuant to Section 504 hereof and shall be remarketed on the proposed effective date of the Change to ARS Mode in the Weekly Rate Mode; *provided, however*, that if the Bonds were operating in an Annual Rate Mode or Term Rate Mode prior to the proposed effective date of a Change to ARS Mode, such Subseries of Bonds shall be remarketed and operate on such proposed effective date of a Change to ARS Mode as follows:

(a) if there is delivered to the Trustee and the Auction Agent an Opinion of Counsel from Bond Counsel to the effect that remarketing the Bonds in the Weekly Rate Mode on such proposed effective date of the Change to ARS Mode will not adversely effect the validity of the Bonds or the exclusion of the interest on the Bonds from gross income for federal income tax purposes, in the Weekly Rate Mode, or

(b) if no such Opinion of Counsel is delivered (as described in the immediately preceding paragraph), the Annual Rate Mode or Term Rate Mode, as applicable.

C. Conversion from one Variable Rate Mode to different Variable Rate Mode.

1. While the Bonds of any Subseries are in any Variable Rate Mode, the Corporation may effect a change to a different Variable Rate Mode (or if such Bonds are in a Term Rate Mode, to a Term Rate Mode having a different Nominal Term Rate Period) by delivering a written notice in substantially the form attached hereto as Exhibit B to the Remarketing Agent, the Trustee, and the Custodian (if prior to the Book-Entry Termination Date) that the Bonds of such Subseries will be converted from the applicable Variable Rate Mode to another specified Variable Rate Mode on a proposed effective date specified in such notice, which proposed effective date shall be not less than 30 days from the date of such notice and shall be a Business Day and a Interest Payment Date. In connection with each conversion to a Term Rate Mode, the Nominal Term Rate Period shall be selected by the Corporation and designated in such notice.

2. The Trustee shall mail the notice received pursuant to Section 207(C)(1) hereof on or before the third Business Day after receipt thereof to the Owners of the Bonds to be converted.

3. A Change to Variable Rate Mode shall be effective pursuant to Section 207(C)(1) hereof only if the Trustee shall have received:

(a) By 11:00 a.m., New York City time, on the Business Day prior to the effective date of such Change to a Variable Rate Mode a certificate from the Remarketing Agent disclosing the applicable Variable Rate established by the Remarketing Agent for the applicable initial Variable Rate Period;

(b) By 4:00 p.m., New York City time, on the effective date of such Change to a Variable Rate Mode, a certificate from the Remarketing Agent that all of the Bonds tendered or deemed tendered have been purchased at a price equal to the principal amount thereof; and

(c) An Opinion of Bond Counsel to the effect that a Change to Variable Rate Mode will not adversely effect the validity of the Bonds or the exclusion of the interest on the Bonds from gross income for federal income tax purposes.

4. Notwithstanding the foregoing, in the event that all Bonds are not remarketed on the proposed effective date of the Change to a Variable Rate Mode, or if any of the conditions referred to in Section 207(C)(3) hereof is not met, the Bonds:

(a) will not be converted to the new Variable Rate Mode,

(b) will be subject to mandatory tender pursuant to Section 503 hereof on the proposed effective date of the Change to a Variable Rate, and

(c) (i) will automatically convert to a Weekly Rate Mode with an initial Variable Rate equal to the Variable Rate determined by the Remarketing Agent on the proposed effective date of such Change to a Variable Rate; *provided, however*, that if the Bonds were operating in an Annual Rate Mode or a Term Rate Mode prior to the proposed effective date of the change to a different Variable Rate Mode, such Subseries of the Bonds shall be remarketed and operate on such proposed effective date of the change to a different Variable Rate Mode as follows:

(ii) if there is delivered to the Trustee and the Remarketing Agent an Opinion of Counsel from Bond Counsel to the effect that remarketing such Subseries of Bonds in the Weekly Rate Mode on such proposed effective date of the Change to a Variable Rate Mode will not adversely affect the validity of the Bonds or the exclusion of the interest on the Bonds from gross income for federal income tax purposes, in the Weekly Rate Mode, or

(iii) if no such Opinion of Counsel is delivered, as described in the immediately preceding paragraph, the Annual Rate Mode or Term Rate Mode, as applicable.

If the conditions for effecting a Change to a Variable Rate Mode have not been satisfied, the Trustee shall give a notice in substantially the form attached hereto as Exhibit C to the Remarketing Agent and the Owners of the Bonds.

D. Conversion to Fixed Mode.

1. While the Bonds of a Subseries are in the ARS Mode or any Variable Rate Mode, the Corporation may effect a conversion to a Fixed Mode, by delivering a written notice in the form attached hereto as Exhibit F (the "Fixed Rate Conversion Notice") to the Trustee and the Custodian (if prior to the Book-Entry Termination Date), and during an ARS Rate Period to the Auction Agent and each Broker-Dealer, or during a Variable Rate Period to the Liquidity Support Provider, if any, and the Remarketing Agent. The Fixed Rate Conversion Notice shall specify that the Bonds of such Subseries will be converted from the ARS Mode or Variable Rate Mode to the Fixed Mode on the proposed Fixed Rate Date and will bear interest at the Fixed Rate from and after the Fixed Rate Date. The proposed Fixed Rate Date shall be not less than 35 days from the date of such Fixed Rate Conversion Notice and shall be a Business Day, which is an ARS Interest Payment Date (if the Bonds were in the ARS Mode) or a Interest Payment Date (if the Bonds were in a Variable Rate Mode).

2. Subject to the terms and conditions hereof, on and after the Fixed Rate Date, the Bonds of such Subseries shall cease to bear interest at the ARS Rate or the applicable Variable Rate and shall bear interest at the rate or rates of interest per annum established and certified to the Trustee pursuant to the Fixed Rate Commitment (as hereinafter defined) no later than 11:00 a.m., New York City time, on the Business Day prior to the Fixed Rate Date.

3. At least 30 days prior to the proposed Fixed Rate Date, the Trustee shall give written notice to the Owners of the applicable Subseries of Bonds that such Bonds will be converted to and will bear interest at the Fixed Rate, which notice shall state (A) the Fixed Rate Date, and (B) that all Bonds of such Subseries shall be subject to mandatory purchase on such Fixed Rate Date. The purchase of the Bonds will be at a purchase price equal to 100% of the principal amount thereof plus accrued interest. The Owner of any Bond with respect to which such notice is given may not elect to retain its Bond.

4. The Fixed Rate shall take effect only if:

(a) With respect to a change to the Fixed Rate from an ARS Rate, the Trustee and the Auction Agent shall have received:

(i) An Officer's Certificate by no later than the tenth day prior to the proposed Fixed Rate Date stating that a written agreement has been entered into between the Corporation and a firm or firms of investment bankers to remarket the Bonds on the Fixed Rate Date (the "Fixed Rate Commitment") at a price of not less than 100% of the principal amount thereof at a fixed rate per annum which would be, but would not exceed, the interest rate which would result in the fair market value of the Bonds being 100% of the principal amount thereof. The Fixed Rate Commitment may be subject to such reasonable terms and conditions which in the judgment of the Corporation reflect current market standards regarding investment banking risk, must include a provision requiring payment of the purchase price in same-day funds for the Bonds, and must include a provision requiring the determination of the Fixed Rate no later than 11:00 a.m., New York City time, on the Business Day prior to the Fixed Rate Date; *provided, however*, that, notwithstanding the foregoing provisions of this Section 207(D)(4)(a)(i), the Fixed Rate Commitment may state that the Fixed Rate shall be the rate of

interest per annum determined by the Remarketing Agent to be the interest rate which, if borne by the Bonds, would enable the Remarketing Agent to sell such Bonds at a price (without regard to accrued interest) which results in the lowest net interest cost for the Bonds, after taking into account any premium or discount at which such Bonds are sold by the Remarketing Agent, provided that: (a) the Remarketing Agent certifies to the Trustee and the Corporation that the sale of such Bonds at the interest rate and premium or discount specified by the Remarketing Agent is expected to result in the lowest net interest cost for such Bonds on the date such Bonds begin to bear interest at such Fixed Rate; (b) the Corporation consents in writing to the sale of such Bonds by the Remarketing Agent at such premium or discount; (c) in the case of Bonds to be sold at a discount, either (x) a Liquidity Support Facility is in effect with respect to such Bonds and provides for the purchase of such Bonds at such discount, or (y) the Corporation agrees to transfer to the Trustee on the date of conversion to such Fixed Mode, in immediately available funds, for deposit in the Bond Fund, an amount equal to such discount; (d) in the case of Bonds to be sold at a premium, the Remarketing Agent shall transfer to the Trustee for deposit in the Bond Fund an amount equal to such premium; (e) on or before the date of determination of the Fixed Rate, the Corporation delivers to the Trustee and the Remarketing Agent a letter from Bond Counsel to the effect that Bond Counsel expects to be able to give a Favorable Opinion of Bond Counsel on the date of conversion to such Fixed Mode; and (f) on or before the date of conversion to such Fixed Mode, a Favorable Opinion of Bond Counsel shall have been received by the Trustee, the Corporation and the Remarketing Agent.

(ii) By 11:00 a.m., New York City time, on the Business Day prior to the Fixed Rate Date, in writing or by Electronic Means an Officer's Certificate from the Corporation authorizing the establishment of the Fixed Rate, and a written notice from the counterparty to the Fixed Rate Commitment setting forth the Fixed Rate established pursuant to the Fixed Rate Commitment;

(iii) By 4:00 p.m., New York City time, on the Fixed Rate Date, a certificate from the Remarketing Agent that all of the Bonds tendered or deemed tendered have been purchased at a price equal to the principal amount thereof, with funds provided from the remarketing of such Bonds in accordance with the Fixed Rate Commitment; and

(iv) An Opinion of Counsel from Bond Counsel to the effect that a conversion to the Fixed Rate will not adversely affect the validity of the Bonds or the exclusion of the interest on the Bonds from gross income for federal income tax purposes.

5. If any one of the conditions referred to in Section 207(D)(4)(a)(i), Section 207(D)(4)(a)(ii) or Section 207(D)(4)(a)(iv) hereof is not met with respect to any change to the Fixed Rate from an ARS Rate, the ARS Mode shall continue and the ARS Rate for the next succeeding Auction Period shall be determined pursuant to the Auction Procedures. The Auction Period commencing on such date shall, however, be of the following duration:

(a) if the Auction Period preceding the date of the proposed change to the Fixed Rate had a duration of less than one year, the new Auction Period shall be a seven-day period; and



(b) if the Auction Period preceding the date of the proposed change to the Fixed Rate had a duration of one year or longer, the new Auction Period shall

(i) if there is delivered to the Trustee an Opinion of Counsel from Bond Counsel to the effect that conducting an auction for the Bonds with a seven-day Auction Period on such proposed Conversion Date to the Fixed Mode will not adversely affect the validity of the Bonds or the exclusion of the interest on the Bonds from gross income for federal income tax purposes, be a seven-day Auction Period, or

(ii) if no such Opinion of Counsel is delivered (as described in the immediately preceding paragraph), an Auction Period of the same duration as that in effect prior to such proposed Fixed Rate Date.

6. If the condition referred to in Section 207(D)(4)(a)(iii) hereof is not met with respect to any change to the Fixed Rate from an ARS Rate, the ARS Mode shall continue and the ARS Rate shall be the Maximum Rate, and the Auction Period shall be of the duration determined in the preceding provisions of this Section 207(D)(6)(a) relating to a failure to satisfy the conditions for a Change to the Fixed Rate.

7. If any one of the foregoing conditions for a Change to the Fixed Rate is not met, the Bonds of such Subseries shall not be subject to mandatory purchase pursuant to Section 504 hereof and the Trustee shall give a notice in substantially the form attached hereto as Exhibit G to the Auction Agent and to the Custodian by Electronic Means;

(a) With respect to a change to a Fixed Rate from any Variable Rate, the Trustee shall receive:

(1) An Officer's Certificate from the Corporation by no later than the tenth day prior to the proposed Fixed Rate Date that a Fixed Rate Commitment has been entered into;

(2) By 11:00 a.m., New York City time, on the Business Day prior to the Fixed Rate Date, in writing or by Electronic Means:

(i) an Officer's Certificate from the Corporation authorizing the establishment of the Fixed Rate, and

(ii) a written notice from the counterparty to the Fixed Rate Commitment setting forth the Fixed Rate established pursuant to the Fixed Rate Commitment;

(3) By 4:00 p.m., New York City time, on the Fixed Rate Date, a certificate from the Trustee that all of the Bonds tendered or deemed tendered have been purchased at a price equal to the principal amount thereof, with funds provided from the remarketing of such Bonds in accordance with a Fixed Rate Commitment; and

(4) An Opinion of Counsel from Bond Counsel to the effect that a conversion to the Fixed Rate will not adversely affect the validity of the Bonds or the exclusion of the interest on the Bonds from gross income for federal income tax purposes.

(b) If any one of the conditions referred to in Section 207(D)(7)(a)(1) through (4) above is not met with respect to any change to a Fixed Rate from any Variable Rate, the Bonds of such Subseries:

(1) will not be converted to the Fixed Mode,

(2) shall be subject to mandatory purchase pursuant to Section 504 hereof on the proposed Conversion Date to the Fixed Mode,

(3) shall be remarketed on the proposed Conversion Date in the Weekly Rate Mode; *provided, however*, that if the Bonds were operating in an Annual Rate Mode or Term Rate Mode prior to the proposed Conversion Date, Bonds shall be remarketed and operate on such proposed Conversion Date as follows:

(i) if there is delivered to the Trustee an Opinion of Counsel from Bond Counsel to the effect that remarketing such Subseries of Bonds in the Weekly Rate Mode on such proposed Conversion Date to the Fixed Mode will not adversely affect the validity of the Bonds or the exclusion of the interest on the Bonds from gross income for federal income tax purposes, in the Weekly Rate Mode, or

(ii) if no such Opinion of Counsel is delivered (as described in the immediately preceding paragraph), the Annual Rate Mode or Term Rate Mode, as applicable.

(4) if the proposed conversion was from the Variable Rate Mode, shall bear interest at an initial Variable Rate equal to the Variable Rate determined by the Remarketing Agent on the proposed Conversion Date.

If any of the foregoing conditions is not met, the Trustee shall mail to the Corporation, the Liquidity Support Provider, if any, the Remarketing Agent and the Owners of the Bonds, notice thereof in substantially the form attached hereto as Exhibit G within three Business Days after the failure to meet any of said conditions.

F. Replacement Bonds. At the expense of the Corporation, the Issuer and the Trustee shall deliver replacement Bonds bearing the Fixed Rate for converted Bonds tendered or deemed tendered by the Owner thereof on the Fixed Rate Date. Any such replacement Bonds shall be executed and authenticated as provided herein.

## SECTION 208. EXECUTION; LIMITED OBLIGATION; NO LIABILITY OF COMMONWEALTH.

A. The Bonds shall be executed on behalf of the Issuer by the facsimile or manual signature of its Chairman or Vice Chairman and its Secretary or any Assistant Secretary (or such other Authorized Officer of the Issuer) and shall have impressed or printed manually or by

facsimile thereon the corporate seal of the Issuer. The facsimile signatures of said officers shall have the same force and effect as if such officer had manually signed each of said Bonds. In case any officer whose signature or facsimile of whose signature shall appear on the Bonds shall cease to be such officer before the delivery of such Bonds, such signature or such facsimile shall nevertheless be valid and sufficient for all purposes, the same as if he/she had remained in office until delivery.

B. The Bonds, together with interest thereon, shall be limited obligations of the Issuer payable solely from the Trust Estate (except to the extent paid out of moneys attributable to Bond proceeds or the income from the temporary investment thereof and under certain circumstances, Net Proceeds, and except for the Unassigned Rights) and shall be a valid claim of the respective holders thereof only against the funds and accounts established under the Indenture, other than the Rebate Fund, and other moneys held by the Trustee for the benefit of the Bondholders and the payment due or to become due upon or under this Indenture (except for the Unassigned Rights) all of which are hereby assigned and pledged hereunder for the equal and ratable payment of the Bonds and shall be used for no other purpose than to pay the principal of, premium, if any, and interest on the Bonds, except as may be otherwise expressly authorized in this Indenture.

C. THE BONDS ARE LIMITED OBLIGATIONS OF THE ISSUER PAYABLE SOLELY FROM THE TRUST ESTATE. NEITHER THE PRINCIPAL OF THE BONDS, NOR THE INTEREST ACCRUING THEREON, SHALL EVER CONSTITUTE A GENERAL INDEBTEDNESS OF THE ISSUER OR AN INDEBTEDNESS OF THE COMMONWEALTH OF PENNSYLVANIA OR ANY POLITICAL SUBDIVISION OR INSTRUMENTALITY THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION WHATSOEVER OR SHALL EVER CONSTITUTE OR GIVE RISE TO A PECUNIARY LIABILITY OF THE COMMONWEALTH OF PENNSYLVANIA OR ANY POLITICAL SUBDIVISION OR INSTRUMENTALITY THEREOF, NOR WILL THE BONDS BE, OR BE DEEMED TO BE, AN OBLIGATION OF THE COMMONWEALTH OF PENNSYLVANIA OR ANY POLITICAL SUBDIVISION OR INSTRUMENTALITY THEREOF. THE ISSUER HAS NO TAXING POWER.

#### SECTION 209. AUTHENTICATION.

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

#### SECTION 210. FORM OF BONDS AND TEMPORARY BONDS.

The Bonds shall initially be issued in substantially the same form as Exhibit A hereto, which is incorporated herein by this reference, but with such changes as may be necessary or

appropriate, in the Opinion of Bond Counsel, to conform such Bonds, as the case may be, to the applicable provisions of this Indenture.

Bonds may be initially issued in temporary form exchangeable for definitive Bonds when ready for delivery. The temporary Bonds shall be of such denomination or denominations as may be determined by the Issuer, and may contain such references to any of the provisions of this Indenture as may be appropriate. Every temporary Bond shall be executed by the Issuer and then authenticated by the Trustee upon the same conditions and in substantially the same manner as the definitive Bonds. If the Issuer 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 designated 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 the same maturity and Subseries of Authorized Denominations. Until so exchanged, the temporary Bonds shall be entitled to the same benefits under this Indenture as definitive Bonds authenticated and delivered hereunder.

#### SECTION 211. REGISTRATION, TRANSFER AND EXCHANGE.

A. The ownership of each Bond shall be recorded in the registration books of the Issuer, which books shall be kept by the Trustee at its designated office and shall contain such information as is necessary for the proper discharge of the Trustee's duties hereunder as Trustee, registrar, paying agent and transfer agent.

B. Bonds may be transferred or exchanged as follows:

1. Any Bond may be transferred if endorsed for such transfer by the holder thereof and surrendered by such holder or his duly appointed attorney at the designated office of the Trustee, whereupon the Trustee shall authenticate and deliver to the transferee a new Bond or Bonds of the same Subseries and maturity and in the same denomination as the Bond surrendered for transfer or in other Authorized Denominations of the same maturity equal in the aggregate to the principal amount of the surrendered Bond.

2. Any Bond or Bonds of a particular series and maturity may be exchanged for one or more Bonds of the same Subseries and maturity and in the same principal amount but in different Authorized Denominations of the same maturity. Each Bond so to be exchanged shall be surrendered by the holder thereof or his duly appointed attorney at the designated office of the Trustee, whereupon a new Bond or Bonds shall be authenticated and delivered to the holder.

3. In the case of any Bond properly surrendered for partial redemption, the Trustee shall authenticate and deliver a new Bond in exchange therefor, such new Bond to be of the same Subseries and maturity and in an Authorized Denomination equal to the unredeemed principal amount of the surrendered Bond; provided that, in its option, the Trustee may certify the amount and date of partial redemption upon the partial redemption certificate, if any, printed on the surrendered Bond and return such surrendered Bond to the holder in lieu of an exchange.

Upon surrender of any Bonds to be transferred or exchanged, the Trustee shall record the transfer or exchange in its Bond Register and shall authenticate and deliver new Bonds appropriately registered and in appropriate Authorized Denominations.

C. New Bonds delivered upon any transfer, exchange or substitution, shall be valid obligations of the Issuer, evidencing the same debt as the Bonds surrendered and shall be secured by the Indenture and entitled to all of the security and benefits hereof to the same extent as the Bonds surrendered.

D. Restrictions on Transfers and Exchange.

1. During the ARS Mode, so long as the ownership of the Bonds is maintained in book-entry form by the Custodian, a Beneficial Owner or an Existing Owner may sell, transfer or otherwise dispose of Bonds only pursuant to the ARS Procedures *provided, however*, that (1) a sale, transfer or other disposition of Bonds from a customer of a Broker-Dealer who is listed on the records of that Broker-Dealer as the holder of such Bonds to that Broker-Dealer or another customer of that Broker-Dealer shall not be deemed to be a sale, transfer or other disposition for purposes of this Section 211(d) if such Broker-Dealer remains the Existing Owner of the Bonds so sold, transferred or disposed of immediately after such sale, transfer or disposition; and (2) in the case of all transfers other than pursuant to Auctions, such Broker-Dealer to whom such transfer is made shall advise the Auction Agent of such transfer.

2. Except as provided in Article V hereof, the Trustee shall not be required to register the transfer or exchange of any Bond (i) during a period beginning at the opening of business fifteen days before the day of the mailing of notice of redemption of the Bonds and ending at the close of business on the day of such mailing, (ii) at any time following the selection of such Bond, in whole or in part, for redemption, or (iii) during the period commencing on a Record Date and ending on the corresponding Interest Payment Date. No transfer or exchange shall be valid or effective for any purpose hereunder except as provided above.

SECTION 212. MUTILATED, DESTROYED, LOST OR STOLEN BONDS.

A. If any Bond is mutilated, lost, stolen or destroyed, the holder thereof shall be entitled to the issuance of a substitute Bond only as follows:

1. in all cases, the Bondholder shall provide indemnity to the Trustee and the Issuer against any and all claims arising out of or otherwise related to the issuance of substitute Bonds pursuant to this Section;

2. in the case of a mutilated Bond the Bondholder shall surrender the Bond to the Trustee for cancellation; and

3. in the case of a lost, stolen or destroyed Bond (A) the Bondholder shall provide evidence, satisfactory to the Issuer and the Trustee, of the ownership and the loss, theft or destruction of the affected Bond and (B) neither the Issuer nor the Trustee shall have notice that the affected Bond has been registered by any Person other than the applicable Bondholder.

Upon compliance with the foregoing, a new Bond of like tenor and denomination, executed by the Issuer, shall be authenticated by the Trustee and delivered to the Bondholder, all at the expense of the Bondholder to whom the substitute Bond is delivered. Notwithstanding the foregoing, the Trustee shall not be required to authenticate and deliver any substitute for a Bond which has been called for redemption or which has matured or which will mature within (30) thirty days of a Bondholder's request for a substitute Bond, and, in any such case, the principal or redemption price then due or becoming due shall be paid by the Trustee in accordance with the terms of the mutilated, lost, stolen or destroyed Bond and this Indenture without substitution therefor.

B. Every substituted Bond issued pursuant to this Section 212 shall constitute an additional contractual obligation of the Issuer, whether or not the Bond alleged to have been destroyed, lost or stolen shall be at any time enforceable by anyone, and shall be entitled to all the benefits of this Indenture equally and proportionately with any and all other Bonds duly issued hereunder.

C. All Bonds shall be held and owned upon the express condition that the foregoing provisions are exclusive with respect to the replacement or payment of mutilated, destroyed, lost or stolen Bonds, and shall preclude any and all other rights or remedies, notwithstanding any law or statute existing or hereafter enacted to the contrary with respect to the replacement or payment of negotiable instruments, investments or other securities without their surrender.

#### SECTION 213. CANCELLATION AND DESTRUCTION OF SURRENDERED BONDS.

In accordance with applicable laws and regulations and the Trustee's applicable policies and procedures, the Trustee shall cancel and destroy (a) all Bonds surrendered for transfer or exchange, for payment at maturity or for redemption (unless the surrendered Bond is to be partially redeemed and the Trustee elects to return the Bond, certified as to the redemption, to the holder thereof pursuant to Section 211(B)(iii)), (b) all Bonds purchased by the Trustee with available moneys in Funds established hereunder and for which the Trustee has received a Written Request to cancel, and (c) all Bonds purchased by the Corporation and surrendered to the Trustee for cancellation. The Trustee shall make appropriate notations in its records in respect of all Bonds canceled by it and, in accordance with applicable laws and regulations, and the Trustee's policies and procedures, shall destroy all Bonds so canceled. The Trustee shall deliver to the Issuer and the Corporation a certificate of destruction in respect of all Bonds destroyed in accordance with this Section.

#### SECTION 214. ACTS OF BONDHOLDERS; EVIDENCE OF OWNERSHIP.

Any action to be taken by Bondholders may be evidenced by one or more concurrent written instruments of similar tenor signed or executed by such Bondholders in person or by their agent appointed in writing. The fact and date of the execution by any Person of any such instrument may be proved by acknowledgment before a notary public or other officer empowered to take acknowledgments or by an affidavit of a witness to such execution. Any action by the holder of any Bond shall bind all future holders of the same Bond in respect of any thing done or suffered by the Issuer or the Trustee in pursuance thereof.

## SECTION 215. REPLACEMENT BONDS.

If, pursuant to Section 202(G)(3) hereof, the Issuer determines to discontinue the book entry system, then the Trustee shall notify the Corporation and the Custodian and request the Custodian to notify its Participants of the Issuer's determination and of the availability of certificates with respect to beneficial interests in the Bonds. As provided in Section 202(G)(3) hereof, the Trustee shall cause certificates to be prepared, at the Corporation's expense for delivery to such Beneficial Owners, or their nominees, in appropriate amounts and in accordance with and in reliance upon the Bond registry of the Custodian or custodial records of the Custodian, making such adjustments and allowances as it may find necessary or appropriate as to the date of such certificates, accrued interest and previous calls for redemption.

In such event, all references to the Custodian herein shall relate only to the period of time when the Custodian has possession of at least one Bond and shall be applicable only to such Bond held. Upon issuance of such replacement Bonds ("the Replacement Bonds"), all references herein to obligations imposed upon or to be performed by the Custodian shall be deemed to be imposed upon and performed by the Trustee or alternate or successor transfer agent, to the extent applicable with respect to such Replacement Bonds.

In the event the Custodian resigns or the Issuer makes the determination set forth above and the Corporation or Issuer is unable to locate a qualified successor, then the Trustee, upon receipt of the Bond registry records of the Custodian, shall authenticate and cause delivery of Replacement Bonds with respect to the interests of the Beneficial Owners or certificates with respect to the respective interests of the Participants, or a combination of both, all at the option and written direction of the Participants.

## SECTION 216. SUCCESSOR CUSTODIAN.

In the event of a change in the position of Custodian, the Trustee shall request any successor Custodian to present to the Trustee, the Issuer and the Corporation written evidence satisfactory to the Corporation and the Issuer with respect to its ability to discharge its responsibilities. Any such successor Custodian shall be a Custodian which is registered as such under the Securities and Exchange Act of 1934, as amended, or other applicable statute or regulations, and has done all things required thereby (or, if such requirements are not a requirement of applicable law with respect to the Bonds, the Issuer may permit a successor Custodian with comparable qualifications, upon evidence satisfactory thereof being delivered to the Issuer, the Corporation and the Trustee). The Trustee upon its receipt of a Bond certificate for cancellation shall cause the authorization and delivery of Bond certificates to the successor Custodian (or its nominee) in Authorized Denominations and form as authorized hereunder.

## SECTION 217. DELIVERY OF BONDS.

Upon the execution and delivery of this Indenture, the Issuer shall execute and deliver to the Trustee and the Trustee shall authenticate the Bonds to be issued in the aggregate principal amount of \$165,000,000 and the Trustee shall deliver them to the purchasers as may be directed by the Issuer as hereinafter in this Section 217 provided.

Prior to the delivery by the Trustee of any of the Bonds, there shall be filed with or delivered to the Trustee the following items:

A. a Certified Resolution of the Issuer authorizing the execution and delivery of the Agreement and this Indenture and the issuance of the Bonds;

B. originally executed counterparts of this Indenture, the Agreement, the Supplemental Master Indentures and the 2007B Notes;

C. a Written Request of the Issuer to the Trustee to authenticate and deliver the Bonds to the original purchasers thereof upon payment to the Trustee, but for the account of the Issuer, of a sum specified in such request and authorization plus accrued interest thereon, if any, to the date of delivery;

D. a Written Request of the Issuer or the Corporation to the Trustee detailing the amounts of deposits and transfers of the proceeds of the sale of the Bonds;

E. an opinion of Counsel to the Issuer acceptable to the underwriter's counsel and Bond Counsel;

F. an approving opinion of Bond Counsel; and

G. such other documents as required by the Trustee, Bond Counsel and the original purchasers in connection with the issuance of the Bonds.

#### SECTION 218. DEPOSIT OF FUNDS.

The Issuer, for and on behalf of the Corporation, shall deposit with the Trustee to the credit of the Clearing Fund all of the proceeds (net of discount, if any) from the sale of the Bonds. The Trustee shall, upon receipt of Written Request from the Issuer and the Corporation, out of such proceeds, make the transfers and deposits specified in such Written Request, which shall include (a) a transfer to the holder of the Prior Note of \$164,900,389, and (b) payments for a portion of the costs of issuing the Bonds as specified in the Written Request of the Issuer and the Corporation delivered on the Closing Date.

Subsequent to the Closing Date, the Trustee shall pay out of moneys then on deposit in the Clearing Fund such additional costs of issuance as are detailed in the Written Request of the Corporation delivered to the Trustee, which Written Request shall be accompanied by the corresponding invoices. Upon payment of all costs of issuance, any moneys remaining in the Clearing Fund shall in accordance with the provisions of Section 304 hereof be transferred to the Bond Fund.



### ARTICLE III

#### REVENUES AND FUNDS

##### SECTION 301. PAYMENTS, ETC., TO BE SUFFICIENT.

The Issuer has caused the Corporation to covenant and agree in the Agreement to make installment payments in the amounts sufficient in each Fiscal Year to provide for the payment, when due, of the principal of, premium, if any, and interest payable on the Bonds and to provide for all other deposits and other payments required to made hereunder.

##### SECTION 302. PLEDGED REVENUES TO BE PAID OVER TO TRUSTEE.

A. Security. The pledge of the Trust Estate as security for the performance of all obligations of the Issuer hereunder shall be valid and binding from the time such pledge is made but in no circumstances beyond the date from which this Indenture is enforceable. The Trust Estate shall immediately be subject to the lien of the pledge without any physical delivery thereof or further act. Pursuant to the assignment of the Issuer's rights under the Agreement, the installment payments payable by the Corporation shall be paid directly to the Trustee by the Corporation. Upon receipt of any moneys constituting a portion of the Trust Estate hereunder, the Trustee shall deposit the same in the appropriate fund or funds established hereunder. Except as otherwise provided herein, the Trust Estate shall be collected, held and applied for the equal and ratable benefit and security of all Bondholders.

B. Perfection. On or before the Closing Date, pursuant to the Agreement, the Issuer will have caused the Corporation to file all financing statements describing, and transferred such possession or control over, such collateral (and for so long as the pledge of the Trust Estate shall remain effective, the Issuer will cause to be filed, continued, and amended all such financing statements and transfer such possession and control) as may be necessary to establish and maintain such pledge of the Trust Estate in each jurisdiction in which the Corporation is organized or such collateral may be located or that may otherwise be applicable pursuant to Uniform Commercial Code §§9-301 – 9-306 of such jurisdiction.

C. Priority. The Issuer represents and warrants that, other than pursuant to this Indenture, it (1) has not heretofore made a pledge of, granted a lien on or security interest in, or made an assignment or sale of the Trust Estate that ranks on a parity with or prior to the pledge granted hereby and (2) has not described the Trust Estate in a Uniform Commercial Code financing statement that will remain effective when the Bonds are issued. The Issuer shall not hereafter make or suffer to exist any pledge or assignment of, lien on, or security interest in the Trust Estate that ranks prior to or on a parity with the pledge of Trust Estate granted hereby, or file any financing statement describing any such pledge, assignment, lien, or security interest, except as otherwise expressly permitted hereby.

### SECTION 303. BOND FUND.

There is hereby created and established a fund to be known as the Bond Fund (herein, the "Bond Fund") which shall be held in trust by the Trustee until applied as hereinafter provided. The Trustee shall deposit to the credit of the Bond Fund (a) accrued interest received upon the issuance of the Bonds; (b) all installment payments payable pursuant to the Agreement; (c) Net Proceeds received by the Trustee for the purpose of redeeming Bonds; and (d) any other amounts required or permitted to be deposited therein pursuant to the provisions herein. Moneys so deposited to the Bond Fund shall be applied as follows:

A. To the payment of interest, when due, on all Outstanding Bonds, including any accrued interest due in connection with the issuance of, purchases of, or the redemption of Bonds;

B. To the payment, when due, of the principal of Bonds then payable at Stated Maturity (but only upon surrender of such Bonds) or earlier redemption date, subject to reduction by the principal amount of Bonds of the same series and maturity purchased by the Corporation and surrendered to the Trustee for cancellation or purchased for cancellation by the Trustee pursuant to the provisions of cancellation provided in this Indenture;

C. During the 12 month period preceding each Stated Maturity or mandatory redemption date, the Trustee shall, at the Written Request of the Corporation and upon deposit of moneys by the Corporation for such purposes, purchase Bonds of the maturity becoming due on such Stated Maturity or mandatory redemption date from funds deposited to the Bond Fund for such purpose; *provided, however*, that such purchase shall not be made unless (i) the purchase price does not exceed 100% of the principal amount of the Bonds to be purchased, plus accrued interest (ii) in the case of any purchase of Bonds which are subject to mandatory redemption, firm commitments for the purchase of such Bonds shall have been accepted prior to the giving of notice of such redemption by the Trustee; and provided that upon the making of any transfer of moneys from the Bond Fund in connection with a proposed purchase or redemption of Bonds after such transfer, there shall be no deficiency in amounts required to be in the Bond Fund, taking into account the amounts then required to be paid or transferred therefrom for other purposes or reserved therein against such payments and transfers, and upon such purchase, such Bonds shall be canceled;

D. To the extent that the same have not otherwise been paid or provided for, the Administrative Fee shall be payable from the Bond Fund at the Written Request of the Corporation.

### SECTION 304. 2007B CLEARING FUND.

A. There is hereby created and established a special fund to be known as the 2007B Clearing Fund (herein, the "Clearing Fund"), which shall be held in trust by the Trustee until applied as hereinafter provided. There shall be deposited in the Clearing Fund all of the net proceeds of the sale of the Bonds, including accrued interest payable thereon, in accordance with Section 218 hereof.

The amounts so deposited in the Clearing Fund shall be disbursed or transferred by the Trustee upon the furnishing of a Written Request of the Issuer and the Corporation on the Closing Date or the Corporation subsequent thereto, as provided in Section 218 hereof for the payment of the Costs of the Project. There may be reserved in the Clearing Fund, after the Closing Date, moneys for the payment of any unpaid items, including a contingency amount therefor, as may be set forth in the aforesaid Written Request, and payment thereof after the Closing Date shall be made by the Trustee upon the receipt of a subsequent Written Request of the Corporation to the Trustee, accompanied by the corresponding invoices, certifying that the requested disbursement is for a Cost of the Project and that the disbursement has not yet been paid from the proceeds of the Bonds.

B. Upon such payments and transfers finally being accomplished, and in no event later than six months from closing, the Clearing Fund shall be closed by the Trustee upon Written Request of the Corporation, upon the lapse of six months or upon the fund being depleted. Any moneys remaining in the Clearing Fund at the time the Trustee is authorized to close the Clearing Fund shall be transferred to the Bond Fund.

SECTION 305. [RESERVED]

SECTION 306. REBATE FUND.

A. Creation of Rebate Fund. The Trustee shall create and establish hereunder a special fund to be known as the "Rebate Fund" which shall be held in trust by the Trustee until applied as hereinafter directed. The Trustee shall periodically prepare and file with the Issuer and the Corporation a report setting forth for each fund and account created under the Indenture the total amount invested in each of the funds and accounts during the preceding Bond Year, the investments made with the moneys in the funds and accounts and the investment earnings and losses resulting from such investments, together with such additional information concerning such investments as the Issuer and the Corporation shall reasonably request and which is available to the Trustee from its trust accounting system. The Trustee shall make deposits to and disbursements from the Rebate Fund in accordance with Written Request provided by the Corporation in accordance with the Tax Regulatory Certificate and the provisions of Section 306(b) and 306(c) hereof, shall invest the Rebate Fund pursuant to the Written Request given to it by the Corporation as provided in this Indenture and shall deposit income from such investments immediately upon receipt thereof in the Rebate Fund. Records of the determinations required by this Section that are filed with the Trustee shall be retained by the Trustee until six years after the Bonds are no longer Outstanding.

B. Rebate Withdrawals. If a withdrawal from the Rebate Fund is permitted as a result of a computation made by the Corporation pursuant to the Tax Regulatory Certificate, the amount withdrawn shall be deposited in the Bond Fund for the benefit of the Corporation.

C. Rebate Disbursements. Not later than 60 days after the end of the fifth Bond Year and every five years thereafter, the Trustee shall pay, upon the written direction of the Corporation, to the United States an amount which when added to all other amounts theretofore remitted to the United States shall equal at least ninety percent (90%) of the Rebate Requirement (as defined in the Tax Regulatory Certificate) as of such payment date. The Rebate Requirement

shall be stated in the Corporation's written direction. Not later than 60 days after the final retirement of the Bonds (whether at maturity, upon redemption or by acceleration), the Trustee, upon the Written Request of the Corporation, shall pay to the United States such specified amount which when added to all other amounts theretofore remitted to the United States shall equal one hundred percent (100%) of the Rebate Requirement. Each payment required to be made to the United States pursuant to this Section shall be filed with the Internal Revenue Service Center, Ogden, Utah 84201, or such other office as may be designated by the Internal Revenue Service. Each payment shall be accompanied by a copy of the Form 8038 originally filed with respect to the Bonds, which the Corporation shall provide to the Trustee, and a statement prepared by or on behalf of the Corporation summarizing the determination of the amount to be paid to the United States and the Corporation's compliance with the provisions of this section.

D. Rebate Deficiency. If the report regarding rebate required to be delivered to the Trustee pursuant to the Tax Regulatory Certificate, which report is required to be delivered not later than forty five days following the end of each fifth Bond Year and forty five days following the discharge of the final Bond Outstanding hereunder, discloses that a payment is required to be made to the United States of America and there are insufficient funds then held in the Rebate Fund to make such payment, the Trustee shall send Immediate Notice to the Corporation that a payment is required to be made by it pursuant to Section 5.05 of the Agreement. Payments received by the Trustee pursuant to Section 5.05 of the Agreement and payments accompanying the delivery of the rebate report made by the Corporation shall be deposited into the Rebate Fund. Notwithstanding the foregoing provision, in the event that the Corporation delivers to the Trustee a certificate of an Authorized Officer of the Corporation accompanied by an opinion of Bond Counsel addressed to the Trustee and the Issuer to the effect that all or a portion of such payment is not required to be made, such payment or portion thereof need not be made.

E. If the Trustee has not received a report regarding the computation of any required rebate payment to the United States of America or reasonably satisfactory evidence that no rebate payments are required to be made, within fifty days following the end of each fifth Bond Year and fifty days following the discharge of the final Bond Outstanding hereunder, (or such other date as is specified in an opinion of Bond Counsel delivered to the Trustee), the Trustee may (but shall not be obligated to), at the expense of the Corporation, engage such consultants or counsel as it deems necessary to calculate the amount to be deposited into the Rebate Fund for payment to the United States of America. The Corporation has agreed in the Agreement to reimburse the Trustee for all fees and expenses incurred by the Trustee in connection with any action undertaken pursuant to this Section 306(e). The Corporation has covenanted in the Agreement to take all action necessary to preserve the exemption from federal income taxation of interest on the Bonds, including without limitation, the payment of any rebate due under the Code. The Trustee has undertaken no duty, and is under no obligation to calculate any amount due with respect to such rebate, to verify amounts contained in any Written Request or written direction, or to make such payments except at the Written Request of the Corporation as contemplated herein and in Section 801 hereof. The Corporation has agreed in the Agreement to indemnify and hold harmless the Trustee, its agents, officers and employees against any liability in connection with the Trustee's exercise and performance of its powers and duties under this Section 306, except with regard to the Trustee's willful misconduct or gross negligence.

**SECTION 307. PROCEDURE WHEN FUNDS ARE SUFFICIENT TO PAY ALL BONDS.**

If at any time the amounts held by the Trustee in the Funds, other than the Rebate Fund, established under this Article III are sufficient to pay principal or redemption price of and interest on all Bonds then Outstanding to maturity or prior redemption, together with any amounts due the Issuer and the Trustee, the Trustee shall so notify the Issuer and apply the amounts in the Funds to the payment of the aforesaid obligations and the Issuer shall not be required to pay over any further revenues unless and until it shall appear that there is a deficiency in the funds held by the Trustee.

**SECTION 308. MONEYS TO BE HELD FOR ALL BONDHOLDERS, WITH CERTAIN EXCEPTIONS.**

Until applied as herein provided, moneys and investments held in all funds and accounts established hereunder shall be held in trust for the benefit of the holders of all Outstanding Bonds except that: (a) on and after the date on which the interest on or principal or redemption price of any particular Bond or Bonds is due and payable from the Bond Fund, the unexpended balance of the amount deposited or reserved in such Fund for the making of such payments shall, to the extent necessary therefor, be held for the benefit of the Bondholder or Bondholders entitled thereto and (b) the rights of any Bondholders with respect to principal or interest payments extended beyond their due dates pursuant to Section 604 hereof shall be subordinate to the rights of Bondholders with respect to payments not so extended.

**SECTION 309. ADDITIONAL ACCOUNTS AND SUBACCOUNTS.**

At the Written Request of the Corporation, the Trustee shall establish and maintain additional accounts within the funds or subaccounts within the accounts established hereunder; provided that (a) in each case, the Written Request of the Corporation shall set forth in reasonable detail the sources of deposits into and disbursements from the account or subaccount to be established, (b) in each case, the sources of deposits into and disbursements from the account or subaccount to be established shall be limited to the sources of deposits permitted or required to be made into and the disbursements permitted or required to be made from the fund or account within which it is to be established, and (c) except as otherwise expressly provided herein, each additional fund, account or subaccount established hereunder shall be held in trust for the benefit of the holders of all Outstanding Bonds.

**SECTION 310. DEPOSITS AND SECURITY THEREFOR.**

All moneys received by the Trustee under this Indenture for deposit in any fund established hereunder shall be considered trust funds, shall not be subject to lien or attachment and shall, except as hereinafter provided, be deposited in the commercial department of the Trustee or its affiliate, until or unless invested or deposited as provided in Section 311 hereof. All deposits in the commercial department of the Trustee or its affiliate shall, to the extent not insured or invested in Investment Securities, and to the extent permitted by law, be fully secured as to both principal and interest earned, by Government Obligations, or secured as provided by applicable law for such trust deposits in order to grant to the Trustee a perfected security interest

in such Government Obligations or other security, free and clear of the claims of third parties. If at any time the commercial department of the Trustee is unwilling to accept such deposits or unable to secure them as provided above, the Trustee may deposit such moneys with any other depository, including an affiliate of the Trustee, which is authorized to receive them and the deposits of which are insured by the Federal Deposit Insurance Corporation or a similar federal agency. All deposits in any other depository in excess of the amount covered by insurance shall, to the extent permitted by law, be fully secured as to both principal and interest earned by Government Obligations or other security in such manner as may be required or permitted under applicable law or secured as provided by applicable law for such trust deposits in order to grant to the Trustee a perfected security interest in such Government Obligations or other security, free and clear of the claims of third parties. If the deposit of the Government Obligations with the Trustee or a depository acting on its behalf is required for such purpose under applicable law, the deposit shall be made with the Federal Reserve Bank for the account of the Trustee, with the trust department of the Trustee, or with a bank or trust company (other than the obligor) which is acting solely as agent for the Trustee and has a combined net capital and surplus of not less than \$50,000,000.

#### SECTION 311. INVESTMENT OR DEPOSIT OF FUNDS.

Moneys on deposit in the Funds established pursuant to Article III hereof shall be invested and reinvested by the Trustee as follows:

A. All investments shall constitute Investment Securities and shall mature, or be subject to repurchase, withdrawal without penalty or redemption at the option of the holder on or before the dates on which the amounts invested are reasonably expected to be needed for the purposes hereof.

B. All investments shall be made at the Written Request of the Corporation. The Corporation shall make no Written Request or oral request which would cause the Bonds to become "arbitrage bonds" within the meaning of Section 148 of the Code and the applicable regulations promulgated thereunder.

C. Interest, income and gains received in respect of the principal of the Investment Securities shall, with respect to all funds and accounts, be deposited to the credit of the respective fund in which it was earned.

D. Neither the Issuer nor the Trustee shall be accountable for any diminution in the value of the Investment Securities or any losses incurred upon any authorized disposition thereof or for the failure of the Corporation to provide investment directions pursuant to Section 311(B) hereof.

E. The Trustee, as authorized in the Agreement, may trade with itself and any of its affiliates in the purchase and sale of securities for such investment; *provided, however*, that in no case shall any investment be otherwise than in accordance with the investment limitations contained herein. The Trustee shall not be liable or responsible for any loss resulting from any such investments. Gains from investments shall be credited to and held in and losses shall be charged to the fund or account from which the investment is made.

F. If the Corporation shall not give directions as to investment of money held by the Trustee, or if an Event of Default has occurred and is continuing hereunder, the Trustee shall invest such money in those Investment Securities defined in clause (G) of the definition of Investment Securities. The Trustee shall be permitted to charge the Corporation its standard fees and all expenses in connection with any services performed in accordance with this Section 311(F). The Trustee shall not make any representation as to the accuracy of any quotation of market price of any security or investment (or the accrued interest thereon) in any fund or account. Any investment made in accordance with the Indenture may (i) be executed by the Trustee or the Issuer with or through the Trustee or its affiliates, and (ii) be made in securities of any entity for which the Trustee or any of its affiliates serve as distributor, advisor or other service provider.

#### SECTION 312. VALUATION OF FUNDS.

In computing the assets of any fund or account, investments and accrued interest thereon shall be deemed a part thereof. Such investments shall be valued as of the end of each June 30 and such value shall be based on the values established by a pricing service selected by the Trustee and used by it in its trust accounting system and not unacceptable to the Corporation. The Trustee shall provide monthly statements of activity for each of the accounts to the Corporation.

As soon as practicable after each such date of valuation, the Trustee shall furnish to the Issuer and the Corporation a report of the status of each fund as of such date. In computing the assets of any fund or account, investments and accrued interest thereon shall be deemed a part thereof. If the value of any fund on any valuation date falls below the amount required to be on deposit in such fund as of such valuation date in order to meet the Issuer's obligations under this Indenture, the Issuer shall cause the Corporation, upon written notice to that effect from the Issuer or the Trustee, to transfer into the appropriate fund amounts sufficient to remedy such deficiency, promptly following receipt of such request.

**ARTICLE IV**  
**CONCERNING LIQUIDITY SUPPORT FACILITIES**

**SECTION 401. DELIVERY OF LIQUIDITY SUPPORT FACILITY.**

A. The Corporation shall not be required to deliver a Liquidity Support Facility to the Trustee in connection with any conversion of any Subseries of Bonds from the ARS Mode to any Variable Rate Mode or from a Variable Rate Mode to a different Variable Rate Mode or to the ARS Mode.

The provisions of this Article IV shall only apply with respect to and while a Subseries of Bonds is in a Variable Rate Mode and the Corporation has elected to provide a Liquidity Support Facility for such Bonds.

B. Each Liquidity Support Facility must:

(a) have a term of at least three hundred sixty four (364) days (or, if such Liquidity Support Facility is issued with respect to Bonds in a Term Rate Mode, have a term that expires not earlier than the last Interest Payment Date occurring in the applicable Term Rate Period); and

(b) have an Available Amount at least equal to the then Outstanding principal amount of the related Subseries of Bonds, plus the applicable Interest Component thereon at the Maximum Rate; provided, that such Liquidity Support Facility shall by its terms either provide for reinstatement of the Available Amount or for an increase in the Available Amount, as the case may be, in an amount equal to the principal amount of and appropriate Interest Component on Purchased Bonds not later than upon remarketing thereof.

C. Prior to a Change to a Variable Rate Mode from the ARS Mode, if Liquidity Support will be provided upon such change, the Corporation must deliver to the Trustee

(a) a copy of the Reimbursement Agreement, if any, pursuant to which such proposed Liquidity Support Facility is to be issued,

(b) an Opinion of Counsel to the effect that such proposed initial Liquidity Support Facility is valid, binding and enforceable in accordance with its terms, subject to customary exceptions for bankruptcy and equitable remedies, and

(c) written confirmation from a Rating Agency of the short term rating to be assigned to the Bonds of such Subseries upon commencement of the Variable Rate Mode.

**SECTION 402. ALTERNATE LIQUIDITY SUPPORT FACILITY.**

A. Subject to the terms and conditions of any Liquidity Support Facility and any Reimbursement Agreement then in effect, the Corporation may provide the Trustee with an



Alternate Liquidity Support Facility, in substitution for or replacement of the initial Liquidity Support Facility or any Alternate Liquidity Support Facility.

B. In order for such Alternate Liquidity Support Facility to qualify as an Alternate Liquidity Support Facility hereunder, the following requirements shall be satisfied:

1. such Alternate Liquidity Support Facility shall

(a) have a term of at least three hundred sixty four (364) days (or if such Alternate Liquidity Support Facility is issued with respect to Bonds in a Term Rate Mode, have a term that expires not earlier than the last Interest Payment Date occurring in the applicable Term Rate Period);

(b) have an Available Amount at least equal to the then Outstanding principal amount of the Subseries of Bonds, plus the applicable Interest Component thereon at the Maximum Rate; provided, that such Alternate Liquidity Support Facility shall by its terms either provide for reinstatement of the Available Amount or for an increase in the Available Amount, as the case may be, in an amount equal to the principal amount of and appropriate Interest Component on Purchased Bonds not later than upon remarketing thereof; and

(c) provide for the purchase by the Liquidity Support Provider of any Bonds that are Purchased Bonds on the Effective Date of such Alternate Liquidity Support Facility, or other provision for the payment of such Purchased Bonds must have otherwise been made on or prior to such Effective Date.

2. the Corporation shall have given written notice to the Trustee of the expected delivery of any such Alternate Liquidity Facility not less than 45 days prior to the Effective Date thereof;

3. the Corporation shall have caused to be delivered to the Trustee written confirmation from a Rating Agency of the short term rating to be assigned to the Bonds upon the Effective Date of such Alternate Liquidity Support Facility; and

4. the Corporation shall have delivered to the Trustee (A) a copy of the Reimbursement Agreement, if any, pursuant to which such proposed Alternate Liquidity Support Facility is to be issued, (B) an Opinion of Counsel to the effect that such proposed Alternate Liquidity Support Facility is valid, binding and enforceable in accordance with its terms, subject to customary exceptions for bankruptcy and equitable remedies and (C) written confirmation from a Rating Agency of the short term rating to be assigned to the Bonds upon commencement of the Variable Rate Mode.

C. The Trustee shall furnish written notice by first class mail, postage prepaid, of the planned substitution of the Alternate Liquidity Support Facility to the Owners of the Bonds no later than 40 days prior to such substitution becoming effective.

D. Upon the effective date of the Alternate Liquidity Support Facility and receipt of such Alternate Liquidity Support Facility, any related Reimbursement Agreement and Opinion of

Counsel, the Trustee shall surrender the Liquidity Support Facility previously in effect to its Liquidity Support Provider.

#### SECTION 403. MAINTENANCE OF LIQUIDITY SUPPORT FACILITY.

A. Although the Corporation shall not be required to cause to be delivered to the Trustee a Liquidity Support Facility in connection with any conversion of Bonds of a Subseries to a Variable Rate Mode, if the Corporation elects to cause a Liquidity Support Facility to be delivered to the Trustee to provide Liquidity Support for Bonds of a Subseries in a Variable Rate Mode, the Corporation may not thereafter take any action, or omit to take any action, which results in the cancellation or reduction (other than as a result of a reduction in the amount of Bonds Outstanding that are supported by such Liquidity Support Facility) of such Liquidity Support Facility prior to its Expiration Date without first obtaining a Alternate Liquidity Support Facility.

B. If on the 35th day preceding the Expiration Date of any such Liquidity Support Facility no extension of such Liquidity Support Facility or no Alternate Liquidity Support Facility has been furnished by the Corporation to the Trustee with respect to the Bonds supported by such facility, then the Bonds supported by such Liquidity Support Facility shall be subject to mandatory tender on the fifth Business Day prior to the Expiration Date, as provided in Section 506 hereof.

C. If the Corporation elects to obtain an Alternative Liquidity Support Facility to replace a Liquidity Support Facility prior to its Expiration Date, then such Bonds shall be subject to mandatory tender on the Effective Date of the Alternative Liquidity Support Facility, as provided in Section 505 hereof.

#### SECTION 404. NOTICE TO RATING AGENCIES.

In the event the Bonds receive a rating from S&P, Moody's or Fitch, upon any expiration or termination of a Liquidity Support Facility or the obtaining by the Corporation of an Alternate Liquidity Support Facility, the Trustee shall give notice thereof to S&P, Moody's or Fitch, as applicable. The Trustee shall also notify S&P, Moody's or Fitch, as applicable, of (a) the conversion of Bonds of a Subseries from the Variable Rate to the ARS Mode or Fixed Mode, (b) any amendments or modifications of this Indenture, the Liquidity Support Facility or the Remarketing Agreement of which it has knowledge, (c) the appointment of a new Remarketing Agent or Trustee of which it has knowledge, or (d) the purchase or redemption of all the Bonds of such Subseries.

#### SECTION 405. [RESERVED]

#### SECTION 406. RIGHTS OF LIQUIDITY SUPPORT PROVIDER.

Notwithstanding any provision of this Indenture to the contrary, the Liquidity Support Provider shall have no rights as such under this Indenture at any time that:

A. The Liquidity Support Provider is in default in its obligation to honor Draws made under and in compliance with the terms of the Liquidity Support Facility;

B. The Liquidity Support Facility for any reason ceases to be valid and binding on the Liquidity Support Provider or is declared to be null and void, or the validity or enforceability of any provision of the Liquidity Support Facility is denied by the Liquidity Support Provider or any governmental agency or authority, or the Liquidity Support Provider is denying further liability or obligation under the Liquidity Support Facility, in all of the above cases contrary to the terms of the Liquidity Support Facility;

C. Any payment on the Liquidity Support Facility by the Liquidity Support Provider has been recovered from the Trustee or any Bond Owner or is the subject of any claim for recovery not dismissed within 30 days after the making thereof due to the operation with respect to the Liquidity Support Provider of any bankruptcy, reorganization, arrangement, insolvency, readjustment of debt, dissolution, liquidation or other similar law of any jurisdiction, whether now or hereinafter in effect; or

D. The Liquidity Support Provider is dissolved or confiscated by action of government due to war or peace time emergency or the United States government declares a moratorium on the Liquidity Support Provider's activities.

#### SECTION 407. REFERENCES TO LIQUIDITY SUPPORT PROVIDER AND LIQUIDITY SUPPORT FACILITY.

All references herein to the Liquidity Support Provider, the Liquidity Support Facility, an Alternate Liquidity Support Facility, a Reimbursement Agreement and all requirements imposed herein with respect thereto shall be of no force and effect except during any period in which Bonds of a Subseries are in any Variable Rate Mode and the Corporation has elected to provide a Liquidity Support Facility.

#### SECTION 408. COVENANT TO MAINTAIN AVAILABLE AMOUNT.

So long as any Bonds of a Subseries bear interest at a Variable Rate and to the extent a Liquidity Support Facility is required pursuant to Section 403 hereof, the Trustee shall hold and diligently enforce the Liquidity Support Facility in accordance with its terms. The Liquidity Support Provider shall be required to maintain an Available Amount under the Liquidity Support Facility such that Liquidity Support is provided for such Bonds that are not Purchased Bonds.

#### SECTION 409. DRAWS FOR PAYMENT OF PURCHASE PRICE UPON TENDER FOR PURCHASE.

At or prior to 12:30 p.m., New York City time, on the Purchase Date set for the purchase of a Subseries of Bonds following an optional tender of such Bonds pursuant to Section 504 hereof, and prior to 12:30 p.m., New York City time, on the Purchase Date set for the purchase of such Bonds following a mandatory tender of such Bonds pursuant to Section 505, Section 506, Section 507, Section 508 or Section 509 hereof, the Trustee shall make a Draw under the Liquidity Support Facility, if one has been provided by the Corporation pursuant to the

provisions hereof, in the amount necessary to pay the purchase price of all such Bonds (other than Purchased Bonds) tendered for purchase on such Purchase Date, to the extent that Remarketing Proceeds received by the Remarketing Agent for the purchase of tendered Bonds are not sufficient to pay the Purchase Price of tendered Bonds on such Purchase Date; *provided, however*, that in no event shall the Trustee make a Draw under the Liquidity Support Facility with respect to any Bond registered in the name of the Liquidity Support Provider, the Corporation, or any of its Affiliates. The Trustee shall cause the proceeds of such Draws to be directly applied to the payment of the purchase price of such Bonds tendered for purchase on such Purchase Date in accordance with the applicable provision of Article V hereof; *provided*, that prior to the Book-Entry Termination Date, if the proceeds of any such Draws are received after 2:30 p.m., New York City time, on any such Purchase Date, the Trustee shall apply such proceeds to the payment of such Bonds on the Business Day following such Purchase Date and shall have no liability for any such payment to any Owner or Beneficial Owner, as the case may be.

**ARTICLE V**  
**REDEMPTION OF BONDS;**  
**TENDER AND PURCHASE OF VARIABLE RATE BONDS**

**SECTION 501. REDEMPTION DATES AND PRICES.**

The Bonds shall be subject to redemption as follows:

**(A) Optional Redemption.**

1. (a) The Subseries 2007B-1 Bonds are subject to optional redemption prior to their Stated Maturity Date at the written request of the Corporation, in whole or in part, on the dates indicated below, at the redemption prices indicated, plus interest accrued to the date fixed for redemption.

<u>Redemption Date (inclusive)</u>	<u>Price (% of Principal)</u>
October 15, 2010 through October 14, 2011	100.25%
October 15, 2011 and thereafter	100.0%

(b) The Subseries 2007B-2 Bonds are subject to optional redemption prior to their Stated Maturity Date at the written request of the Corporation, in whole or in part, on October 15, 2014 or any date thereafter at a redemption price equal to 100% of the principal amount to be redeemed, plus interest accrued to the date fixed for redemption.

2. So long as a Subseries of Bonds bears interest at an ARS Rate, a Daily Rate, a Weekly Rate, a Monthly Rate, a Semiannual Rate or an Annual Rate, the Bonds of such Subseries are subject to optional redemption prior to the Stated Maturity Date at the Written Request of the Corporation, in whole or in part on any date, at a redemption price equal to 100% of the principal amount thereof, plus accrued interest to the Redemption Date; *provided, however, that*

(i) while Bonds are in the ARS Mode, such Bonds may be optionally redeemed only on an ARS Interest Payment Date occurring immediately following the end of an Auction Period; and

(ii) no optional redemption shall be permitted with respect to Bonds in the ARS Mode without the consent of the Broker-Dealers if, after the optional redemption, the principal amount of such Bonds in the ARS Mode would be less than \$10,000,000 and greater than zero.

3. While a Subseries of Bonds bear interest at a Term Rate other than the Initial Term Rate or a Fixed Rate, the Bonds of such Subseries are subject to optional redemption prior to the Stated Maturity Date at the Written Request of the Corporation, in whole or in part on any date, commencing on the dates set forth below, at the Optional Redemption Prices (expressed as percentages of the principal amount of Bonds to be redeemed) to be determined as follows, plus accrued interest to the Redemption Date:

Years Remaining to Maturity as of Fixed Rate Date or Beginning of Term Rate Period	Redemption Dates and Optional Redemption Prices Per Number of Years as of Fixed Rate Date or Beginning Term Rate Period
Greater than 15	After 10 years at 102%, declining 1% per each two Interest Payment Dates to 100%
Less than or equal to 15 and greater than 10	After 8 years at 102%, declining 1% per each two Interest Payment Dates to 100%
Less than or equal to 10	Noncallable

The foregoing notwithstanding, if the Corporation delivers to the Trustee, the Remarketing Agent and the Issuer prior to the date of conversion to a Term Rate Mode or a Fixed Mode, as applicable, a notice containing an alternative redemption schedule setting forth different dates on which, or different redemption prices at which, the applicable Subseries of Bonds may be redeemed while the Term Rate Mode or Fixed Mode, as applicable, is in effect with respect to such Bonds, and a Favorable Opinion of Bond Counsel, then during such period that the Bonds of such Subseries are in a Term Rate Mode or Fixed Mode, such alternative redemption schedule shall apply to the redemption of such Bonds.

(B) Mandatory Sinking Fund Redemption.

The Subseries 2007B-1 Bonds are subject to mandatory sinking fund redemption prior to the Stated Maturity Date, in part, on April 15 in the years and in the amounts set forth below (subject to reductions arising from the acquisition and surrender or the optional or extraordinary optional redemption of Subseries 2007B-1 Bonds, as described in the Indenture), at a redemption price equal to 100% of the principal amount thereof, plus accrued interest to the Redemption Date; provided, that while the Subseries 2007B-1 Bonds are in an ARS Mode, if such April 15 is not an ARS Interest Payment Date, such Bonds will be subject to mandatory sinking fund redemption on the ARS Interest Payment Date immediately preceding such April 15:

<u>April 15</u>	<u>Principal Amount</u>	<u>April 15</u>	<u>Principal Amount</u>
2027	\$ 20,000.00	2034	\$16,080,000.00
2028	335,000.00	2035	13,890,000.00
2029	3,935,000.00	2036	9,950,000.00
2030	2,915,000.00	2037	10,540,000.00
2031	4,545,000.00	2038	8,355,000.00
2032	14,225,000.00	2039*	4,255,000.00
2033	10,955,000.00		

*\*Maturity*

The Subseries 2007B-2 Bonds are subject to mandatory sinking fund redemption prior to the Stated Maturity Date, in part, on April 15 in the years and in the amounts set forth below (subject to reductions arising from the acquisition and surrender or the optional or extraordinary optional redemption of Subseries 2007B-2 Bonds, as described in the Indenture), at a redemption price equal to 100% of the principal amount thereof, plus accrued interest to the Redemption Date; provided, that while Subseries 2007B-2 Bonds are in an ARS Mode, if such April 15 is not an ARS Interest Payment Date, such Bonds will be subject to mandatory sinking fund redemption on the ARS Interest Payment Date immediately preceding such April 15:

<u>April 15</u>	<u>Principal Amount</u>	<u>April 15</u>	<u>Principal Amount</u>
2027	\$ 10,000.00	2034	\$10,455,000.00
2028	215,000.00	2035	9,030,000.00
2029	2,555,000.00	2036	6,470,000.00
2030	1,895,000.00	2037	6,855,000.00
2031	2,955,000.00	2038	5,430,000.00
2032	9,250,000.00	2039*	2,760,000.00
2033	7,120,000.00		

*\*Maturity*

The Trustee shall apply the principal amount of any Bonds which have been optionally or extraordinarily redeemed or acquired by the Corporation and surrendered to the Trustee for cancellation, as a credit, to the extent such amounts have not previously been so credited, against the applicable mandatory sinking fund redemption amount scheduled as described in the preceding paragraphs.

(C) Extraordinary Redemption.

The Bonds are subject to extraordinary redemption, in whole or in part, at any time, in Authorized Denominations, by the Issuer, at the Written Request of the Corporation, in the event of condemnation, damage or destruction of the Corporation's Property or any part thereof, as qualified herein, but only out of the Net Proceeds deposited with or held by the Trustee for such purpose, at a redemption price equal to 100% of the principal amount thereof plus interest accrued to the redemption date. Any such redemption shall be made in the order of maturity designated in writing by the Corporation and within any maturity by lot, as selected by the Trustee.

(D) In lieu of redeeming Bonds pursuant to this Section 501, the Trustee may, at the Written Request of the Corporation use such funds otherwise available hereunder for redemption of Bonds to purchase Bonds in the open market at a price not exceeding the redemption price then applicable hereunder, such Bonds to be delivered to the Trustee for the purpose of cancellation. Similarly, the Corporation may, pursuant to Section 403 of the Agreement, deliver to the Trustee, for the purpose of cancellation, Bonds of the maturity otherwise to be redeemed. It is understood that in the case of any such redemption or purchase of Bonds, the Issuer shall receive credit against its required Bond Fund deposits.

(E) No redemption of less than all of the Bonds at the time Outstanding shall be made unless the aggregate principal amount of Bonds to be redeemed is equal to at least the smallest Authorized Denomination or any integral multiple of an Authorized Denomination. In the event of a redemption of less than all of the Bonds or less than all of the Bonds of any maturity, the Bonds to be redeemed shall be selected by the Trustee by lot in a manner which the Trustee, in its sole discretion, deems appropriate and fair. Notwithstanding the foregoing, in the case of the optional redemption or extraordinary redemption of less than all of the Bonds pursuant to Section 501 hereof, the Corporation shall select the order of maturity in which the Bonds are to be redeemed and the particular Bonds to be redeemed within such maturity shall be selected by the Trustee by lot. The method of selecting Bonds for redemption by lot shall be determined by the Trustee. Particular Bonds or portions thereof shall be redeemed only in Authorized Denominations. Upon surrender of any Bond redeemed in part only, the Trustee shall authenticate and deliver to the Owner thereof, at the expense of the Corporation, a new Bond or Bonds (at the option of the Owner) of Authorized Denominations, equal in aggregate principal amount to the unredeemed portion of the Bond surrendered.

(F) Optional Purchase of Bonds.

The Issuer and, by their acceptance of the Bonds, the Holders, irrevocably grant to the Corporation and any assigns of the Corporation with respect to this right, the option to purchase, at any time and from time to time, any Bond which is redeemable pursuant to clause (A) of this Section 501 at a purchase price equal to the Redemption Price therefor. To exercise such option, the Corporation shall deliver a Written Request to the Trustee exercising such option, and the Trustee shall thereupon give the Holders of the Bonds to be purchased notice of such purchase in the manner specified in Section 511 hereof as though such purchase were a redemption and the purchase of such Bonds shall be mandatory and enforceable against the Holders. On the date fixed for purchase pursuant to any exercise of such option, the Corporation shall pay the purchase price of the Bonds then being purchased to the Trustee in immediately available funds, and the Trustee shall pay the same to the sellers of such Bonds against delivery thereof. Following such purchase, the Trustee shall cause such Bonds to be registered in the name of the Corporation or its nominee and shall deliver them to the Corporation or its nominee. In the case of the purchase of less than all of the Bonds of a particular Subseries, the particular Bonds to be purchased shall be selected in accordance with Section 501(E) hereof. No purchase of the Bonds pursuant to this Section 501(F) shall operate to extinguish the indebtedness of the Issuer evidenced thereby. Notwithstanding the foregoing, no purchase shall be made pursuant to this Section 501(F) unless the Corporation shall have delivered to the Trustee and the Issuer concurrently therewith (i) if the Bonds to be purchased are in a Variable Rate Mode, an opinion



of nationally recognized bankruptcy counsel to the effect that such purchase will not constitute an avoidable preference under Section 547 of the United States Bankruptcy Code in the event that the Corporation should become a debtor in proceedings commenced thereunder, and (ii) a Favorable Opinion of Bond Counsel with respect to such purchase.

## SECTION 502. NOTICE OF REDEMPTION.

(A) Prior to the Book-Entry Termination Date, the Trustee shall give, or cause to be given at the Corporation's expense, notice of a call for redemption of any Bonds to the Custodian, as the Owner thereof, in accordance with the Letter of Representation, and a copy of such notice shall be given simultaneously to the Auction Agent with respect to any Bonds in an ARS Mode. From and after the Book-Entry Termination Date, notice of any call for redemption of Bonds prior to maturity shall be given by or on behalf of the Trustee by first class mail, postage prepaid, at least once, not less than 30 days nor more than 60 days before the Redemption Date to each Rating Agency then rating the Bonds and the respective Owners of any Bonds designated for redemption at their addresses shown on the registry books maintained by the Trustee on the Record Date; provided, that failure to notify the any Rating Agency shall not affect the validity or sufficiency of the notice to the Owners or affect the subsequent redemption of the Bonds in accordance therewith. The Trustee shall give or cause to be given all notices of calls for redemption of Bonds on behalf of the Issuer, but at the expense of the Corporation. No notice of a call for redemption need be given to any Owner of Bonds then called for redemption who waives notice thereof in writing if such waiver is delivered to the Trustee prior to the date such notice is mailed.

(B) Each notice of a call for redemption shall state:

1. That it is being given by or on behalf of the Trustee as agent for the Issuer;
2. The date of the notice;
3. The name and address of the Trustee, as paying agent for the Bonds;
4. The Redemption Date;
5. The CUSIP numbers of the Bonds to be redeemed;
6. In the case of Bonds to be redeemed in part only, the respective portions of the principal amount thereof to be so redeemed and that a new Bond shall be issued for any unredeemed portion;
7. The interest rates and maturity dates of the Bonds to be redeemed;
8. Unless the redemption has been cancelled or voided as provided in the Indenture, that from and after such Redemption Date, interest thereon shall cease to accrue;
9. That the Owners of such Bonds shall be required to surrender them to the Trustee, as the paying agent, for redemption at the address designated in such notice; and

10. That the Trustee shall only redeem Bonds from funds made available to it by or on behalf of the Corporation.

If any ARS Bonds are to be redeemed in part and such Bonds are held by a Custodian, the Issuer shall include in the notice of the call for redemption delivered to the Custodian (i) a date placed under an item entitled "Publication Date for Securities Depository Purposes" and such date shall be three Business Days after the Auction Date immediately preceding such redemption date and (ii) an instruction to the Securities Depository to (x) determine on such Publication Date after the Auction held on the immediately preceding Auction Date has settled, the Participants whose Custodian positions shall be redeemed and the principal amount of such Auction Rate Bonds to be redeemed from each such position (the "Securities Depository Redemption Information"), and (y) notify the Trustee immediately after such determination of (1) the positions of the Participants in such Bonds immediately prior to such Auction settlement, (2) the position of the Participants in such ARS Bonds immediately following such Auction settlement, and (3) the Securities Depository Redemption Information. Immediately upon receipt of the notice referred to in the preceding sentence, the Trustee shall send a copy of such notice to the Auction Agent.

(C) If at the time of mailing of any notice of redemption the Issuer shall not have deposited with the Trustee moneys sufficient to redeem all the Bonds called for redemption, such notice shall state that it is subject to the deposit of the redemption moneys with the Trustee not later than the opening of business on the redemption date and shall be of no effect unless such moneys are so deposited.

(D) With respect to optional or extraordinary optional redemptions only, if the Corporation shall have delivered to the Trustee, no later than the fifth Business Day prior to the Redemption Date, written notice of its decision to cancel its prior request for redemption, then the purported optional or extraordinary optional redemption shall be cancelled and any prior notice thereof shall be void, and the Trustee shall return to the Corporation any funds which had been deposited by the Corporation with the Trustee for the purpose of effecting such optional or extraordinary optional redemption. Immediately upon receipt of the Corporation's cancellation notice, the Trustee shall give or cause to be given written notice of such cancellation, if prior to the Book-Entry Termination Date, to the Custodian, as the Owner of the Bonds which were to have been redeemed, in accordance with the Letter of Representation, and from and after the Book-Entry Termination Date, each Rating Agency then rating the Bonds and the respective Owners of any Bonds which were to have been redeemed. Such notice shall be given by first class mail, postage prepaid, by the Trustee to the Custodian (if prior to the Book-Entry Termination Date), each Rating Agency and the affected Owners prior to the Redemption Date; *provided, however*, that such notice of cancellation shall be effective to cancel such redemption whether or not it is received by the Custodian (if prior to the Book-Entry Termination Date), any Rating Agency then rating the Bonds or such Owners, and such occurrence shall not constitute a default or an Event of Default.

(E) The notice requirement of this Section 502 shall be satisfied when notice in accordance herewith is mailed as provided herein regardless of whether such notice is actually received by the Owners of any Bonds. If notice of any call for optional or extraordinary optional

redemption shall not have been mailed as provided herein, then the purported optional or extraordinary optional redemption, as appropriate, is void, but only as to those Owners to whom the notice shall not have been mailed.

(F) A second notice of redemption shall be given, at the Corporation's expense, by first class mail, postage prepaid, within sixty (60) days after the redemption date in the manner required above to the registered Bondholders of redeemed Bonds which have not been presented for payment within thirty (30) days after the redemption date.

#### SECTION 503. EFFECTS OF REDEMPTION OF BONDS.

(A) On the Redemption Date, provided the Trustee is then holding funds sufficient to pay the redemption price (including interest accrued to the Redemption Date) of the Bonds to be redeemed on such date, interest on such Bonds (or portions thereof) duly called for redemption shall cease to accrue, said Bonds (or portions thereof) shall cease to be entitled to any benefit or security under this Indenture or be deemed to be Outstanding under the provisions of this Indenture, and the Owners of said Bonds shall have no rights in respect thereof except to receive payment of said redemption price and interest accrued to the Redemption Date; provided, that with respect to optional and extraordinary optional redemptions only, if the Trustee shall not have funds in its possession on the Redemption Date sufficient to pay the redemption price (including interest accruing to the Redemption Date) of all of the Bonds to be optionally or extraordinarily optionally redeemed for any reason (including, but not limited to, failure to issue any refunding obligations intended for such purpose on or prior to the Redemption Date), then the purported optional or extraordinary optional redemption and such notice of redemption shall be void, but such event shall not constitute a default or an Event of Default.

(B) All Bonds redeemed pursuant to the provisions of this Article V shall be cancelled upon surrender thereof in accordance with the provisions of Section 213 hereof.

#### SECTION 504. OPTIONAL TENDER OF DAILY, WEEKLY AND MONTHLY RATE BONDS.

(A) During any period in which the Bonds bear interest at a Daily Rate, a Weekly Rate, or a Monthly Rate, the Bonds that are not Purchased Bonds or portions thereof in Authorized Denominations are subject to optional tender by the Beneficial Owners thereof (if such tender is requested prior to the Book-Entry Termination Date) or by the Owners thereof (if such tender is requested on or after the Book-Entry Termination Date), for purchase by the Trustee (1) on any Business Day with respect to Bonds that bear interest at a Daily Rate, or (2) on any Business Day that is at least seven calendar days after the date of notice of such tender given in accordance with Section 504(b) hereof with respect to any Bonds that bear interest at a Weekly Rate, or (3) on the first Business Day of each month that is at least seven calendar days after the date of notice of such tender given in accordance with Section 501(b) hereof with respect to any Bonds that bear interest at a Monthly Rate; in each case, at a purchase price equal to 100% of the principal amount thereof, plus accrued interest, if any, to the Purchase Date.

(B) Prior to the Book-Entry Termination Date, the procedure described in this Section 504(b) for the optional tender of Outstanding Bonds shall be exercised by the Beneficial Owner

of such Bonds and after the Book-Entry Termination Date shall be exercised by the Owner thereof. The procedure for optional tender of Bonds bearing interest at either a Daily Rate, a Weekly Rate or a Monthly Rate shall be as follows:

1. The Beneficial Owner or Owner, as the case may be, shall deliver to the Remarketing Agent, the Trustee, the Corporation and the Liquidity Support Provider, if a Liquidity Support Facility has been provided by the Corporation pursuant to Section 401 hereof, at their respective Tender Addresses, no later than 10:00 a.m., New York City time, on any Business Day, a written notice of tender, which shall state:

(a) The name and address of the Beneficial Owner or Owner, as the case may be;

(b) The certificate number(s) of the Bond(s) to be delivered (required only in the case of Bonds tendered by the Owner thereof);

(c) The CUSIP number(s) assigned to such Bond(s) (in the case of Bonds tendered by the Owner thereof) or evidence satisfactory to the Trustee of beneficial ownership of such Bonds (in the case of Bonds tendered by the Beneficial Owner thereof);

(d) The aggregate principal amount of Bonds to be tendered for purchase;

(e) That the Beneficial Owner or Owner, as the case may be, irrevocably demands purchase of such Bonds in an amount equal to the smallest Authorized Denomination or any integral multiple thereof;

(f) The Purchase Date, which shall be either:

(i) The same Business Day as the date of delivery of such notice in the case of Bonds that bear interest at a Daily Rate; or

(ii) A Business Day that is at least 7 calendar days after the date of delivery of such notice in the case of Bonds that bear interest at a Weekly Rate; or

(iii) The first Business Day of the month that is at least seven calendar days after the date of delivery of such notice in the case of Bonds that bear interest at a Monthly Rate; and

(g) Prior to the Book-Entry Termination Date only, an acknowledgement by the Beneficial Owner if such tender notice is being delivered with respect to Bonds which bear interest at a Daily Rate, a Weekly Rate or a Monthly Rate that failure of such Beneficial Owner to deliver or cause to be delivered a facsimile or other copy of an executed Delivery Order to the Trustee in the form and within the time provided in Section 504(b) (2) hereof shall render such optional tender ineffective to cause the Trustee to purchase such Bonds on the Purchase Date.

2. Prior to the Book-Entry Termination Date, such tender notice shall be accompanied by a facsimile or other copy of an executed Delivery Order delivered by or on behalf of such Beneficial Owner to the Custodian directing the Custodian to transfer beneficial ownership of the affected Bonds to or upon the order of the Trustee upon delivery of the purchase price of such Bonds to or for the account of such Beneficial Owner; provided, that any tender notice delivered hereunder by any Beneficial Owner with respect to any Bond shall not be effective to cause the Trustee to purchase such Bond if such Beneficial Owner fails to deliver or cause to be delivered any such Delivery Order to the Trustee on the Purchase Date for such Bond.

3. If such purchase is to occur on or after the Book-Entry Termination Date, the Owner shall deliver such Bond(s) to the Trustee, at its Tender Address no later than 12:00 noon, New York City time, on the Purchase Date, together with (A) an appropriate instrument of transfer, fully executed in blank by the Owner or his duly authorized attorney, and (B) if the Purchase Date occurs prior to a Interest Payment Date and after the Record Date preceding such Interest Payment Date, a due-bill in form satisfactory to the Trustee; *provided, however*, that such Bond(s) delivered to the Trustee shall conform in all respects to the description thereof in the aforesaid notice.

4. Such tender notice and any Delivery Order delivered in connection therewith, shall automatically constitute (A) an irrevocable offer to sell the Bonds (or portion thereof) to which the notice relates on the Purchase Date to any purchaser selected by the Remarketing Agent, at a purchase price equal to 100% of the principal amount thereof, plus accrued interest, if any, to the Purchase Date; (B) an irrevocable authorization and instruction to the Custodian (if such purchase will occur prior to the Book-Entry Termination Date) or the Trustee (if such purchase will occur after the Book-Entry Termination Date), to effect transfer of the beneficial ownership or ownership, as applicable, of such Bonds upon payment of such purchase price to the tendering Beneficial Owner or Owner, as applicable, on the Purchase Date; (C) an irrevocable authorization and instruction to the Trustee, if such purchase will occur after the Book-Entry Termination Date, to effect the exchange of any Bonds to be purchased in part for other Bond certificate(s) in an equal aggregate principal amount so as to facilitate the sale of such Bonds; and (D) an acknowledgment that such Beneficial Owner or Owner, as applicable, will have no further rights with respect to such Bonds upon payment of the purchase price thereof to or for the account of such Owner or Beneficial Owner, as applicable, on the Purchase Date, except for the right of such Owner or Beneficial Owner to receive such purchase price.

(C) The Remarketing Agent shall offer for sale and use its best efforts to find purchasers for all Bonds (or portions thereof) tendered pursuant to this Section 504 at a price equal to 100% of the principal amount thereof, plus accrued interest, if any, to the Purchase Date; provided, that no Bonds shall be remarketed to the Issuer, the Corporation or any Affiliate; and provided further, the Remarketing Agent shall not offer for sale any Bond tendered for purchase pursuant to this Section 504 if notice of a proposed Change to ARS Mode, Change to Variable Rate Mode, or a proposed conversion to a Fixed Rate has been given by the Trustee, unless the Remarketing Agent has advised the Person to whom the offer is made of such change or conversion and the effect of such change or conversion on the rights of Owners or Beneficial

Owners, as the case may be, to tender their Bonds, as described in the notice of such change or conversion, as appropriate, from the Trustee to such Owners or Beneficial Owners.

If such Purchase Date will occur prior to the Book-Entry Termination Date, no later than 10:30 a.m., New York City time, on such Purchase Date, any such purchaser of Bonds shall give or cause to be given to the Custodian, authorization to cause an amount equal to 100% of the purchase price thereof to be delivered by or on behalf of such purchaser to the Federal Reserve account of the Remarketing Agent to which the Custodian has access upon transfer of beneficial ownership of any such Bonds to or for the account of such purchaser. If such Purchase Date will occur on or after the Book-Entry Termination Date, no later than 10:30 a.m., New York City time, on the Purchase Date, such purchaser shall pay or cause to be paid to the Remarketing Agent the full purchase price of any such Bonds in immediately available funds. Payment of the purchase price and the remarketing of Bonds tendered pursuant to this Section 504 shall be accomplished as follows:

1. Not later than 12:00 p.m., New York City time, on the Purchase Date with respect to any Bonds in the Daily Rate Mode, Weekly Rate Mode, or Monthly Rate Mode also tendered for purchase pursuant to this Section 504, the Remarketing Agent shall notify the Trustee and the Corporation, by Electronic Means, of the purchase price of such Bonds tendered for purchase pursuant to this Section 504 that have not been remarketed by the Remarketing Agent at that time. If the Trustee has not received notice from the Remarketing Agent, the Trustee shall assume that no such Bonds have been remarketed.

2. Not later than 4:30 p.m., New York City time, on the Business Day prior to the Purchase Date with respect to any Bonds in a Weekly Rate Mode or Monthly Rate Mode which are tendered for purchase pursuant to this Section 504, the Remarketing Agent shall notify the Trustee and the Corporation, by Electronic Means, of the purchase price of Bonds tendered for purchase pursuant to this Section 504 that have not been remarketed by the Remarketing Agent at that time. Not later than 12:30 p.m., New York City time, on the Purchase Date, the Trustee shall give notice by Electronic Means to the Liquidity Support Provider, if any, specifying the purchase price of the Weekly Rate Bonds or Monthly Rate Bonds tendered for purchase pursuant to this Section 504 that have not been remarketed. If the Trustee has not received notice from the Remarketing Agent, the Trustee shall assume that no such Weekly Rate Bonds or Monthly Rate Bonds have been remarketed.

3. If such Purchase Date will occur prior to the Book-Entry Termination Date with respect to the Bonds, the Remarketing Agent shall give telephonic notice to the Trustee and the Corporation no later than 12:00 p.m., New York City time on the Purchase Date of the aggregate principal amount of such tendered Bonds for which the Remarketing Agent will accept the Delivery Order initiated by the Trustee pursuant to Section 504(C)(7) hereof by authorizing the Custodian to transfer an amount of Remarketing Proceeds equal to the purchase price of such tendered Bonds from the Remarketing Agent's Federal Reserve account to which the Custodian has access to the Trustee's, or its affiliate's, Federal Reserve account to which the Custodian has access.

4. If such Purchase Date will occur on or after the Book-Entry Termination Date with respect to the Bonds, the Remarketing Agent shall provide telephonic notice to the Trustee and the Corporation no later than 12:00 p.m., New York City time on such Purchase Date (to be confirmed by a written notice delivered to the Trustee no later than 12:00 noon, New York City time on such Purchase Date) of the amount of Remarketing Proceeds received by the Remarketing Agent on such Purchase Date.

5. If such amounts received by the Remarketing Agent for the purchase of tendered Bonds, are not sufficient to pay the purchase price of tendered Bonds on the Purchase Date, the Remarketing Agent shall provide telephonic notice of such shortfall to the Trustee and the Corporation by 12:00 p.m. New York City time on the Purchase Date, and the Trustee shall, at or before 12:30 p.m., New York City time, on the Purchase Date, either (A) make a Draw on the Liquidity Support Facility, if any, or (B) make a demand for payment to the Corporation, if and to the extent necessary to pay the purchase price of Bonds for which Remarketing Proceeds are not available to pay such purchase price; if such Purchase Date occurs prior to the Book-Entry Termination Date with respect to the Bonds, upon receipt by the Trustee of the proceeds of such Draw or payment from the Corporation and deposit thereof into the Trustee's, or its affiliate's, Federal Reserve account to which the Custodian has access, the Trustee shall also authorize the Custodian to effect, no later than 1:30 p.m., New York City time, on such Purchase Date, the Delivery Orders to the Custodian as described in Section 504(C)(7) hereof. The purchase price of any Bonds tendered for purchase pursuant to this Section 504 shall be paid to or for the account of the Owner or Beneficial Owner thereof, as applicable, in accordance with Section 508 hereof.

6. By 2:30 p.m., New York City time on the Purchase Date, the Trustee shall apply the money delivered to it under this Section 504 as follows and, to the extent money delivered to it is so designated, in the following priority, to purchase tendered Bonds from the Owners thereof at the purchase price:

(a) First, from the Remarketing Proceeds, including the proceeds of "remarketing" any such Bonds to the Remarketing Agent for its own account, to the extent of that money;

(b) Second, from proceeds of a Draw or Draws on any Liquidity Support Facility to pay such purchase price; and

(c) Third, at the option of the Corporation, from funds provided by the Corporation.

Any money described in Section 504(C)(6)(a) through (c) hereof remaining with the Trustee, after providing for Untendered Bonds in the manner provided in Section 507 hereof, shall be paid by the Trustee, no later than 4:30 p.m., New York City time, on the Purchase Date, first, to the Liquidity Support Provider to the extent of any money received pursuant to a Draw on any Liquidity Support Facility, and then to the Corporation.

7. If such Purchase Date will occur prior to the Book-Entry Termination Date with respect to the Bonds, upon receipt by the Trustee of telephonic notice from the

Remarketing Agent, the Trustee shall deliver to the Custodian no later than 11:30 a.m., New York City time on such Purchase Date, a Delivery Order directing the Custodian to transfer beneficial ownership of Bonds in respect to which Remarketing Proceeds are to be received by the Trustee pursuant to Section 504(C)(3) hereof to or upon the order of the Remarketing Agent upon acceptance of such Delivery Order by the Remarketing Agent.

(D) An Owner or Beneficial Owner, as applicable, may repurchase any Bond(s) tendered pursuant to Section 504(A) hereof on any Purchase Date subject to Section 504(C) hereof and if the Remarketing Agent agrees to sell such Bonds to such Owner or Beneficial Owner.

#### SECTION 505. MANDATORY TENDER AND PURCHASE OF SEMIANNUAL, ANNUAL AND TERM RATE BONDS.

(A) On (1) each Interest Accrual Date occurring when the Bonds of a Subseries bear interest at a Semiannual Rate, (2) every second Interest Accrual Date occurring when the Bonds of a Subseries bear interest at an Annual Rate (in all such cases, excluding the effective date of the change thereto) (or, if any such Interest Accrual Date is not a Business Day, on the next succeeding Business Day), and (3) on the first Business Day immediately following the end of each Term Rate Period occurring when the Bonds of a Subseries bear interest at a Term Rate other than the Initial Term Rate, all Bonds of such Subseries that are not Purchased Bonds shall be subject to mandatory tender by the Beneficial Owners thereof (if such Purchase Date will occur prior to the Book-Entry Termination Date) or the Owners thereof (if such Purchase Date will occur on or after the Book-Entry Termination Date), for purchase by the Trustee at a purchase price equal to 100% of the principal amount thereof.

(B) If the Purchase Date for such mandatory tender will occur prior to the Book-Entry Termination Date, the Trustee shall give notice of such mandatory tender and purchase to the Custodian in accordance with the Letter of Representation. If the Purchase Date for such mandatory tender will occur on or after the Book-Entry Termination Date, the Trustee shall give notice of such mandatory tender and purchase not less than 15 days nor more than 30 days prior to the Purchase Date, by first-class mail, postage prepaid, to each Rating Agency then rating the Bonds and also to each Owner (other than the Liquidity Support Provider as the Owner of Purchased Bonds) of affected Bonds at such Owner's address shown on the registry books maintained by the Trustee. Such notice shall:

1. Identify the Bonds held by such Owner that are subject to such mandatory tender and purchase by CUSIP number;

2. Specify the Purchase Date and state that on the Purchase Date, all Bonds of such Subseries that are not Purchased Bonds are subject to mandatory tender for purchase by the Trustee at a purchase price of 100% of the principal amount thereof, plus accrued interest, if any, to the Purchase Date; and

3. State that, on such Purchase Date, the Trustee shall hold funds for the purchase price of all Bonds of such Subseries that are not Purchased Bonds derived from Remarketing Proceeds or the proceeds of a Draw on the expiring Liquidity Support Facility, in



trust and uninvested and without liability for interest for the Owners thereof, which money shall be paid to each such Owner upon surrender of such Owner's Bond(s) to the Trustee at its Tender Address, on or after such Purchase Date, together with an appropriate instrument of transfer, fully executed in blank by such Owner or such Owner's duly authorized attorney.

The notice requirement of this Section 505(B) shall be satisfied when notice in accordance herewith is transmitted as provided herein, regardless of whether such notice is actually received by any Rating Agency or the Beneficial Owners or the Owners, as the case may be, of any affected Bonds.

(C) If the Purchase Date for such mandatory tender will occur prior to the Book-Entry Termination Date and if the Remarketing Agent shall have delivered to the Trustee the Delivery Order described in Section 505(D) hereof, the Trustee, for and on behalf of the Beneficial Owner of each Bond to be so purchased, shall deliver to the Custodian no later than 2:00 p.m., New York City time, on the Purchase Date, the Delivery Order described in Section 505(D) hereof. If such Purchase Date will occur on or after the Book-Entry Termination Date, the Owner of each Bond to be so purchased shall deliver such Bond, together with an appropriate instrument of transfer, fully executed in blank by such Owner or his duly authorized attorney, to the Trustee, at its Tender Address, no later than 12:00 noon, New York City time, on such Purchase Date.

(D) The Remarketing Agent shall offer for sale and use its best efforts to find purchasers for all Bonds of such Subseries (or portions thereof) tendered pursuant to this Section 505 at a price equal to 100% of the principal amount thereof (subject, however, to the provisions of Section 206(D) hereof), plus accrued interest, if any, to the Purchase Date; provided, that no Bonds shall be remarketed to the Issuer, the Corporation or any Affiliate. If such Purchase Date will occur prior to the Book-Entry Termination Date, no later than 10:30 a.m., New York City time, on such Purchase Date, any such purchaser of Bonds shall give or cause to be given to the Custodian, authorization to cause an amount equal to 100% of the purchase price thereof to be delivered by or on behalf of such purchaser to the Federal Reserve account of the Remarketing Agent to which the Custodian has access upon transfer of beneficial ownership of any such Bonds to or for the account of such purchaser. If such Purchase Date will occur on or after the Book-Entry Termination Date, no later than 10:30 a.m., New York City time, on the Purchase Date, such purchaser shall pay or cause to be paid to the Remarketing Agent the full purchase price of any such Bonds in immediately available funds. Payment of the purchase price and the remarketing of Bonds tendered pursuant to this Section 505 shall be accomplished as follows:

1. Not later than 4:30 p.m., New York City time, on the Business Day prior to the Purchase Date with respect to any Bonds tendered for purchase pursuant to this Section 505, the Remarketing Agent shall notify the Trustee and the Corporation, by Electronic Means, of the purchase price of Bonds tendered for purchase pursuant to this Section 505 that have not been remarketed by the Remarketing Agent at that time. Not later than 5:00 p.m., New York City time, on that day, the Trustee shall give notice by Electronic Means to the Liquidity Support Provider, if any, specifying the purchase price of Bonds tendered for purchase pursuant to this Section 505 that have not been remarketed. If the Trustee has not received notice from the Remarketing Agent, the Trustee shall assume that no such Bonds have been remarketed.

2. If such Purchase Date will occur prior to the Book-Entry Termination Date with respect to the Bonds, the Remarketing Agent shall give telephonic notice to the Trustee and the Corporation no later than 10:30 a.m., New York City time, on the Purchase Date of the aggregate principal amount of such tendered Bonds for which the Remarketing Agent will accept the Delivery Order initiated by the Trustee pursuant to Section 505(D)(6) hereof by authorizing the Custodian to transfer an amount of Remarketing Proceeds equal to the purchase price of such tendered Bonds from the Remarketing Agent's Federal Reserve account to which the Custodian has access to the Trustee's, or its affiliate's, Federal Reserve account to which the Custodian has access.

3. If such Purchase Date will occur on or after the Book-Entry Termination Date with respect to the Bonds, the Remarketing Agent shall provide telephonic notice to the Trustee and the Corporation no later than 10:30 a.m., New York City time, on such Purchase Date (to be confirmed by a written notice delivered to the Trustee no later than 12:00 noon, New York City time, on such Purchase Date) of the amount of Remarketing Proceeds received by the Remarketing Agent on such Purchase Date.

4. If such amounts received by the Remarketing Agent for the purchase of tendered Bonds, are not sufficient to pay the purchase price of tendered Bonds on the Purchase Date, the Remarketing Agent shall provide telephonic notice to the Trustee and the Corporation by 10:30 a.m. New York City time on the Purchase Date, and the Trustee shall, at or before 11:00 a.m., New York City time, on the Purchase Date, (A) make a Draw on the Liquidity Support Facility, if any, and if there is no available Liquidity Support Facility or if the amount advanced under the Liquidity Support Facility is not sufficient to pay the purchase price of Bonds for which Remarketing Proceeds are not available (B) make a demand for payment to the Corporation, if and to the extent necessary to pay the purchase price of Bonds for which Remarketing Proceeds are not available to pay such purchase price. If such Purchase Date occurs prior to the Book-Entry Termination Date with respect to the Bonds, upon receipt by the Trustee of the proceeds of such Draw or payment from the Corporation and deposit thereof into the Trustee's, or its affiliate's, Federal Reserve account to which the Custodian has access, the Trustee shall also authorize the Custodian to effect, no later than 1:30 p.m., New York City time, on such Purchase Date, the Delivery Orders to the Custodian as described in Section 505(D)(6) hereof. The purchase price of any Bonds tendered for purchase pursuant to this Section 505 shall be paid to or for the account of the Owner or Beneficial Owner thereof, as applicable, in accordance with Section 512 hereof.

5. By 2:30 p.m., New York City time, on the Purchase Date, the Trustee shall apply the money delivered to it under this Section 505 as follows and, to the extent money delivered to it is so designated, in the following priority, to purchase tendered Bonds from the Owners thereof at the purchase price:

(a) First, from the Remarketing Proceeds, including the proceeds of "remarketing" any such Bonds to the Remarketing Agent for its own account, to the extent of that money; and

(b) Second, from proceeds of a Draw or Draws on any Liquidity Support Facility to pay such purchase price; and

(c) Third, at the option of the Corporation, from funds provided by the Corporation.

Any money described in Section 505(D)(5)(a) through (c) hereof remaining with the Trustee, after providing for Untendered Bonds in the manner provided in Section 510 hereof, shall be paid by the Trustee, no later than 4:30 p.m., New York City time, on the Purchase Date, first, to the Liquidity Support Provider to the extent of any money received pursuant to a Draw on any Liquidity Support Facility, and then to the Corporation.

6. If such Purchase Date will occur prior to the Book-Entry Termination Date with respect to the Bonds, upon receipt by the Trustee of telephonic notice from the Remarketing Agent, the Trustee shall deliver to the Custodian no later than 11:30 a.m., New York City time, on such Purchase Date, a Delivery Order directing the Custodian to transfer beneficial ownership of Bonds in respect to which Remarketing Proceeds are to be received by the Trustee pursuant to Section 505(D)(2) hereof to or upon the order of the Remarketing Agent upon acceptance of such Delivery Order by the Remarketing Agent.

(E) An Owner or Beneficial Owner, as applicable, may repurchase any Bond(s) tendered pursuant to Section 505(A) hereof on any Purchase Date, subject to Section 505(D) hereof and if the Remarketing Agent agrees to sell such Bonds to such Owner or Beneficial Owner.

#### SECTION 506. MANDATORY TENDER AND PURCHASE OF BONDS UPON CHANGE TO A VARIABLE RATE MODE.

(A) With respect to Outstanding Bonds of a Subseries to be converted to a Variable Rate Mode, all Outstanding Bonds of such Subseries that are not Purchased Bonds or Retained Bonds shall be subject to mandatory tender (i) with respect to a Subseries of Bonds to be converted from the ARS Mode, on the effective date of a Change to a Variable Rate Mode (or, if such effective date is not a Business Day, on the next succeeding Business Day) and (ii) with respect to a Subseries of Bonds to be converted from a Variable Rate Mode, (a) on the effective date of a Change to Variable Rate Mode (or if such effective date is not a Business Day, on the next succeeding Business Day), and (b) on the proposed effective date of a Change to a Variable Rate Mode (or if such effective date is not a Business Day, on the next succeeding Business Day) by the Beneficial Owners thereof (if such Purchase Date will occur prior to the Book-Entry Termination Date) or the Owners thereof (if such Purchase Date will occur on or after the Book-Entry Termination Date), for purchase by the Trustee at a purchase price equal to 100% of the principal amount thereof plus accrued interest, if any.

The Trustee shall give Immediate Notice of such mandatory purchase to the Holders of such Bonds no less than 4 Business Days prior to the Purchase Date. Such notice shall state the Purchase Date, the Purchase Price and that interest on such Bonds shall cease to accrue from and after such Purchase Date. Failure to give such notice with respect to any Bond shall not affect the validity of the mandatory purchase of any other Bond with respect to which

notice was so given. Any notice sent will be conclusively presumed to have been given, whether or not actually received by any Holder.

(B) If the Purchase Date for a mandatory tender and purchase described in Section 503(A) hereof will occur prior to the Book-Entry Termination Date and if the Remarketing Agent shall have delivered to the Trustee the Delivery Order described in Section 506(C) hereof, the Trustee, for and on behalf of the Beneficial Owner of each Bond to be so purchased, shall deliver to the Custodian no later than 2:00 p.m., New York City time, on the Purchase Date, the Delivery Order described in Section 506(C) hereof. If such Purchase Date will occur on or after the Book-Entry Termination Date, the Owner of each Bond to be so purchased shall deliver such Bond, together with an appropriate instrument of transfer, fully executed in blank by such Owner or his duly authorized attorney, to the Trustee, at its Tender Address, no later than 12:00 noon, New York City time, on such Purchase Date.

(C) The Remarketing Agent shall offer for sale and use its best efforts to find purchasers for all Bonds (or portions thereof) tendered pursuant to this Section 506 at a price equal to 100% of the principal amount thereof (subject, however, to the provisions of Section 206(D) hereof), plus accrued interest, if any, to the Purchase Date; provided, that no Bonds shall be remarketed to the Issuer, the Corporation or any Affiliate. If such Purchase Date will occur prior to the Book-Entry Termination Date, no later than 10:30 a.m., New York City time, on such Purchase Date, any such purchaser of Bonds shall give or cause to be given to the Custodian, authorization to cause an amount equal to 100% of the purchase price thereof to be delivered by or on behalf of such purchaser to the Federal Reserve account of the Remarketing Agent to which the Custodian has access upon transfer of beneficial ownership of any such Bonds to or for the account of such purchaser. If such Purchase Date will occur on or after the Book-Entry Termination Date, no later than 10:30 a.m., New York City time, on the Purchase Date, such purchaser shall pay or cause to be paid to the Remarketing Agent the full purchase price of any such Bonds in immediately available funds. Payment of the purchase price and the remarketing of Bonds tendered pursuant to this Section 506 shall be accomplished as follows:

1. Not later than 4:30 p.m., New York City time, on the Business Day prior to the Purchase Date with respect to any Bonds tendered for purchase pursuant to this Section 506, the Remarketing Agent shall notify the Trustee and the Corporation, by Electronic Means, of the purchase price of Bonds tendered for purchase pursuant to this Section 506 that have not been remarketed by the Remarketing Agent at that time. Not later than 5:00 p.m., New York City time, on that day, the Trustee shall give notice by Electronic Means to the Liquidity Support Provider, if any, specifying the purchase price of Bonds tendered for purchase pursuant to this Section 503 that have not been remarketed. If the Trustee has not received notice from the Remarketing Agent, the Trustee shall assume that no such Bonds have been remarketed.

2. If such Purchase Date will occur prior to the Book-Entry Termination Date with respect to the Bonds, the Remarketing Agent shall give telephonic notice to the Trustee and the Corporation no later than 10:30 a.m., New York City time, on the Purchase Date of the aggregate principal amount of such tendered Bonds for which the Remarketing Agent will accept the Delivery Order initiated by the Trustee pursuant to Section 506(C)(6) hereof by authorizing the Custodian to transfer an amount of Remarketing Proceeds equal to the purchase

price of such tendered Bonds from the Remarketing Agent's Federal Reserve account to which the Custodian has access to the Trustee's, or its affiliate's, Federal Reserve account to which the Custodian has access.

3. If such Purchase Date will occur on or after the Book-Entry Termination Date with respect to the Bonds, the Remarketing Agent shall provide telephonic notice to the Trustee and the Corporation no later than 10:30 a.m., New York City time, on such Purchase Date (to be confirmed by a written notice delivered to the Trustee no later than 12:00 noon, New York City time, on such Purchase Date) of the amount of Remarketing Proceeds received by the Remarketing Agent on such Purchase Date.

4. If such amounts received by the Remarketing Agent for the purchase of tendered Bonds, are not sufficient to pay the purchase price of tendered Bonds on the Purchase Date, the Remarketing Agent shall provide telephonic notice to the Trustee and the Corporation by 10:30 a.m. New York City time on the Purchase Date, and the Trustee shall, at or before 11:00 a.m., New York City time, on the Purchase Date, (A) make a Draw on the Liquidity Support Facility, if any, and if there is no available Liquidity Support Facility or if the amount advanced under the Liquidity Support Facility is not sufficient to pay the purchase price of Bonds for which Remarketing Proceeds are not available (B) make a demand for payment to the Corporation, if and to the extent necessary to pay the purchase price of Bonds for which Remarketing Proceeds are not available to pay such purchase price. If such Purchase Date occurs prior to the Book-Entry Termination Date with respect to the Bonds, upon receipt by the Trustee of the proceeds of such Draw or payment from the Corporation and deposit thereof into the Trustee's, or its affiliate's, Federal Reserve account to which the Custodian has access, the Trustee shall also authorize the Custodian to effect, no later than 1:30 p.m., New York City time, on such Purchase Date, the Delivery Orders to the Custodian as described in Section 506(C)(6) hereof. The purchase price of any Bonds tendered for purchase pursuant to this Section 506 shall be paid to or for the account of the Owner or Beneficial Owner thereof, as applicable, in accordance with Section 512 hereof.

5. By 2:30 p.m., New York City time, on the Purchase Date, the Trustee shall apply the money delivered to it under this Section 506 as follows and, to the extent money delivered to it is so designated, in the following priority, to purchase tendered Bonds from the Owners thereof at the purchase price:

(a) First, from the Remarketing Proceeds, including the proceeds of "remarketing" any such Bonds to the Remarketing Agent for its own account, to the extent of that money; and

(b) Second, from proceeds of a Draw or Draws on any Liquidity Support Facility to pay such purchase price; and

(c) Third, at the option of the Corporation, from funds provided by the Corporation.

Any money described in Section 506(C)(5)(a) through (c) hereof remaining with the Trustee after providing for Untendered Bonds in the manner provided in Section 510 hereof,

shall be paid by the Trustee, no later than 4:30 p.m., New York City time, on the Purchase Date, first, to the Liquidity Support Provider to the extent of any money received pursuant to a Draw on any Liquidity Support Facility, and then to the Corporation.

6. If such Purchase Date will occur prior to the Book-Entry Termination Date with respect to the Bonds, upon receipt by the Trustee of telephonic notice from the Remarketing Agent, the Trustee shall deliver to the Custodian no later than 11:30 a.m, New York City time, on such Purchase Date, a Delivery Order directing the Custodian to transfer beneficial ownership of Bonds in respect to which Remarketing Proceeds are to be received by the Trustee pursuant to Section 506(C)(2) hereof to or upon the order of the Remarketing Agent upon acceptance of such Delivery Order by the Remarketing Agent.

(D) An Owner or Beneficial Owner, as applicable, may repurchase any Bond(s) tendered pursuant to Section 506(A) hereof on any Purchase Date, subject to Section 506(C) hereof and if the Remarketing Agent agrees to sell such Bonds to such Owner or Beneficial Owner.

#### SECTION 507. MANDATORY TENDER AND PURCHASE OF BONDS ON FIXED RATE DATE OR UPON CHANGE TO ARS MODE.

(A) (i) On the effective date of the conversion from any Mode to a Fixed Rate Mode or to the ARS Mode, and (ii) on the proposed effective date from any Mode or the ARS Mode to the Fixed Rate Mode or the ARS Mode, with respect to a Subseries of Bonds (or, if such date is not a Business Day, on the next succeeding Business Day); all Bonds of such Subseries that are not Purchased Bonds or Retained Bonds shall be subject to mandatory tender by the Beneficial Owner thereof (if such Purchase Date will occur prior to the Book-Entry Termination Date) or the Owners thereof (if such Purchase Date will occur on or after the Book-Entry Termination Date) for purchase by the Trustee, but only from (1) the proceeds of the sale of such Bonds as Fixed Rate Bonds delivered to the Trustee by the investment bankers pursuant to the Fixed Rate Commitment or (2) the proceeds of the Auction of such Bonds as ARS Bonds delivered to the Trustee pursuant to the Auction Agreement, in either case, at a purchase price equal to 100% of the principal amount thereof plus accrued interest, if any; or (3) proceeds of remarketing pursuant to Section 207(D)(5)(d)(3) hereof.

The Trustee shall give Immediate Notice of such mandatory purchase to the Holders of such Bonds no less than 4 Business Days prior to the Purchase Date. Such notice shall state the Purchase Date, the Purchase Price and that interest on such Bonds shall cease to accrue from and after such Purchase Date. Failure to give such notice with respect to any Bond shall not affect the validity of the mandatory purchase of any other Bond with respect to which notice was so given. Any notice sent will be conclusively presumed to have been given, whether or not actually received by any Holder.

(B) If the Purchase Date for a mandatory tender and purchase described in Section 507(A) hereof will occur prior to the Book-Entry Termination Date and if the Remarketing Agent shall have delivered to the Trustee a Delivery Order directing the Custodian to transfer beneficial ownership of Bonds in respect to which proceeds of a sale pursuant to a Fixed Rate Commitment or the Auction Procedures are to be received by the Trustee to or upon the order of

the investment bankers pursuant to the Fixed Rate Commitment or the Broker-Dealers pursuant to the Auction Procedures, as appropriate, upon acceptance of such Delivery Order by the same, the Trustee, for and on behalf of the Beneficial Owner of each Bond to be so purchased, shall deliver to the Custodian, no later than 1:00 p.m., New York City time, on the Purchase Date, such Delivery Order. If such Purchase Date will occur on or after the Book-Entry Termination Date, the Owner of each Bond to be mandatorily purchased pursuant to Section 504(A) hereof shall deliver such Bond, together with an appropriate instrument of transfer, fully executed in blank by such Owner or his duly authorized attorney, at its Tender Address, no later than 12:00 noon, New York City time, on such Purchase Date.

(C) Bonds tendered pursuant to this Section 507 shall not be remarketed by the Remarketing Agent, but shall be sold pursuant to the Fixed Rate Commitment (in the case of a conversion to a Fixed Mode) or the Auction Procedures (in the case of a Change to ARS Mode).

#### SECTION 507A. ELECTION OF INITIAL PURCHASER TO RETAIN BONDS.

If a Subseries of Bonds is subject to mandatory tender by the holders thereof pursuant to Section 506 or 507 hereof upon a conversion from the Initial Term Rate Period because of a Change to Variable Rate Mode, Change to ARS Mode or conversion to Fixed Rate, the Initial Purchaser of such Subseries shall have the right to elect to retain all, but not less than all, of its Bonds on the related Conversion Date. Such election to retain must be delivered in writing to the Trustee by an authorized representative of the Initial Purchaser no less than three Business Days prior to a Purchase Date, and shall be irrevocable once delivered. Upon receipt by the Trustee of any written election to retain Bonds by an Initial Purchaser, the related Subseries of Bonds shall not be remarketed in accordance with Section 506 or 507, but the interest mode of such Subseries of Bonds shall change on the Conversion Date.

#### SECTION 508. MANDATORY TENDER AND PURCHASE OF BONDS UPON REPLACEMENT OF LIQUIDITY SUPPORT FACILITY.

(A) On the proposed Effective Date of any Alternate Liquidity Support Facility, the Bonds of the Subseries to be secured by such Alternate Liquidity Support Facility that are not Purchased Bonds shall be subject to mandatory tender by the Beneficial Owners thereof (if such Purchase Date will occur prior to the Book-Entry Termination Date) or the Owners thereof (if such Purchase Date will occur on or after the Book-Entry Termination Date) for purchase by the Trustee at a purchase price equal to 100% of the principal amount thereof plus accrued interest, if any.

(B) If the Purchase Date for such mandatory tender will occur prior to the Book-Entry Termination Date, the Trustee shall give notice of such mandatory tender and purchase to the Custodian in accordance with the Letter of Representation. If the Purchase Date for such mandatory tender will occur on or after the Book-Entry Termination Date, the Trustee shall give notice of such mandatory tender and purchase not less than 15 days nor more than 30 days prior to the Purchase Date, which shall be the proposed Effective Date of any such Alternate Liquidity Support Facility, by first-class mail, postage prepaid, to each Rating Agency then rating the Bonds and also to each Owner (other than the Liquidity Support Provider as the Owner of Purchased Bonds) of affected Bonds at such Owner's address shown on the registry books

maintained by the Trustee. Such notice shall be accompanied by the Opinion of Counsel from Bond Counsel required by Section 402 hereof and shall:

1. Identify the Bonds held by such Owner that are subject to such mandatory tender and purchase by CUSIP number;

2. State that the Corporation has elected to provide the Trustee with an Alternate Liquidity Support Facility, and specify the new rating(s) on the affected Bonds as a result of the delivery of any such Alternate Liquidity Support Facility;

3. Specify the proposed Effective Date of the Alternate Liquidity Support Facility and state that upon such proposed Effective Date of such Alternate Liquidity Support Facility, all Bonds of such Subseries that are not Purchased Bonds are subject to mandatory tender for purchase by the Trustee on the proposed Effective Date of such Alternate Liquidity Support Facility (whether or not the conditions precedent to such replacement are satisfied prior to such proposed Effective Date) at a purchase price of 100% of the principal amount thereof, plus accrued interest, if any, to the Purchase Date;

4. State that, if the Bonds subject to such mandatory tender and purchase bear interest at a Daily Rate or a Weekly Rate, such Owner may optionally tender his affected Bond(s) for purchase by the Trustee at a purchase price equal to 100% of the principal amount thereof, plus accrued interest at any time prior to the proposed Effective Date of any such Alternate Liquidity Support Facility, and specify the procedure for requesting such optional tender (as described in the applicable provisions of Section 501 hereof); and

5. State that on such Purchase Date, unless all of the conditions precedent to substitution of any such Alternate Liquidity Support Facility for the then-effective Liquidity Support Facility are satisfied as of 4:00 p.m., New York City time, on the proposed Effective Date of any such Alternate Liquidity Support Facility, such proposed Alternate Liquidity Support Facility shall not replace any then-effective Liquidity Support Facility and thereafter, Liquidity Support shall be provided by the then-effective Liquidity Support Facility; provided, that if such proposed replacement of any then-effective Liquidity Support Facility is due to the expiration of such Liquidity Support Facility in accordance with its terms, the Bonds of such Subseries shall be subject to mandatory tender in accordance with Section 509 hereof upon any failure of such conditions precedent; and

6. State that on the Purchase Date and whether or not the conditions precedent to replacement of the then-effective Alternate Liquidity Support Facility have been satisfied, the Trustee shall hold funds for the purchase price of all Bonds of such Subseries that are not Purchased Bonds derived from Remarketing Proceeds or the proceeds of a Draw on the then-effective Liquidity Support Facility (which shall be the Liquidity Support Facility being replaced in the case of the delivery of an Alternate Liquidity Support Facility), in trust and uninvested and without liability for interest for the Owners thereof, which money shall be paid to each such Owner upon surrender of such Owner's Bond(s) to the Trustee at its Tender Address, on or after such Purchase Date, together with an appropriate instrument of transfer, fully executed in blank by such Owner or such Owner's duly authorized attorney.



The notice requirement of this Section 508(B) shall be satisfied when notice in accordance herewith is transmitted as provided herein, regardless of whether such notice is actually received by any Rating Agency then rating the Bonds or the Beneficial Owners or the Owners, as the case may be, of any affected Bonds.

(C) The Remarketing Agent shall offer for sale and use its best efforts to find purchasers for all Bonds of such Subseries (or portions thereof) tendered pursuant to this Section 508 at a price equal to 100% of the principal amount thereof, plus accrued interest, if any, to the Purchase Date; provided, that no Bonds shall be remarketed to the Issuer, the Corporation or any Affiliate. If such Purchase Date will occur prior to the Book-Entry Termination Date, no later than 10:30 a.m., New York City time, on such Purchase Date, any such purchaser of Bonds shall give or cause to be given to the Custodian, authorization to cause an amount equal to 100% of the purchase price thereof to be delivered by or on behalf of such purchaser to the Federal Reserve account of the Remarketing Agent to which the Custodian has access upon transfer of beneficial ownership of any such Bonds to or for the account of such purchaser. If such Purchase Date will occur on or after the Book-Entry Termination Date, no later than 10:30 a.m., New York City time, on the Purchase Date, such purchaser shall pay or cause to be paid to the Remarketing Agent the full purchase price of any such Bonds in immediately available funds. Payment of the purchase price and the remarketing of Bonds tendered pursuant to this Section 508 shall be accomplished as follows:

1. Not later than 4:30 p.m., New York City time, on the Business Day prior to the Purchase Date with respect to any Bonds tendered for purchase pursuant to this Section 508, the Remarketing Agent shall notify the Trustee and the Corporation, by Electronic Means, of the purchase price of Bonds tendered for purchase pursuant to this Section 508 that have not been remarketed by the Remarketing Agent at that time. Not later than 5:00 p.m., New York City time, on that day, the Trustee shall give notice by Electronic Means to the Liquidity Support Provider, if any, specifying the purchase price of Bonds tendered for purchase pursuant to this Section 508 that have not been remarketed. If the Trustee has not received notice from the Remarketing Agent, the Trustee shall assume that no such Bonds have been remarketed.

2. If such Purchase Date will occur prior to the Book-Entry Termination Date with respect to the Bonds, the Remarketing Agent shall give telephonic notice to the Trustee and the Corporation no later than 10:30 a.m., New York City time, on the Purchase Date of the aggregate principal amount of such tendered Bonds for which the Remarketing Agent will accept the Delivery Order initiated by the Trustee pursuant to Section 508(C)(6) hereof by authorizing the Custodian to transfer an amount of Remarketing Proceeds equal to the purchase price of such tendered Bonds from the Remarketing Agent's Federal Reserve account to which the Custodian has access to the Trustee's, or its affiliate's, Federal Reserve account to which the Custodian has access.

3. If such Purchase Date will occur on or after the Book-Entry Termination Date with respect to the Bonds, the Remarketing Agent shall provide telephonic notice to the Trustee and the Corporation no later than 10:30 a.m., New York City time, on such Purchase Date (to be confirmed by a written notice delivered to the Trustee no later than 12:00 noon, New

York City time, on such Purchase Date) of the amount of Remarketing Proceeds received by the Remarketing Agent on such Purchase Date.

4. If such amounts received by the Remarketing Agent for the purchase of tendered Bonds, are not sufficient to pay the purchase price of tendered Bonds on the Purchase Date, the Remarketing Agent shall provide telephonic notice to the Trustee and the Corporation by 10:30 a.m. New York City time on the Purchase Date, and the Trustee shall, at or before 11:00 a.m., New York City time, on the Purchase Date, make a Draw on the Liquidity Support Facility being replaced in accordance with Section 409 hereof, if and to the extent necessary to pay the purchase price of Bonds for which Remarketing Proceeds are not available to pay such purchase price. If such Purchase Date occurs prior to the Book-Entry Termination Date with respect to the Bonds, upon receipt by the Trustee of the proceeds of such Draw and deposit thereof into the Trustee's, or its affiliate's, Federal Reserve account to which the Custodian has access, the Trustee shall also authorize the Custodian to effect, no later than 1:30 p.m., New York City time, on such Purchase Date, the Delivery Orders to the Custodian as described in Section 508(C)(6) hereof. The purchase price of any Bonds tendered for purchase pursuant to this Section 508 shall be paid to or for the account of the Owner or Beneficial Owner thereof, as applicable, in accordance with Section 512 hereof.

5. By 2:30 p.m., New York City time, on the Purchase Date, the Trustee shall apply the money delivered to it under this Section 508 as follows and, to the extent money delivered to it is so designated, in the following priority, to purchase tendered Bonds from the Owners thereof at the purchase price:

(a) First, from the Remarketing Proceeds, including the proceeds of "remarketing" any such Bonds to the Remarketing Agent for its own account, to the extent of that money;

(b) Second, from proceeds of a Draw or Draws on the Liquidity Support Facility being replaced to pay such purchase price; and

(c) Third, at the option of the Corporation, from funds provided by the Corporation.

Any money described in Section 508(C)(5)(a) through (c) hereof remaining with the Trustee, after providing for Untendered Bonds in the manner provided in Section 510 hereof, shall be paid by the Trustee, no later than 4:30 p.m., New York City time, on the Purchase Date, first, to the Liquidity Support Provider to the extent of any money received pursuant to a Draw on any Liquidity Support Facility and then to the Corporation.

6. If such Purchase Date will occur prior to the Book-Entry Termination Date with respect to the Bonds, upon receipt by the Trustee of telephonic notice from the Remarketing Agent, the Trustee shall deliver to the Custodian no later than 11:30 a.m., New York City time, on such Purchase Date, a Delivery Order directing the Custodian to transfer beneficial ownership of Bonds in respect to which Remarketing Proceeds are to be received by the Trustee pursuant to Section 508(C)(2) hereof to or upon the order of the Remarketing Agent upon acceptance of such Delivery Order by the Remarketing Agent.

(D) An Owner or Beneficial Owner, as applicable, may repurchase any Bond(s) tendered pursuant to Section 508(A) hereof on any Purchase Date subject to Section 508(C) hereof and if the Remarketing Agent agrees to sell such Bonds to such Owner or Beneficial Owner.

**SECTION 509. MANDATORY TENDER AND PURCHASE OF BONDS DUE TO EXPIRATION OF LIQUIDITY SUPPORT FACILITY.**

(A) When the Bonds of a Subseries are in any Variable Rate Mode and a Liquidity Support Facility is in effect, unless an Alternate Liquidity Support Facility is delivered to the Trustee as permitted pursuant to Section 402 hereof not less than 45 days prior to the Expiration Date of the Liquidity Support Facility then in effect, all Outstanding Bonds of such Subseries that are not Purchased Bonds shall be subject to mandatory tender by the Beneficial Owners thereof (if such Purchase Date will occur prior to the Book-Entry Termination Date) or the Owners thereof (if such Purchase Date will occur on or after the Book-Entry Termination Date), for purchase by the Trustee at a purchase price equal to 100% of the principal amount thereof plus accrued interest, if any, on the fifth Business Day prior to the Expiration Date of the expiring Liquidity Support Facility.

(C) If the Purchase Date for such mandatory tender will occur prior to the Book-Entry Termination Date, the Trustee shall give notice of such mandatory tender and purchase to the Custodian in accordance with the Letter of Representation. If the Purchase Date for such mandatory tender will occur on or after the Book-Entry Termination Date, the Trustee shall give notice of such mandatory tender and purchase not less than 15 days nor more than 30 days prior to the Purchase Date, which shall be the fifth Business Day prior to the Expiration Date of the expiring Liquidity Support Facility, by first-class mail, postage prepaid, to each Rating Agency then rating the Bonds and also to each Owner (other than the Liquidity Support Provider as the Owner of Purchased Bonds) of affected Bonds at such Owner's address shown on the registry books maintained by the Trustee. Such notice shall:

1. Identify the Bonds held by such Owner that are subject to such mandatory tender and purchase by CUSIP number;

2. State that the then-current Liquidity Support Facility is expiring, specify the Expiration Date of the Liquidity Support Facility, and state that on the fifth Business Day prior to such Expiration Date, all Bonds of such Subseries that are not Purchased Bonds are subject to mandatory tender for purchase by the Trustee at a purchase price of 100% of the principal amount thereof, plus accrued interest, if any, to the Purchase Date;

3. State that, if the Bonds subject to such mandatory tender and purchase bear interest at a Daily Rate or a Weekly Rate, such Owner may optionally tender his affected Bond(s) for purchase by the Trustee at a purchase price equal to 100% of the principal amount thereof, plus accrued interest at any time prior to such Purchase Date; and

4. State that, on such Purchase Date, the Trustee shall hold funds for the purchase price of all Bonds of such Subseries that are not Purchased Bonds derived from Remarketing Proceeds (if remarketing is permitted pursuant to Section 509(D) hereof) or the

proceeds of a Draw on the expiring Liquidity Support Facility, in trust and uninvested and without liability for interest for the Owners thereof, which money shall be paid to each such Owner upon surrender of such Owner's Bond(s) to the Trustee at its Tender Address, on or after such Purchase Date, together with an appropriate instrument of transfer, fully executed in blank by such Owner or such Owner's duly authorized attorney.

The notice requirement of this Section 509(B) shall be satisfied when notice in accordance herewith is transmitted as provided herein, regardless of whether such notice is actually received by any Rating Agency then rating the Bonds or the Beneficial Owners or the Owners, as the case may be, of any affected Bonds.

(C) If the Purchase Date for a mandatory tender and purchase described in Section 509(A) hereof will occur prior to the Book-Entry Termination Date and if the Remarketing Agent shall have delivered to the Trustee the Delivery Order described in Section 509(D) hereof, the Trustee, for and on behalf of the Beneficial Owner of each Bond to be so purchased, shall deliver to the Custodian no later than 2:00 p.m., New York City time, on the Purchase Date, the Delivery Order described in Section 509(D) hereof. If such Purchase Date will occur on or after the Book-Entry Termination Date, the Owner of each Bond to be so purchased shall deliver such Bond, together with an appropriate instrument of transfer, fully executed in blank by such Owner or his duly authorized attorney, to the Trustee, at its Tender Address, no later than 12:00 noon, New York City time, on such Purchase Date.

(D) Bonds (or portions thereof) tendered pursuant to this Section 509 shall not be remarketed unless either (1) the Corporation shall have delivered an Alternate Liquidity Support Facility with an Effective Date prior to the Purchase Date, or (2) the conditions specified in Sections 403 and 205(A)(3)(a) hereof have been satisfied regarding conversion of such Subseries of Bonds to a Variable Rate Mode without a Liquidity Support Facility. However, in either such event, the Remarketing Agent shall offer for sale and use its best efforts to find purchasers for all Bonds of such Subseries (or portions thereof) tendered pursuant to this Section 509 at a price equal to 100% of the principal amount thereof, plus accrued interest, if any, to the Purchase Date; provided, that no Bonds shall be remarketed to the Issuer, the Corporation or any Affiliate. If such Purchase Date will occur prior to the Book-Entry Termination Date, no later than 10:30 a.m., New York City time, on such Purchase Date, any such purchaser of Bonds shall give or cause to be given to the Custodian, authorization to cause an amount equal to 100% of the purchase price thereof to be delivered by or on behalf of such purchaser to the Federal Reserve account of the Remarketing Agent to which the Custodian has access upon transfer of beneficial ownership of any such Bonds to or for the account of such purchaser. If such Purchase Date will occur on or after the Book-Entry Termination Date, no later than 10:30 a.m., New York City time, on the Purchase Date, such purchaser shall pay or cause to be paid to the Remarketing Agent the full purchase price of any such Bonds in immediately available funds.

Payment of the purchase price and the remarketing of Bonds tendered pursuant to this Section 509 shall be accomplished as follows:

1. Not later than 4:30 p.m., New York City time, on the Business Day prior to the Purchase Date with respect to any Bonds tendered for purchase pursuant to this Section

509, the Remarketing Agent shall notify the Trustee and the Corporation, by Electronic Means, of the purchase price of Bonds tendered for purchase pursuant to this Section 509 that have not been remarketed by the Remarketing Agent at that time. Not later than 5:00 p.m., New York City time, on that day, the Trustee shall give notice by Electronic Means to the Liquidity Support Provider, if any, specifying the purchase price of Bonds tendered for purchase pursuant to this Section 509 that have not been remarketed. If the Trustee has not received notice from the Remarketing Agent, the Trustee shall assume that no such Bonds have been remarketed.

2. If such Purchase Date will occur prior to the Book-Entry Termination Date with respect to the Bonds, the Remarketing Agent shall give telephonic notice to the Trustee and the Corporation no later than 10:30 a.m., New York City time, on the Purchase Date of the aggregate principal amount of such tendered Bonds for which the Remarketing Agent will accept the Delivery Order initiated by the Trustee pursuant to Section 509(D)(6) hereof by authorizing the Custodian to transfer an amount of Remarketing Proceeds equal to the purchase price of such tendered Bonds from the Remarketing Agent's Federal Reserve account to which the Custodian has access to the Trustee's, or its affiliate's, Federal Reserve account to which the Custodian has access.

3. If such Purchase Date will occur on or after the Book-Entry Termination Date with respect to the Bonds, the Remarketing Agent shall provide telephonic notice to the Trustee and the Corporation no later than 10:30 a.m., New York City time, on such Purchase Date (to be confirmed by a written notice delivered to the Trustee no later than 12:00 noon, New York City time, on such Purchase Date) of the amount of Remarketing Proceeds received by the Remarketing Agent on such Purchase Date.

4. If such amounts received by the Remarketing Agent for the purchase of tendered Bonds, are not sufficient to pay the purchase price of tendered Bonds on the Purchase Date, the Remarketing Agent shall provide telephonic notice to the Trustee and the Corporation by 10:30 a.m. New York City time on the Purchase Date, and the Trustee shall, at or before 11:00 a.m., New York City time, on the Purchase Date, make a Draw on the expiring Liquidity Support Facility in accordance with Section 409 hereof if and to the extent necessary to pay the purchase price of Bonds for which Remarketing Proceeds are not available to pay such purchase price. If such Purchase Date occurs prior to the Book-Entry Termination Date with respect to the Bonds, upon receipt by the Trustee of the proceeds of such Draw and deposit thereof into the Trustee's, or its affiliate's, Federal Reserve account to which the Custodian has access, the Trustee shall also authorize the Custodian to effect, no later than 1:30 p.m., New York City time, on such Purchase Date, the Delivery Orders to the Custodian as described in Section 506(D)(6) hereof. The purchase price of any Bonds tendered for purchase pursuant to this Section 506 shall be paid to or for the account of the Owner or Beneficial Owner thereof, as applicable, in accordance with Section 512 hereof.

5. By 2:30 p.m., New York City time, on the Purchase Date, the Trustee shall apply the money delivered to it under this Section 509 as follows and, to the extent money delivered to it is so designated, in the following priority, to purchase tendered Bonds from the Owners thereof at the purchase price:

(a) First, from the Remarketing Proceeds, including the proceeds of “remarketing” any such Bonds to the Remarketing Agent for its own account, to the extent of that money;

(b) Second, from proceeds of a Draw or Draws on the Liquidity Support Facility being replaced to pay such purchase price; and

(c) Third, at the option of the Corporation, from funds provided by the Corporation.

Any money described in Section 509(D)(5)(a) through (c) hereof remaining with the Trustee, after providing for Untendered Bonds in the manner provided in Section 510 hereof, shall be paid by the Trustee, no later than 4:30 p.m., New York City time, on the Purchase Date, first, to the Liquidity Support Provider to the extent of any money received pursuant to a Draw on any Liquidity Support Facility, and then to the Corporation.

6. If such Purchase Date will occur prior to the Book-Entry Termination Date with respect to the Bonds, upon receipt by the Trustee of telephonic notice from the Remarketing Agent, the Trustee shall deliver to the Custodian no later than 11:30 a.m., New York City time, on such Purchase Date, a Delivery Order directing the Custodian to transfer beneficial ownership of Bonds in respect to which Remarketing Proceeds are to be received by the Trustee pursuant to Section 509(D)(2) hereof to or upon the order of the Remarketing Agent upon acceptance of such Delivery Order by the Remarketing Agent.

(E) If the Bonds tendered pursuant to this Section 509 may be remarketed pursuant to Section 509(D) hereof, an Owner or Beneficial Owner, as applicable, may repurchase any such Bond(s) tendered on any Purchase Date subject to Section 509(D) hereof and if the Remarketing Agent agrees to sell such Bonds to such Owner or Beneficial Owner.

#### SECTION 510. UNTENDERED BONDS DEEMED TENDERED.

Any Untendered Bonds shall be deemed to have been properly tendered (by physical delivery, Delivery Order or otherwise) to the Trustee for purchase on the applicable Purchase Date. The Owner or Beneficial Owner, as the case may be, of such Untendered Bonds shall not be entitled to any payment (including any interest to accrue from and after the Purchase Date) other than the respective purchase prices of such Untendered Bonds, and such Untendered Bonds shall not be entitled to any lien, benefit or security of this Indenture, except for payment of such purchase price out of the money deposited for such payment as aforesaid, subject, however, to the provisions of Sections 1001 and 1101 hereof.

#### SECTION 511. PAYMENT OF PURCHASE PRICE OF TENDERED BONDS; REMARKETING PROCEEDS.

(A) The Trustee shall purchase all Bonds tendered or deemed tendered on any Purchase Date no later than 2:30 p.m., New York City time, on such Purchase Date, at a purchase price equal to 100% of the principal amount thereof, plus accrued interest, if applicable, to the Purchase Date.

(B) Payment of the purchase price of any Bonds tendered or deemed tendered

1. pursuant to Section 507 hereof shall be made only from the proceeds of the sale of the Bonds as Fixed Rate Bonds delivered to the Trustee by the investment bankers pursuant to the Fixed Rate Commitment, or the proceeds of the Auction of the Bonds as ARS Bonds delivered to the Trustee pursuant to the Auction Agreement; and

2. pursuant to Sections 504, 505, 506, 508 and 509 hereof shall be made with money derived from the sources and in the priority detailed in each such section, which include (1) money derived from Remarketing Proceeds, (2) proceeds of Draws under the Liquidity Support Facility pursuant to Section 409 hereof, or, (3) if a Liquidity Support Facility is not required pursuant to Section 401 hereof or upon any failure by the Liquidity Support Provider to make payment when due in respect of any Draw with respect to such Liquidity Support Facility, from funds provided by the Corporation.

The Trustee shall not have any obligation to expend its own funds in connection with any such purchase, nor any obligation to pay the purchase price in any type of funds other than that received as (i) Remarketing Proceeds, (ii) proceeds of Draws under the Liquidity Support Facility or (iii) from the Corporation in the absence of funds specified in (i) and (ii) immediately above for such purpose as aforesaid.

Any payment of purchase price required to be made pursuant to this Indenture shall be made to the Owner of the Bonds to whom such purchase price payment is due, or the duly authorized agent of such Owner, but only upon (a) (if such Purchase Date occurs prior to the Book-Entry Termination Date), in the case of optional tenders pursuant to Section 501 hereof, delivery by or on behalf of such Owner to the Custodian of a Delivery Order directing the Custodian to transfer beneficial ownership of such tendered Bond to or upon the order of the Trustee upon receipt of such purchase price by or on behalf of such Owner in accordance with the Letter of Representation; or (b) (if such Purchase Date occurs on or after the Book-Entry Termination Date) delivery to the Trustee, at its New York Tender Address, of the Bond(s) to be purchased.

(C) The Remarketing Agent shall deliver all Remarketing Proceeds actually received by the Remarketing Agent to the Trustee by 2:00 p.m., New York City time, on such Purchase Date, for payment by the Trustee of the purchase price required to be made pursuant to this Indenture to the Owner of the Bonds to whom such purchase price payment is due, or the duly authorized agent of such Owner.

**SECTION 512. REMARKETING OF PURCHASED BONDS; DELIVERY OF  
REMARKETED BONDS; INADEQUATE FUNDS FOR TENDER.**

(A) Bonds purchased by the Trustee with the proceeds of any Draw under the Liquidity Support Facility made pursuant to Section 409 hereof and not remarketed on or before the Purchase Date shall (1) (if such Purchase Date occurs prior to the Book-Entry Termination Date) be credited to the participant account of the Trustee or its affiliate maintained with the Custodian for the benefit of the Liquidity Support Provider as the Beneficial Owner thereof; or (2) (if such Purchase Date occurs on or after the Book-Entry Termination Date) be registered in

the name of the Liquidity Support Provider or nominee (provided, that if such Bonds were Untendered Bonds, the Trustee shall, immediately upon the purchase thereof, issue new Bonds in a corresponding principal amount registered in the name of the Liquidity Support Provider or its nominee). Such Bonds, in either case, shall be considered "Purchased Bonds." All Purchased Bonds shall be held in the participant account of the Trustee or its affiliate maintained with the Custodian prior to the Book-Entry Termination Date and by the Trustee after the Book-Entry Termination Date, in each case, for the benefit of the Liquidity Support Provider as the Beneficial Owner or the Owner thereof, as the case may be, until such Purchased Bonds are remarketed, redeemed or accelerated, or until the Liquidity Support Provider notifies the Trustee in writing of its election to retain such Bonds, if so permitted pursuant to the applicable Reimbursement Agreement, or until such Bonds mature, whichever comes first; provided, that upon any election by the Liquidity Support Provider to retain such Purchased Bonds prior to the Book-Entry Termination Date, the Trustee shall direct the Custodian to transfer such Purchased Bond to the participant account of the Liquidity Support Provider maintained with the Custodian.

(B) The Remarketing Agent shall continue to offer for sale and use its best efforts to sell, all Purchased Bonds as if they bore interest at the Variable Rate then in effect for the Bonds, at a price equal to 100% of the principal amount thereof, plus accrued interest, if any; provided, that no such Purchased Bonds shall be remarketed to the Issuer, the Corporation or any Affiliate. In the event of a remarketing of Purchased Bonds, the Remarketing Agent shall immediately notify the Trustee of the amount of such Remarketing Proceeds and shall acknowledge that the Remarketing Agent will accept the Trustee's Delivery Order in accordance with this Section 512(B) as follows:

1. if such Remarketing Proceeds are received prior to the Book-Entry Termination Date, upon receipt of the Remarketing Agent's notice as described above, the Trustee shall initiate a Delivery Order to the Custodian, directing the transfer of Purchased Bonds in an aggregate principal amount in respect to which such Remarketing Proceeds have been received by the Remarketing Agent, to or for the account of the Remarketing Agent, and the Remarketing Agent shall authorize such transfer. The Trustee shall pay such Remarketing Proceeds to the Liquidity Support Provider on the same day as such Remarketing Proceeds are received if such Remarketing Proceeds are received by the Trustee prior to 4:00 p.m., New York City time and otherwise within one Business Day after receipt of such Remarketing Proceeds.

2. If such Remarketing Proceeds are received on or after the Book-Entry Termination Date, the Remarketing Agent shall cause such Remarketing Proceeds to be paid directly to the Liquidity Support Provider on the same day as they are received if such Remarketing Proceeds are received by the Remarketing Agent prior to 4:00 p.m., New York City time on such day and otherwise within one Business Day after receipt of such Remarketing Proceeds.

Neither the Remarketing Agent nor the Trustee shall have any responsibility at any time to collect interest from the purchaser of such Purchased Bond in any amount greater than accrued interest thereon to the date of such purchase at the Variable Rate applicable to such Bond in accordance with Section 512(B) hereof. If the Liquidity Support Provider requires the filing of a certificate or other information to confirm the payment of Remarketing Proceeds to the Liquidity



Support Provider as a condition to the reinstatement of the Liquidity Support Facility, the Trustee shall make such filings as required by and in strict compliance with the terms of the Liquidity Support Facility. Purchased Bonds may not be remarketed unless and until the Liquidity Support Facility has been reinstated in the required Available Amount, and the Remarketing Agent has been advised of such reinstatement by the Liquidity Support Provider, unless the Liquidity Support Facility provides that such reinstatement is automatic upon or prior to receipt of the Remarketing Proceeds therefrom by the Trustee or the Liquidity Support Provider; provided, that neither the Remarketing Agent nor the Trustee shall deliver any remarketed Bonds to the purchaser(s) thereof unless and until the appropriate Available Amount under the Liquidity Support Facility has been reinstated.

(C) On and after the Book-Entry Termination Date, when the Remarketing Agent has found a purchaser for any Bond, it shall notify the Trustee of such fact and shall furnish the name and address of such purchaser to the Trustee at its Tender Address not later than either (1) 12:00 noon, New York City time, on the date on which such Bond is to be purchased, if such Bond is a Purchased Bond; (2) 11:30 a.m. New York City time, on the date on which such Bond is to be purchased, if such Bond bears interest at a Daily Rate; or (3) 4:00 p.m., New York City time, on the Business Day preceding the date on which such Bond is to be purchased, in all other cases. Upon receipt of such notice and upon receipt by the Trustee of immediately available funds from the Remarketing Agent in an amount equal to the Remarketing Proceeds attributable to such Bond, the Trustee shall issue a new Bond (or Bonds) in exchange therefor, which shall be registered upon the order of such purchaser and delivered by the Trustee to the Remarketing Agent. The Trustee shall cancel the exchanged Bond.

(D) On and after the Book-Entry Termination Date, the Trustee shall deliver to or upon the order of the purchaser(s) of Bonds which have been remarketed the due-bill, if any, delivered with such Bonds when tendered, as required herein.

(E) If the funds available for purchases of Bonds pursuant to this Article V are inadequate for the purchase of all Bonds tendered on any Purchase Date, no conversion of interest rate on such Bonds shall occur and no purchase shall be consummated and the Trustee shall, after any applicable grace period, (1) return all tendered Bonds to the Holders thereof, (2) return all moneys which are remarketing proceeds to the Remarketing Agent for return to the Persons providing such moneys, and (3) return all moneys drawn on any Liquidity Facility to the Liquidity Facility Provider. In such event, the Bonds will bear interest at the SIFMA Municipal Index until sufficient funds to pay the Purchase Price due are delivered to the Trustee.

## **ARTICLE VI**

### **GENERAL COVENANTS**

#### **SECTION 601. PAYMENT OF PRINCIPAL, PREMIUM, IF ANY, AND INTEREST.**

Subject to the limited source of payment hereinafter referred to, the Issuer covenants that it will promptly pay the principal of, premium, if any, and interest on every Bond issued under this Indenture at the place, on the dates and in the manner provided herein and in said Bond according to the true intent and meaning thereof. The Bonds, together with interest thereon, shall be limited obligations of the Issuer payable solely from the Trust Estate (except to the extent paid out of moneys attributable to Bond proceeds or the income from the temporary investment thereof and under certain circumstances, Net Proceeds, and except for the Unassigned Rights) and shall be a valid claim of the respective holders thereof only against the funds and accounts established under the Indenture, other than the Rebate Fund, and other moneys held by the Trustee for the benefit of the Bondholders and the payment due or to become due upon or under this Indenture (except for the Unassigned Rights) all of which are hereby assigned and pledged hereunder for the equal and ratable payment of the Bonds and shall be used for no other purpose than to pay the principal of, premium, if any, and interest on the Bonds, except as may be otherwise expressly authorized in this Indenture. Nothing in the Bonds or in this Indenture shall be considered as assigning or pledging any other funds or assets of the Issuer.

#### **SECTION 602. MAINTENANCE OF POWERS.**

The Issuer shall maintain its power to perform its obligations hereunder and to exercise its rights and remedies under the Agreement.

#### **SECTION 603. ENFORCEMENT, EXECUTION AND AMENDMENT AND OTHER CONTRACTS; NOTICE OF DEFAULT.**

The Issuer has assigned substantially all of its rights and obligations hereunder to the Trustee. Nonetheless, the Issuer shall not, without the consent of the Trustee, amend the Assignment or this Indenture so as to affect adversely the Issuer's ability to perform its covenants under this Indenture or change the installment payments or term of the Agreement or the security interest hereby created. The Issuer shall file with the Trustee copies of the Agreement, together with all amendments or supplements thereto, whether or not the Trustee's consent is required thereto, and shall give prompt notice to the Trustee of any default by any of the parties thereto of which it has actual knowledge, except defaults of minor importance to the interest of the Issuer therein.

#### **SECTION 604. EXTENSION OF TIME FOR PAYMENT.**

The Issuer shall not directly or indirectly extend or assent to the extension of the time for payment of the principal of or interest on the Bonds and shall not directly or indirectly be a party

to or approve any arrangement therefor. Notwithstanding the foregoing, the holder of any Bond may extend the time for payment of the principal of or interest on such Bond; *provided, however*, that upon the occurrence of an Event of Default, funds available hereunder for the payment of the principal of and interest on the Bonds shall not be applied to any payment so extended until all principal and interest payments which have not been extended have first been paid in full.

#### SECTION 605. ANNUAL REPORTS AND STATEMENTS.

The Corporation shall furnish to the Trustee copies of all reports and other documents which the Corporation is required to furnish the Issuer under the Agreement.

#### SECTION 606. FINANCING STATEMENTS AND OTHER ACTION TO PROTECT SECURITY INTEREST.

This Indenture shall constitute a security agreement within the meaning of the Pennsylvania Uniform Commercial Code and the Issuer's obligations hereunder shall be secured pursuant to such code by the security interests herein granted with respect to the Trust Estate. The Trustee shall cause an appropriate financing statement or memorandum to be filed, registered and recorded in such manner and at such places as may be required by law, upon advice of Bond Counsel, fully to protect the security of the Trustee, the holders of the Bonds and the right, title and interest of the Trustee in and to the Trust Estate or any part thereof.

The Issuer shall perform or shall cause to be performed any such acts, and execute and cause to be executed any and all further instruments delivered to it by the Corporation and/or the Trustee and as may be required by law or as shall reasonably be requested by the Trustee for protection of the interests of the Trustee and the Bondholders. The Issuer shall cause the Corporation to assume, pursuant to the Agreement, the obligation to file and refile such instruments as shall be necessary to establish and preserve the lien of this Indenture upon the Trust Estate or any part thereof until the principal of and interest on the Bonds secured hereby shall have been paid and to cause the Corporation to furnish satisfactory evidence to the Trustee of recording, registering, filing and refiling of such instruments and of every additional instrument which shall be necessary to preserve the lien of this Indenture upon the Trust Estate or any part thereof until the principal of and interest on the Bonds secured hereby shall have been paid.

At the Written Request of the Corporation, the Trustee shall execute or join in the execution of any such further or additional instrument and file or join in the filing thereof at such time or times and in such place or places as will preserve the lien of this Indenture upon the Trust Estate or any part thereof until the aforesaid principal shall have been paid.

#### SECTION 607. FURTHER ASSURANCES; ADDITIONAL REVENUES.

The Issuer shall not enter into any contract or take any action by which the rights of the Trustee or the Bondholders may be impaired and shall, from time to time, execute and deliver such further instruments and take such further action as may be required to carry out the purposes of this Indenture. If at any time the Issuer receives any income or payment from the Corporation which is not assigned to the Trustee, it shall promptly pay the same to the Trustee

for deposit in the Bond Fund and, at the request of the Trustee, shall execute and deliver an assignment of its right, title and interest in and to future income or payments of the same type to the Trustee to be held as part of the Trust Estate and cause such filing or recording thereof as may be appropriate to perfect the security interest created thereby, *provided, however*, this sentence of this Section 607 shall not apply to the Administrative Fees of the Issuer or money received by the Issuer related to its Unassigned Rights.

#### SECTION 608. COMPLIANCE WITH INTERNAL REVENUE CODE.

(A) The Issuer covenants that it will make no investment or other use of the proceeds of Bonds issued hereunder which would cause such Bonds to be "arbitrage bonds" as that term is defined in Section 148 of the Code, and all applicable regulations promulgated with respect thereto, and that it will comply with the requirements of the Code section and regulations throughout the term of Bonds.

(B) The Issuer covenants to the Bondholders that it will not take any action, omit to take any action, or permit any other Person (including the Corporation) to take any action or fail to take any action over which the Issuer has control, which action or inaction would cause the interest on the Bonds to be subject to federal income tax to a greater extent than on the date of issuance of such Bonds.

#### SECTION 609. APPLICATION OF PROPERTY INSURANCE PROCEEDS AND CONDEMNATION AWARDS.

The Issuer shall require the Corporation pursuant to the Agreement to notify in writing the Trustee and the Issuer of any damage to or any destruction or condemnation (or other similar taking or conveyance in lieu thereof) of any of the Corporation's and/or its Affiliates' real or personal property valued in excess of 10% of Property, Plant and Equipment. Any insurance proceeds, condemnation awards (or other similar amounts) received in respect of such occurrence shall be applied, at the option of the Corporation, to one of the following:

A. to the reconstruction, replacement or repair of the affected property; provided that if such proceeds exceed the amount necessary for such reconstruction, replacement or repair, the excess shall be applied to the Extraordinary Redemption or Optional Redemption of the Bonds, and if such proceeds are insufficient to reconstruct, replace or repair the property to its revenue-producing capability prior to such event, then the Corporation shall provide the balance necessary to reconstruct, replace or repair the property; or

B. to the extent permitted under the redemption provisions of Article V hereof, to the Extraordinary Redemption or Optional Redemption of the Bonds, in whole, or if there are insufficient proceeds to redeem all of the Bonds then Outstanding and the Corporation chooses not to provide such other moneys sufficient for the redemption of the balance of such Bonds, then such proceeds shall be applied to the Extraordinary Redemption of a part of the Bonds.

**ARTICLE VII**  
**EVENTS OF DEFAULT AND REMEDIES**

**SECTION 701. EVENTS OF DEFAULT DEFINED.**

(A) Each of the following shall be an Event of Default hereunder:

1. if payment of any installment of interest on any Bond is not made when it becomes due and payable; or
2. if payment of the principal or premium, if any, of any Bond is not made when it becomes due and payable; or
3. if there is a default under the Agreement or any amendment or supplement thereto, and such default gives the Issuer the right to accelerate payments under the Agreement; or
4. if there is an event of default under the provisions of the 2007 Master Indenture.

(B) The Trustee shall notify the Issuer, the Master Trustee and the Corporation of the occurrence of any Event of Default of which it has notice or actual knowledge (such notice or actual knowledge being determined in accordance with Section 805 hereof) as soon as practicable.

**SECTION 702. REMEDIES, ACCELERATION AND ANNULMENT THEREOF.**

(A) Upon the occurrence of any Event of Default, the Trustee may pursue any available remedy including a suit at law or in equity to enforce the payment of the principal of, premium, if any, and interest on the Bonds Outstanding hereunder.

(B) If any Event of Default has occurred and is continuing, the Trustee may, and at written request of the holders of 25% in principal amount of the Bonds then Outstanding, shall, by notice in writing to the Issuer, declare the principal of all Bonds then Outstanding to be immediately due and payable, and upon such declaration the said principal, together with interest accrued thereon, shall become due and payable immediately at the place of payment provided therein.

(C) If after the principal of the Bonds has been so declared to be due and payable, all arrears of interest upon the Bonds (and interest on overdue installments of interest at the maximum rate permitted by law or 1% over the interest rate on the respective Bonds, whichever is lesser) are paid by the Issuer, and the Issuer also performs all other things in respect to which it may have been in default hereunder and the Corporation pays the reasonable charges, fees and expenses of the Trustee and the Bondholders, including reasonable attorney's fees and expenses,

then, and in every such case, the Trustee may annul such declaration and its consequences and such annulment shall be binding upon the Trustee and upon all holders of Bonds issued hereunder; but no such annulment shall extend to or affect any subsequent default or impair any right or remedy consequent thereon.

#### SECTION 703. LEGAL PROCEEDINGS BY TRUSTEE.

If any Event of Default has occurred and is continuing, the Trustee in its discretion may, and upon the written request of the holders of 25% in principal amount of the Bonds then Outstanding and receipt of indemnity to its satisfaction shall, in its own name:

(A) by mandamus, or other suit, action or proceeding at law or in equity, enforce all rights of the Bondholders, including the right to require the Issuer to carry out any other agreements with, or for the benefit of, the Bondholders and to perform its duties under the Act;

(B) bring suit upon the Bonds;

(C) by action or suit in equity require the Issuer to account as if it were the trustee of an express trust for the Bondholders; and

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

#### SECTION 704. DISCONTINUANCE OF PROCEEDINGS BY TRUSTEE.

If any proceedings taken by the Trustee on account of any Event of Default are discontinued or are determined adversely to the Trustee or the Issuer, the Trustee and the Bondholders shall be restored to their former positions and rights hereunder as though no such proceeding had been taken.

#### SECTION 705. BONDHOLDERS MAY DIRECT PROCEEDINGS.

The holders of a majority in principal amount of the Bonds then Outstanding hereunder shall have the right to direct the method and place of conducting all remedial proceedings by the Trustee hereunder, provided such written request shall not be otherwise than in accordance with law or the provisions of this Indenture, the Trustee shall have received indemnity to its satisfaction, and that the Trustee shall have the right to decline to follow any such written request which in the opinion of the Trustee would be unjustly prejudicial to Bondholders not a party to such written request. In the event that the Trustee shall receive inconsistent or conflicting requests and indemnity from two or more groups of Bondholders, each representing less than a majority of the aggregate principal amount of the Bonds then Outstanding, the Trustee, in its sole discretion, may determine what action, if any, shall be taken.

#### SECTION 706. LIMITATIONS ON ACTIONS BY BONDHOLDERS.

No Bondholder shall have any right to pursue any remedy hereunder unless (a) the Trustee shall have been given written notice of an Event of Default, (b) the holders of at least

25% in principal amount of the Bonds then Outstanding shall have requested the Trustee, in writing, to exercise the powers hereinabove granted or to pursue such remedy in its or their name or names, (c) except with respect to the acceleration of the Bonds, the Trustee shall have been offered indemnity satisfactory to it against costs, expenses and liabilities, and (d) the Trustee shall have failed to comply with such request within a reasonable time.

**SECTION 707. TRUSTEE MAY ENFORCE RIGHTS WITHOUT POSSESSION OF BONDS.**

All rights under this Indenture and the Bonds may be enforced by the Trustee without the possession of any Bonds or the production thereof at the trial or other proceedings relative thereto, and any proceeding instituted by the Trustee shall be brought in its name for the ratable benefit of the holders of the Bonds.

**SECTION 708. REMEDIES NOT EXCLUSIVE.**

No remedy herein conferred is intended to be exclusive of any other remedy or remedies, each remedy is in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute.

**SECTION 709. DELAYS AND OMISSION NOT TO IMPAIR RIGHTS.**

No delay or omission in respect of exercising any right or power accruing upon any default shall impair such right or power or be a waiver of such default, and every remedy given by this Article may be exercised from time to time and as often as may be deemed expedient.

**SECTION 710. APPLICATION OF MONEYS IN EVENT OF DEFAULT.**

(A) All moneys received by the Trustee pursuant to any right given or action taken under the provisions of this Article shall, after payment of the cost and expenses of the proceedings resulting in the collection of such moneys and of the expenses, liabilities and advances incurred or made by the Trustee, be deposited in the Bond Fund, and together with all moneys in the funds maintained by the Trustee under Article III shall be applied as follows:

1. Unless the principal of all the Bonds shall have become or shall have been declared due and payable, all such moneys shall be applied:

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

Second: To the payment to the Persons entitled thereto of the unpaid principal of any of the Bonds which shall have become due (other than the Bonds called for redemption for the payment of which moneys are held pursuant to the other provisions of this Indenture), in the order of their due dates, and, if the amount available shall not be sufficient to pay in full the

Bonds due on any particular date, then to the payment ratably, according to the amount of principal due on such date, to the Persons entitled thereto without any discrimination or privilege;

2. If the principal of all the Bonds shall have become due or shall have been declared due and payable, all such moneys shall be applied to the payment of the principal and interest then due and unpaid upon the Bonds, and then to eliminate any deficiency in the Rebate Fund, without preference or priority of principal over interest or of interest over principal or of any installment of interest over any other installment of interest, or of any Bond over any other Bond, ratably, according to the amounts due respectively for principal and interest, to the Persons entitled thereto without any discrimination or privilege; and

3. If the principal of all the Bonds shall have been declared due and payable, and if such declaration shall thereafter have been rescinded and annulled under the provisions of this Article, then, subject to the provisions of paragraph (b) of this Section in the event that the principal of all the Bonds shall later become due or be declared due and payable, the moneys shall be applied in accordance with the provisions of paragraph (a) of this Section.

(B) Whenever moneys are to be applied by the Trustee pursuant to the provisions of this Section, such moneys shall be applied by it at such times, and from time to time, as the Trustee shall determine, having due regard for the amount of such moneys available for application and the likelihood of additional moneys becoming available for such application in the future. Whenever the Trustee shall apply such moneys, it shall fix the date (which shall be an Interest Payment Date unless it shall deem another date more suitable) upon which such application is to be made and upon such date interest on the amounts of principal to be paid on such date shall cease to accrue. The Trustee shall give notice of the deposit with it of any such moneys and of the fixing of any such date and of the Special Record Date in accordance with Section 202(f) hereof 10 days prior to the Special Record Date. The Trustee shall not be required to make payment to the holder of any unpaid Bond until such Bond shall be presented to the Trustee for appropriate endorsement or for cancellation if fully paid.

(C) Whenever all Bonds and interest thereon have been paid under the provisions of this Section 710 and all expenses and charges of the Trustee and the Issuer have been paid any balance remaining shall be paid to the Corporation.



**ARTICLE VIII**  
**TRUSTEE, AUCTION AGENT,**  
**BROKER-DEALERS AND REMARKETING AGENT**

**SECTION 801. ACCEPTANCE OF TRUST.**

The Trustee accepts and agrees to execute the trusts hereby created, but only upon the additional terms set forth in this Article, to all of which the parties hereto, the Corporation and the Bondholders agree. The Trustee shall be responsible only for those duties specifically provided for herein and no implied duties or liabilities shall be read into this Indenture against the Trustee.

**SECTION 802. NO RESPONSIBILITY FOR RECITALS, ETC.**

The recitals, statements and representations in this Indenture or in the Bonds, save only the Trustee's certificate of authentication upon the Bonds, have been made by the Issuer and not by the Trustee; and the Trustee shall be under no responsibility for the correctness thereof. Except for information provided by the Trustee specifically concerning the Trustee, the Trustee shall not have any responsibility with respect to any information included in any offering memorandum or other disclosure material distributed with respect to the Bonds, and the Trustee shall have no responsibility for compliance with securities laws in connection with the issuance and sale of the Bonds.

**SECTION 803. TRUSTEE MAY ACT THROUGH AGENTS; ANSWERABLE ONLY FOR WILLFUL MISCONDUCT OR GROSS NEGLIGENCE.**

The Trustee may execute any powers hereunder and perform any duties required of it through attorneys, agents, officers, or employees, and shall be entitled to advice of Counsel concerning all questions hereunder and shall be free from all liability for any action taken, omitted or suffered in reliance on such advice from Counsel (except when such Counsel is an officer or employee of Trustee or an affiliate); and the Trustee shall not be answerable for the negligence or misconduct of any attorney or agent (other than an officer or an employee) selected by it with reasonable care. The Trustee shall not be answerable for the exercise of any discretion or power under this Indenture or for anything whatever in connection with the trust hereunder, except only its own gross negligence or willful misconduct or that of any officer, director or employee of the Trustee.

**SECTION 804. COMPENSATION AND INDEMNITY.**

The Issuer has caused the Corporation to covenant in the Agreement, (i) to pay the Trustee reasonable compensation for its services hereunder and also all its reasonable expenses and disbursements, including reasonable compensation for, and the expenses of, all attorneys and agents engaged by the Trustee, and (ii) in accordance with Section 5.02 of the Agreement, to

indemnify the Trustee, including its officers, directors, employees and agents, against liabilities and expenses which it may incur in the exercise and performance of its powers and duties hereunder with respect to its own gross negligence or willful misconduct.

#### SECTION 805. NOTICE OF DEFAULT; RIGHT TO INVESTIGATE.

The Trustee shall, within ninety (90) days after the occurrence thereof, give written notice to all Bondholders by first class mail of each Event of Default known to the Trustee; provided that, except in the case of a default in payment of principal, purchase price, interest or redemption price, the Trustee may withhold such notice so long as it in good faith determines that such withholding is in the interest of the Bondholders. Except for Events of Default identified in Sections 701(A)(1), (2) and (4) hereof, the Trustee shall not be deemed to have notice or knowledge of any Event of Default unless it has been notified in writing of such event by the holders of at least 25% in principal amount of the Bonds then Outstanding. The Trustee may, however, at any time require the Issuer to provide full information as to the performance of any covenant hereunder; and if information satisfactory to it is not forthcoming, the Trustee may make or cause to be made, at the expense of the Corporation, an investigation into the affairs of the Issuer and the Corporation related to this Indenture and the 2007B Notes. Except as otherwise expressly provided by the provisions of this Indenture, the Trustee shall not be obligated and may not be required to give or furnish any notice, demand, report, request, statement, advice or opinion to any Bondholder or the Corporation or any other Person, and the Trustee shall incur no liability for its failure or refusal to give or furnish the same unless obligated or required to do so by express provisions of this Indenture (including any duties as assignee of Issuer under the Agreement).

#### SECTION 806. RELIANCE ON REQUISITIONS, ETC.

The Trustee may act on any requisition, resolution, notice, telegram, request, consent, waiver, certificate, statement, affidavit, voucher, bond, or other paper or document which it in good faith believes to be genuine and to have been passed or signed by the proper Persons or to have been prepared and furnished pursuant to any of the provisions of this Indenture; and the Trustee shall be under no duty to make any investigation as to any statement contained in any such instrument, but may accept the same as conclusive evidence of the accuracy of such statement.

The permissive rights of the Trustee to do things enumerated in this Indenture shall not be construed as a duty. Any request or direction of the Issuer or the Corporation mentioned herein shall be sufficiently evidenced by an Authorized Officer's certificate, and any resolution shall be sufficiently evidenced by a Certified Resolution. Whenever in the administration of this Indenture, the Trustee deems it desirable that a matter be proved or established before it takes, suffers or omits any action, the Trustee may rely upon an Officer's Certificate. The Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Indenture at the request or direction of any Owner pursuant to this Indenture, unless such Owner shall offered the Trustee indemnity acceptable to the Trustee against the costs, expenses and liabilities which might be incurred in complying with such request or direction. In acting or omitting to act pursuant to the Agreement, the Trustee shall be entitled to all of the rights and immunities

accorded to it under this Indenture, including but not limited to this Article VIII. The Trustee shall not be liable with respect to any action taken or omitted to be taken at the direction of the Owners of a majority in aggregate principal amount of the Bonds Outstanding permitted to be given by them under this Indenture. The Trustee shall not be required to give a bond or surety to act under this Indenture. No provision of this Indenture or the Agreement shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of its duties. The Trustee may consult with Counsel selected by it with reasonable care and the advice of such Counsel shall be full and complete authorization and protection with respect to any action taken, suffered, or omitted by it under this Indenture, the Agreement, the Auction Agreement or any other document relating to the Bonds in good faith and in reliance thereon except when such Counsel is an officer or employee of Trustee or an affiliate. The Trustee shall not be accountable for the application by the Corporation of the proceeds of the Bonds authenticated and delivered hereunder. The Trustee shall have no duty or obligation to record or file any mortgage, financing statement, continuation statement or similar document relating to this Indenture, the Agreement, or the Project. The Trustee shall not be responsible for (i) the validity, priority, recording, rerecording, filing, or refiling of this Indenture or any supplemental indenture; (ii) any instrument or document of further assurance or collateral assignment; (iii) any financing statements, amendments or modifications thereto, or continuation statements; (iv) the validity of the execution by the Issuer of this Indenture or any supplemental indenture or documents of further assurance; and (v) the sufficiency of the security for the Bonds issued hereunder.

#### SECTION 807. TRUSTEE MAY DEAL IN BONDS.

The Trustee and any of its affiliates may in good faith buy, sell, own, hold and deal in any of the Bonds and may join in any action which any Bondholders may be entitled to take with like effect as if the Trustee were not a party to this Indenture. The Trustee may also engage in or be interested in financial or other transactions with the Corporation, the Auction Agent and the Issuer; provided that such transactions are not in conflict with its duties under this Indenture.

#### SECTION 808. CONSTRUCTION OF AMBIGUOUS PROVISIONS.

The Trustee may construe any ambiguous or inconsistent provisions of this Indenture, and except as otherwise provided in Article IX hereof, any construction by the Trustee shall be binding upon the Bondholders. The Trustee shall give prompt notice to the Issuer of any intention to make such interpretation.

#### SECTION 809. RESIGNATION OF TRUSTEE.

The Trustee may resign and be discharged of the trusts created by this Indenture by written resignation filed with the Issuer, the Corporation, and the Owner of each Bond not less than sixty (60) days before the date when such resignation is to take effect. Such resignation shall take effect on the day specified therein unless a successor trustee is previously appointed, in which event the resignation shall take effect immediately on the appointment of such successor.

No such resignation or removal pursuant to Section 810 hereof shall take effect until a successor trustee shall have been appointed, executed those instruments of succession required

by Section 813 hereof so as to succeed to the rights of the Trustee thereunder, and has assumed such role. If no successor trustee has accepted appointment on the date on which the resignation or removal is scheduled to be effective, the Trustee, at the expense of the Corporation, may either petition any court of competent jurisdiction for the appointment of a temporary successor trustee or itself appoint a temporary successor trustee, provided that in either case any trustee so appointed shall immediately and without further act be superseded by any trustee appointed by the Issuer or the Corporation as provided herein.

#### SECTION 810. REMOVAL OF TRUSTEE.

Any Trustee hereunder may be removed at any time by an instrument appointing a successor to the Trustee so removed, executed by the holders of a majority in principal amount of the Bonds then Outstanding and filed with the Trustee, the Corporation and the Issuer. If no Event of Default under the Agreement has occurred and is continuing, the Corporation may remove the Trustee and appoint a successor by an instrument filed with the Trustee and the Issuer.

The Trustee shall continue to act as Trustee hereunder until the acceptance of the duties required of the Trustee hereunder by a successor trustee appointed by the Corporation with the prior written consent of the Issuer, which consent shall not be unreasonably withheld.

#### SECTION 811. APPOINTMENT OF SUCCESSOR TRUSTEE.

If the Trustee or any successor trustee resigns or is removed or dissolved, or if its property or business is taken under the control of any state or federal court or administrative body, a vacancy shall forthwith exist in the office of the Trustee, and the Issuer shall appoint a successor, upon the written direction of the Corporation, and shall mail notice of such appointment to each Owner. If the Issuer fails to make such appointment within thirty (30) days and, if no Event of Default under the Agreement has occurred and is continuing, the appointment may be made by the Corporation. If the Corporation fails to make such appointment within thirty (30) days of being entitled to do so, the Trustee, at the expense of the Corporation, may petition a court of competent jurisdiction to appoint a successor trustee. No resignation or removal of the Trustee shall be effective until a successor Trustee has been appointed and such successor has accepted the duties of Trustee required hereunder.

#### SECTION 812. QUALIFICATION OF SUCCESSOR.

A successor trustee shall be authorized to exercise trust powers within the Commonwealth and shall be a national bank with trust powers, a bank with trust powers, or a bank and trust company or a trust company organized under the laws of the Commonwealth having a combined net capital and surplus of at least \$50,000,000.

#### SECTION 813. INSTRUMENTS OF SUCCESSION.

Any successor trustee shall execute, acknowledge and deliver to the Issuer an instrument accepting such appointment hereunder; and, subject to Section 809 hereof, thereupon such successor trustee, without any further act, deed or conveyance, shall become fully vested with all

the estates, properties, rights, powers, trusts, duties and obligations of its predecessor in the trust hereunder, with like effect as if originally named Trustee herein. The Trustee ceasing to act hereunder shall pay over to the successor trustee all moneys held by it hereunder; and, upon request of the successor trustee, the Trustee ceasing to act and the Issuer shall execute and deliver an instrument transferring to the successor trustee all the estates, properties, rights, powers and trusts hereunder of the Trustee ceasing to act.

#### SECTION 814. MERGER OF TRUSTEE.

Any corporation or association into which any Trustee hereunder may be merged or with which it may be consolidated or to which the corporate trust business of such Trustee may be transferred as a whole or substantially as a whole, or any corporation or association resulting from any merger, consolidation or transfer to which any Trustee hereunder shall be a party, shall be the successor trustee under this Indenture, without the execution or filing of any paper or any further act on the part of the parties hereto, anything herein to the contrary notwithstanding, *provided, however*, that any such successor corporation or association continuing to act as Trustee hereunder shall meet the requirements of Section 812 hereof, and if such corporation or association does not meet the aforesaid requirements, a successor Trustee shall be appointed pursuant to this Article VIII.

#### SECTION 815. REPORTS OF TRUSTEE.

The Trustee shall provide such reports as may be reasonably required by the Corporation and the Issuer on a monthly basis, which can be prepared by the Trustee using its existing system and staff.

#### SECTION 816. NO OBLIGATION TO REVIEW REPORTS.

The Trustee shall not have any obligation to review any financial statement or report provided to the Trustee by the Corporation or the Issuer pursuant to this Indenture or the Agreement, nor shall the Trustee be deemed to have notice of any item contained therein or any Event of Default which may be disclosed therein in any manner. The Trustee's sole responsibility with respect to such reports shall be to act as the depository for such reports for the Bondholders and to make such reports available for review by the Bondholders in accordance with this Indenture.

#### SECTION 817. LIMITATION ON TRUSTEE'S RESPONSIBILITIES RESPECTING ARBITRAGE.

Notwithstanding any provision of this Indenture to the contrary, the Trustee shall not be liable or responsible for any calculation or determination which may be required in connection with or for the purpose of complying with Section 148 of the Code including, without limitation, the calculation of amounts required to be paid to the United States under the provisions of such Section 148 of the Code, the maximum amount which may be invested in "nonpurpose obligations" as defined in the Code and the fair market value of any investments made hereunder; and the sole obligation of the Trustee with respect to investments of funds hereunder

shall be to invest the moneys received by the Trustee as provided herein pursuant to the Written Request of the Corporation.

#### SECTION 818. AUCTION AGENT

(A) The Auction Agent shall be appointed by the Trustee at the written direction of the Corporation to perform the functions specified herein. The Trustee shall have no liability for the fees and expenses of the Auction Agent. The Auction Agent shall designate its principal office and signify its acceptance by execution of the Auction Agreement and the Broker-Dealer Agreement.

(B) The Auction Agent shall be (1) a bank or trust company duly organized under the laws of the United States of America or any state or territory thereof and having a combined capital stock, surplus and undivided profits of at least \$30,000,000, or (2) a member of the National Association of Securities Dealers, Inc., having a capitalization of at least \$30,000,000 and, in either case, authorized by law to perform all the duties imposed upon it under the Auction Agreement and a member of or a participant in the Custodian. The Trustee shall, upon the written direction of the Corporation, remove the Auction Agent by written notice delivered to the Auction Agent, the Custodian and each Broker-Dealer, provided that a successor Auction Agent has been appointed. The Auction Agent may at any time resign and be discharged of the duties and obligations created by the Auction Agreement by giving at least 90 days' written notice to the Issuer, the Corporation and the Trustee, who shall give notice of the same to each Broker-Dealer. In the event the Auction Agent has not been compensated for its services rendered under the Auction Agreement, the Auction Agent may terminate the Auction Agreement by giving at least 30 days' written notice to the Corporation, the Issuer and the Trustee (who shall give notice of the same to each Broker-Dealer). Upon the expiration of such 90 or 30 days, as applicable, the Auction Agent may resign even if a successor Auction Agent has not been appointed. In the event of the resignation or removal of the Auction Agent, the Auction Agent shall pay over, assign and deliver any moneys and Bonds held by it in such capacity to its successor. The Auction Agent shall continue to perform its duties until its successor has been appointed by the Trustee; provided, however, that if a successor Auction Agent has not been appointed within 45 days of the giving of such notice of resignation or removal of the Auction Agent, the Auction Agent may petition a court of competent jurisdiction to appoint a substitute Auction Agent.

(C) In the event that the Auction Agent shall resign or be removed or dissolved, or if the property or affairs of the Auction Agent shall be taken under the control of any state or federal authority because of bankruptcy or insolvency, or for any other reason, the Issuer and the Corporation shall use their best efforts to direct in writing the Trustee to appoint a successor Auction Agent that is a qualified institution and shall enter into an agreement in substantially the form of the Auction Agreement with such successor Auction Agent. The Trustee shall have no duty to appoint an Auction Agent except as directed in writing by the Issuer and the Corporation.

(D) The Auction Agent is acting as agent for the Trustee in connection with Auctions. In the absence of bad faith or negligence on its part, the Auction Agent shall not be liable for any action taken, suffered or omitted, or for any error of judgment made by it in the performance of its duties under the Auction Agreement, and shall not be liable for any error of judgment made in

good faith unless the Auction Agent shall have been negligent in ascertaining (or failing to ascertain) the pertinent facts. The Trustee shall have no liability for the actions, failure to act or performance of the Auction Agent.

(E) Subject to any applicable governmental restrictions, the Auction Agent may be or become the owner of or trade in the Bonds with the same rights as if such entity were not the Auction Agent.

#### SECTION 819. BROKER-DEALERS.

The Corporation, with written notice to the Trustee, may from time to time appoint one or more Persons to serve as a Broker-Dealer under a Broker-Dealer Agreement without the consent of any other party.

The Corporation may, subject to any restrictions in the Broker-Dealer Agreement and with notice to the Trustee, terminate the services of a Person as a Broker-Dealer and engage a replacement Broker-Dealer.

#### SECTION 820. REMARKETING AGENT.

(A) On or prior to the Business Day immediately preceding the effective date of a Change to a Variable Rate Mode, the Corporation shall appoint a Remarketing Agent who shall enter into a Remarketing Agreement with respect to the Bonds at such time. Any Remarketing Agent shall be a member of the National Association of Securities Dealers, Inc. having capitalization of at least \$50,000,000, and shall be authorized by law to perform all the duties imposed upon it by this Indenture and the applicable Remarketing Agreement. The Remarketing Agent may at any time resign and be discharged of the duties and obligations created by this Indenture by giving at least 60 days' notice to the Corporation, the Trustee and the Liquidity Support Provider, if any. The Remarketing Agent may be removed at any time by the Corporation by an instrument signed by the Corporation and filed with the Remarketing Agent, the Liquidity Support Provider, if any, and the Trustee upon at least 30 days' written notice.

(B) In the event that, while the relevant Subseries of Bonds are in any Variable Rate Mode, the Remarketing Agent shall resign or be removed or dissolved, or if the property or affairs of the Remarketing Agent shall be taken under the control of any state or federal court or administrative body because of bankruptcy or insolvency, or for any other reason, the Corporation shall use its best efforts to appoint a successor Remarketing Agent. Any Remarketing Agent must be qualified under paragraph (A) of this Section and (i) be the remarketing agent with respect to at least \$5 billion of variable rate demand obligations outstanding at the time of its appointment as successor Remarketing Agent, and (ii) be ranked in the top six remarketing agents in the United States, measured by the par amount of obligations then under contract.

**ARTICLE IX**  
**AMENDMENTS AND SUPPLEMENTS**

**SECTION 901. AMENDMENTS AND SUPPLEMENTS WITHOUT BONDHOLDERS' CONSENT.**

This Indenture may be amended or supplemented from time to time, without the written consent of the Bondholders, by a supplemental indenture authorized by a Certified Resolution of the Issuer filed with the Trustee, for one or more of the following purposes:

(A) to add additional covenants of the Issuer or to surrender any right or power herein conferred upon the Issuer;

(B) to cure any ambiguity, to cure, correct or supplement any defective (whether because of any inconsistency with any other provision hereof or otherwise) provision of this Indenture (which actions shall supersede any actions taken by the Trustee under Section 808 hereof), or to make any other revision which shall not impair the security hereof or materially adversely affect the Bondholders;

(C) to obtain, maintain or upgrade a rating on the Bonds; and

(D) to modify or supplement the Indenture in such manner as may be necessary or appropriate to qualify the Indenture under the Trust Indenture Act of 1939 as then amended, or under any similar federal statute hereafter enacted;

(E) to provide for the establishment of additional funds and accounts under the Indenture and for the proper administration of and transfers of moneys between any such funds and accounts;

(F) To permit or provide for the delivery of any Liquidity Support Facility;

(G) So long as the right of any Beneficial Owner or Owner of any Bond to tender such Beneficial Owner's or Owner's Bonds in accordance with any provision of Article V hereof and to receive the full purchase price therefor on the Purchase Date is not affected thereby, to make any change, prior to the Book-Entry Termination Date, in the procedures for effecting any such tenders and purchases if such changes are necessitated by or considered desirable by the Trustee, the Liquidity Support Provider and the Remarketing Agent as a result of changes in the book-entry procedures of the Custodian;

(H) To modify any of the provisions of this Indenture relating to the mechanics of keeping the Bonds immobilized in book-entry form; and

(I) Prior to the Fixed Rate Date, to modify the optional redemption provisions effective after the Fixed Rate Date; *provided, however*, that the Corporation shall first have



caused to be delivered to the Issuer and the Trustee an Opinion of Bond Counsel to the effect that such amendment will not adversely affect the exclusion from gross income of interest on the Bonds for purposes of federal income taxation.

#### SECTION 902. AMENDMENTS WITH BONDHOLDERS' CONSENT.

This Indenture may be amended from time to time by a supplemental indenture, with the prior written consent of the Issuer and the Owners of at least 51% in aggregate principal amount of the Bonds then Outstanding; provided, that (a) no amendment shall be made which affects the rights of some but less than all the Outstanding Bonds of any one series without the consent of the Owners of at least 51% of the Bonds so affected, and (b) no amendment which alters the interest rates on any Bonds, the maturities, interest payment dates (except as provided in Section 204(F)(3) hereof) or redemption provisions of any Bonds, this Article IX or the security provisions hereunder may be made without the consent of the Owners of all Outstanding Bonds adversely affected thereby.

During an ARS Rate Period, the provisions of this Indenture may be amended pursuant to this Indenture by obtaining the consent of the owners of all Bonds bearing interest at an ARS Rate as follows: if on the first Auction Date occurring at least 20 days after the date on which the Trustee mailed notice of such proposed amendment to the registered owners of the Bonds bearing interest at an ARS Rate, as required by this Indenture, (i) the ARS Rate which is determined on such date is the Winning Bid Rate (as defined in the ARS Procedures) and (ii) there is delivered to the Corporation and the Trustee an Opinion of Counsel from Bond Counsel to the effect that such amendment shall not adversely affect the validity of the Bonds bearing interest at an ARS Rate or any exemption from federal income tax to which the interest on any Bonds would otherwise be entitled, the proposed amendment shall be deemed to have been consented to by the owners of all affected Bonds bearing interest at an ARS Rate. Any notice relating to an amendment to the Auction Procedures shall also be sent to the Auction Agent. No amendment of this Indenture with respect to the Auction Agent or the Broker-Dealer shall be effective without the consent of such party if it adversely affects the rights, duties, privileges, immunities and liabilities of such party.

#### SECTION 903. TRUSTEE AUTHORIZED TO JOIN IN AMENDMENTS AND SUPPLEMENTS; RELIANCE ON COUNSEL.

The Trustee is authorized to join with the Issuer in the execution and delivery of any supplemental indenture, supplemental loan agreement, or amendment permitted by this Article and in so doing shall be fully protected by an Opinion of Counsel that such supplemental indenture, supplemental loan agreement or amendment is so permitted and has been duly authorized by the Issuer and that all things necessary to make it a valid and binding agreement have been done and that the amendment will not materially, adversely affect the rights of the Trustee and the Holders.

**SECTION 904. AMENDMENTS, ETC., OF THE AGREEMENT NOT REQUIRING  
CONSENT OF BONDHOLDERS.**

The Issuer and the Trustee shall consent to any amendment, change or modification of the Agreement as may be required or otherwise permitted (i) by the provisions of the Agreement or this Indenture, (ii) for the purpose of curing any ambiguity, defect, inconsistent provision or omission in the Agreement, or (iii) in connection with any other change therein which, in the judgment of the Trustee and the Issuer, is not to the prejudice of the Trustee or the Owners of the Bonds.

**SECTION 905. AMENDMENTS, ETC., OF THE AGREEMENT REQUIRING  
CONSENT OF BONDHOLDERS.**

Except for the amendments, changes or modifications as provided in Section 904 hereof, neither the Issuer nor the Trustee shall consent to any other amendment, change or modification of the Agreement without the written approval or consent of the Owners of not less than 51% in aggregate principal amount of the Bonds then Outstanding.

**SECTION 906. AMENDMENTS, ETC., OF THE MASTER INDENTURE.**

In the event that the Trustee as the holder of the 2007B Notes is requested by the Master Trustee to consent to any material amendment to either of the Master Indentures, the Trustee shall obtain the consent of the Owners of at least 51% of the Bonds then Outstanding prior to agreeing to such amendment(s).

**SECTION 907. CONDITIONS TO SUPPLEMENTS AND AMENDMENTS.**

Before the Trustee shall enter into any supplement to this Indenture or any amendments or supplement to either of the Master Indentures, or before the Issuer, the Corporation and the Trustee shall enter into any amendment or supplement to the Agreement, there shall have been delivered to the Trustee: (i) a Favorable Opinion, (ii) an Opinion(s) of Counsel substantially to the effect that upon execution thereof such supplemental indenture or other amendment or supplement will be valid and binding upon each of the Issuer and Corporation, as applicable, and (iii) any required consents, in writing, of the Bondholders.

**ARTICLE X**  
**DEFEASANCE**

**SECTION 1001. DEFEASANCE.**

(A) When interest on, and principal or redemption price (as the case may be) of, all Bonds issued hereunder have been paid or there shall have been deposited with the Trustee an amount, evidenced by (1) cash, (2) non callable direct obligations of the United States of America (“**Treasuries**”), (3) evidences of ownership of proportionate interests in future interest and principal payments on Treasuries held by a bank or trust company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor and the underlying Treasuries are not available to any person claiming through the custodian or to whom the custodian may be obligated, (4) pre refunded municipal obligations rated “AAA” and “Aaa” by S&P and Moody’s, respectively, or (5) securities eligible for “AAA” defeasance under then existing criteria of S&P, or any combination thereof, the principal of and interest on which, when due, will provide, as verified by an independent accountant, sufficient moneys to fully pay the Bonds at the maturity date or date fixed for redemption thereof, as well as all other sums payable hereunder by the Issuer and by the Corporation, the right, title and interest of the Trustee shall thereupon cease and the Trustee, on demand of the Issuer, shall release this Indenture and shall execute such documents to evidence such release as may be reasonably required by the Issuer and shall turn over to the Issuer or to such Person as may be entitled to receive the same all balances remaining in any funds hereunder.

(B) Notwithstanding the foregoing provisions of Section 1001(a) hereof, the lien of this Indenture shall not be released and discharged until the Trustee has received an Opinion of Counsel to the effect that all conditions precedent to such discharge have been satisfied and the Bonds are no longer Outstanding under this Indenture, and, in the event that provision has been made to pay all Bonds rather than having paid all Bonds, the Trustee receives a verification of the sufficiency of funds held to discharge Bonds from an Independent Public Accountant acceptable to the Trustee.

**SECTION 1002. DEPOSIT OF FUNDS FOR PAYMENT OF BONDS.**

If the Issuer deposits with the Trustee moneys or obligations described in Section 1001(A) hereof sufficient to pay the principal or redemption price of any particular Bond or Bonds becoming due, either at maturity or by call for redemption or otherwise, together with all interest accruing thereon to the due date, interest on the Bond or Bonds shall cease to accrue on the due date and all liability of the Issuer with respect to such Bond or Bonds shall likewise cease. Thereafter such Bond or Bonds shall be deemed not to be Outstanding hereunder and the holder or holders of such Bond or Bonds shall be restricted exclusively to the funds so deposited for any claim of whatsoever nature with respect to such Bond or Bonds, and the Trustee shall hold such funds in trust for such holder or holders.

## ARTICLE XI

### MISCELLANEOUS

#### SECTION 1101. UNCLAIMED MONEYS.

Any moneys deposited with the Trustee by the Issuer in accordance with the terms and covenants of this Indenture, in order to redeem or pay any Bond in accordance with the provisions of this Indenture, and remaining unclaimed by the Owner of the Bond for three (3) years after the date fixed for redemption or maturity, as the case may be, shall, if the Issuer is not at the time to the knowledge of the Trustee in default with respect to any of the terms and conditions of this Indenture, or in the Bonds contained, be repaid by the Trustee to the Issuer; and thereafter the Owner of the Bond shall be entitled to look only to the Issuer for payment thereof, *provided, however*, that the Trustee, before being required to make any such repayment, shall, at the expense of the Corporation, mail to the Owner thereof at his address, as the same shall last appear on the Bond Register, a notice to the effect that said moneys have not been so applied and that after the date named in said notice any unclaimed balance of said moneys then remaining shall be returned to the Issuer. If such moneys remain unclaimed by the Owner of the Bond for four (4) years after the date of transfer to the Issuer, such funds will be transferred by the Issuer to the Treasurer of the Commonwealth. The Issuer hereby covenants and agrees to indemnify and save the Trustee harmless from any and all loss, costs, liability and expense suffered or incurred by the Trustee by reason of having returned any such moneys to the Issuer as herein provided. In the absence of any such Written Request from the Issuer, the Trustee shall from time to time deliver such unclaimed funds to or as directed by pertinent escheat authority, as identified by the Trustee in its sole discretion, pursuant to and in accordance with applicable unclaimed property laws, rules or regulations. Any such delivery shall be in accordance with the customary practices and procedures of the Trustee and the escheat authority. Any money held by the Trustee pursuant to this Section 1101 shall be held uninvested and without any liability for interest.

#### SECTION 1102. NO RIGHTS CONFERRED ON OTHERS.

Nothing herein contained shall confer any right upon any person other than the parties hereto, the Corporation, the Auction Agent, the Broker-Dealer, the Remarketing Agent, and the holders of the Bonds.

#### SECTION 1103. ILLEGAL PROVISIONS DISREGARDED.

If any term or provision of this Indenture or the Bonds or the application thereof for any reason or circumstances shall to any extent be held invalid or unenforceable, the remaining provisions or the application of such term or provision to persons and situations other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term and provision hereof and thereof shall be valid and enforceable to the fullest extent permitted by law.

SECTION 1104. CONTROLLING LAW.

The laws of the Commonwealth shall govern the interpretation of this Indenture.

SECTION 1105. SUCCESSORS AND ASSIGNS.

All the covenants, promises and agreements in this Indenture contained by or on behalf of the Issuer or by or on behalf of the Trustee shall bind and inure to the benefit of their respective successors and assigns, whether so expressed or not.

SECTION 1106 HEADINGS FOR CONVENIENCE ONLY.

The table of contents and descriptive headings in this Indenture are inserted for convenience only and shall not control or affect the meaning or construction of any of the provisions hereof.

SECTION 1107. SEVERABILITY.

If any provision of this Indenture shall be held or deemed to be or shall, in fact, be inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions or in all jurisdictions, or in all cases because it conflicts with any other provision or provisions or any constitution or statute or rule of public policy, or for any other reason, such circumstances shall not have the effect of rendering the provision in question inoperative or unenforceable in any other case or circumstance, or of rendering any other provision or provisions herein contained invalid, inoperative, or unenforceable to any extent whatever.

The invalidity of any one or more phrases, sentences, clauses or Sections in this Indenture contained, shall not affect the remaining portions of this Indenture, or any part thereof.

SECTION 1108. NOTICES.

Except as otherwise provided in this Indenture, all notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given when in writing and mailed by first class mail, postage prepaid, with proper address as indicated below. Other than as required in this Indenture, any of such parties may, by written notice given by such party to the others, designate any address or addresses to which notices, certificates or other communications to them shall be sent. Until otherwise provided by the respective parties, all notices, certificates and communications to such parties shall be addressed as follows:

To the Issuer:  
Allegheny County Hospital Development Authority  
425 Sixth Avenue, Suite 800  
Pittsburgh, PA 15219-1819  
Attention: Executive Director

To the Corporation:  
UPMC  
Forbes Tower, Suite 11080  
200 Lothrop Street  
Pittsburgh, PA 15213-2582  
Attention: Treasurer

To the Trustee:  
The Bank of New York Trust Company, N.A.  
One Oxford Centre  
301 Grant Street, Suite 1100  
Pittsburgh, PA 15219  
Attn: John Scarpiniti, Institutional Trust Services

To the Rating Agencies:  
Moody's Investors Service, Inc.  
99 Church Street  
New York, NY 10007

Standard & Poor 's Corporation  
55 Water Street  
New York, N.Y. 10041

Fitch Ratings  
One State Street Plaza  
New York, NY 10004

#### SECTION 1109. ADDITIONAL NOTICES TO RATING AGENCY.

The Trustee hereby agrees that if at any time

(A) payment of principal and interest on the Bonds is accelerated pursuant to the provisions of Section 702 hereof,

(B) the Issuer shall redeem the entire principal amount of the Bonds Outstanding hereunder or any portion thereof prior to maturity, or the lien of this Indenture is defeased,

(C) a successor or replacement Trustee is appointed hereunder,

(D) the Bondholders shall consent to any amendment to, or shall waive any provision of this Indenture,

(E) the Trustee and the Issuer propose to enter into a supplemental Indenture pursuant to Section 901 hereof or the Corporation and the Issuer propose to enter into an amendment to the Agreement pursuant to Section 901 hereof,

(F) the Trustee shall merge or consolidate with another financial institution

then, in each case, the Trustee will promptly give notice of the occurrence of such event to each Rating Agency, which notice in the case of an event referred to in clause (D) hereof shall include a copy of any such amendment or waiver.

#### SECTION 1110. COUNTERPARTS.

This Indenture may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

#### SECTION 1111. IMMUNITY OF OFFICERS, EMPLOYEES AND MEMBERS OF ISSUER.

No recourse shall be had for the payment of the principal of or premium or interest on any of the Bonds or for any claim based thereon or upon any obligation, covenant or agreement in this Indenture contained against any past, present or future officer, director, member, employee or agent of the Issuer, or of any successor public corporation, as such, either directly or through the Issuer or any successor public corporation, under any rule of law or equity, statute or constitution, or by the enforcement of any assessment or penalty or otherwise, and all such liability of any such officers, directors, members, employees or agents as such is hereby expressly waived and released as a condition of and consideration for the execution of this Indenture and the issuance of such Bonds.

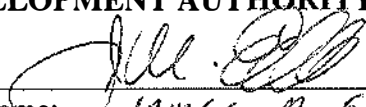
[Signature Page to Indenture]

IN WITNESS WHEREOF, the ALLEGHENY COUNTY HOSPITAL DEVELOPMENT AUTHORITY has caused this Trust Indenture to be signed in its name and on its behalf by its (Vice) Chairman and its corporate seal to be hereunto affixed and attested by its Authorized Designate, and THE BANK OF NEW YORK TRUST COMPANY, N.A., has caused these presents to be signed in its name and on its behalf by its Vice President, its official seal to be hereunto affixed, all as of the day and year above first written.

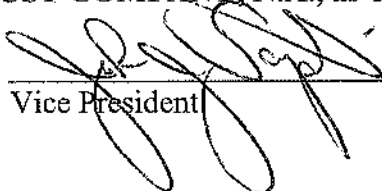
ATTEST:

By   
Authorized Designate

ALLEGHENY COUNTY HOSPITAL  
DEVELOPMENT AUTHORITY

By:   
Name: JAMES M. EDWARDS  
Title: CHAIRMAN

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

By:   
Vice President



**EXHIBIT A**

**Form Bond**

**VARIABLE RATE MODE**

**ALLEGHENY COUNTY HOSPITAL DEVELOPMENT AUTHORITY  
UNIVERSITY OF PITTSBURGH MEDICAL CENTER REVENUE BONDS,  
SERIES 2007B  
SUBSERIES \_\_\_\_\_**

<b><u>INTEREST RATE:</u></b>	<b><u>STATED MATURITY DATE:</u></b>	<b><u>CUSIP:</u></b>	<b><u>NUMBER:</u></b>
			R-001

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: \$\_\_\_\_\_

The ALLEGHENY COUNTY HOSPITAL DEVELOPMENT AUTHORITY (the “Issuer”), a public body corporate and politic of the Commonwealth of Pennsylvania (the “Commonwealth”), for value received, hereby promises to pay to the Owner (hereinafter defined) of this Bond, the Principal Amount set forth above, on the Stated Maturity Date, which is April 15, 2039 (unless this Bond is redeemed, or accelerated prior thereto as herein provided), upon presentation and surrender of this Bond; and to pay interest hereon from the date hereof, or from the most recent Interest Payment Date to which interest has been paid, whichever is later, at the rates and on the dates hereinafter described, to the maturity or the earlier redemption or acceleration of this Bond.

Capitalized words and phrases used but not defined herein shall have the meanings set forth in the Trust Indenture pertaining to the Bonds (the “Indenture”), dated as of July 1, 2007, by and between the Issuer and THE BANK OF NEW YORK TRUST COMPANY, N.A. (together with any successor thereto as trustee thereunder, the “Trustee”), unless otherwise noted.

This Bond is one of the Issuer’s University of Pittsburgh Medical Center Revenue Bonds, Series 2007B (the “Bonds”).

The Bonds are being issued in the aggregate principal amount of \$165,000,000 under and pursuant to the Indenture. Reference is made to the Indenture and the Loan Agreement dated as

of July 1, 2007 (the "Agreement") between the Issuer and UPMC (the "Corporation"), a Pennsylvania non-profit corporation, for provisions concerning, among other things, a statement of the purposes for which the Bonds have been issued, the application of the proceeds of the Bonds, the Trust Estate (as defined in the Indenture) assigned and pledged for the security of the Bonds, the rights and obligations of the Issuer and the Trustee and provisions relating to the rights of the Owners of the Bonds.

The Agreement requires the Corporation to make payments to the Issuer, together with other available moneys, to meet the debt service requirements on the Bonds, to pay the fees and expenses of the Trustee and the Issuer, and to pay certain costs associated with the Bonds. The Agreement is a general obligation of the Corporation. The Bonds are also secured by and payable from the UPMC Series 2007B Notes dated as of July 1, 2007 (the "Master Notes"), issued pursuant to (i) a Master Trust Indenture, dated as of December 1, 1995, as supplemented, between the Corporation and The Bank of New York Trust Company, N.A., as master trustee (collectively, the "1995 Master Indenture") and (ii) a Master Trust Indenture dated as of July 1, 2007 between the Corporation and The Bank of New York Trust Company, N.A., as master trustee (the "2007 Master Indenture").

The executed counterparts of the Indenture, the Agreement, the 1995 Master Indenture and the 2007 Master Indenture are on file at the corporate trust office of the Trustee in Pittsburgh, Pennsylvania.

This Bond and the issue of which it forms a part are issued under the laws of the Commonwealth pursuant to the Municipality Authorities Act, as amended, and a resolution duly adopted by the Issuer, and are limited obligations of the Issuer payable solely from and secured by the Trust Estate. NEITHER THE PRINCIPAL OF THE BONDS, NOR THE INTEREST ACCRUING THEREON, SHALL EVER CONSTITUTE A GENERAL INDEBTEDNESS OF THE ISSUER OR AN INDEBTEDNESS OF THE COMMONWEALTH OR ANY POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION WHATSOEVER OR SHALL EVER CONSTITUTE OR GIVE RISE TO A PECUNIARY LIABILITY OF THE COUNTY, THE COMMONWEALTH OR ANY POLITICAL SUBDIVISION THEREOF, NOR WILL THE BONDS BE, OR DEEMED TO BE, AN OBLIGATION OF THE COMMONWEALTH OR ANY POLITICAL SUBDIVISION THEREOF. THE ISSUER HAS NO TAXING POWER.

This Bond shall not constitute the personal obligation, either jointly or severally, of the members of the Board of the Issuer or of any other officer, employee or agent of the Issuer.

The principal of and interest on this Bond shall be paid by the Trustee in lawful money of the United States of America to the Custodian as the Owner hereof in accordance with the procedures set forth in the Letter of Representation.

While in the Weekly Mode, interest on the Bonds shall accrue at the Weekly Rate for each Weekly Rate Period and shall be payable in arrears on the first Business Day of the month (a "Interest Payment Date").

All Bonds of a Subseries must bear interest in the same Interest Mode. All Bonds of a Subseries must bear interest at the same rate, and, with respect to Bonds of a Subseries in the ARS Mode, must have the same Auction Period; provided, that following conversion of a Subseries of Bonds to the Fixed Mode, such Bonds of different maturities may bear interest at different Fixed Rates but all such Bonds of the same maturity shall bear interest at the same Fixed Rate.

While Bonds are in the Variable Rate Mode, the Corporation may effect a Change to ARS Mode, or a Change to a Variable Rate Mode by delivering a written notice of a proposed Change to a Variable Rate Mode or a Change to ARS Mode, specifying the particular Variable Rate Mode or ARS Mode to which the Bonds of a Subseries will be changed, at least 30 days prior to the proposed effective date of such Change to a Variable Rate Mode or change to AMS Mode to the Trustee, the Custodian, the Remarketing Agent. A Change to a Variable Rate Mode or change to ARS Mode may only be effected on an Interest Payment Date.

While Bonds are in the Variable Rate Mode, the Corporation may effect a conversion to a Fixed Mode by delivering a Fixed Rate Conversion Notice to the Trustee, and the Custodian. The Fixed Rate Conversion Notice shall specify that the Bonds of a Subseries will be converted to the Fixed Mode on the proposed Fixed Rate Date and will bear interest at the Fixed Rate from and after the Fixed Rate Date. The proposed Fixed Rate Date shall be not less than 35 days from the date of such Fixed Rate Conversion Notice and shall be a Business Day, which is a Interest Payment Date.

**OPTIONAL REDEMPTION:** On and prior to the Fixed Rate Date or the date on which the Bonds are converted to a Term Rate Mode, the Bonds are subject to optional redemption prior to the Stated Maturity Date at the Written Request of the Corporation, in whole or in part on any date, at a redemption price equal to 100% of the principal amount thereof, plus accrued interest to the Redemption Date.

**MANDATORY SINKING FUND REDEMPTION:** The Bonds are subject to mandatory sinking fund redemption prior to the Stated Maturity Date, in part, on April 15 in the years \_\_\_\_ through \_\_\_\_, inclusive, in the mandatory sinking fund redemption amounts set forth below (subject to reductions arising from the acquisition and surrender or the optional or extraordinary optional redemption of Bonds, as described in the Indenture), at a redemption price equal to 100% of the principal amount thereof, plus accrued interest to the Redemption Date:

**EXTRAORDINARY REDEMPTION:** Bonds are subject to extraordinary redemption, in whole or in part, at any time, in Authorized Denominations, by the Issuer, at the Written Request of the Corporation, in the event of condemnation, damage or destruction of the Corporation's Property or any part thereof, as qualified in the Indenture, but only out of the Net Proceeds deposited with or held by the Trustee for such purpose, at a redemption price equal to 100% of the principal amount thereof plus interest accrued to the redemption date. Any such redemption shall be made in the order of maturity designated by the Corporation and within any maturity by lot, as selected by the Trustee.

**GENERAL REDEMPTION PROVISIONS:** Whenever provision is made for the redemption of fewer than all of the Bonds, the Trustee shall select or cause the selection of the Bonds to be redeemed by lot in any manner which the Trustee, in its sole discretion, shall deem appropriate and fair. The Trustee shall call for redemption as many Bonds or portions thereof as will, as nearly as practicable, exhaust the money available therefor. Particular Bonds, or portions thereof, shall be redeemed only in Authorized Denominations. The Trustee shall give notice of such redemption to the Custodian as the Owner of such Bond, for the benefit of the Beneficial Owner thereof, in accordance with the Letter of Representation.

With respect to optional or extraordinary optional redemptions only, if the Corporation shall have delivered to the Trustee, no later than the fifth Business Day prior to the Redemption Date set for any Bonds, written notice of its decision to cancel its prior request for redemption, then the purported optional or extraordinary optional redemption shall be canceled and any prior notice thereof shall be void. Promptly upon receipt of the Corporation's cancellation notice with respect to any Bonds, the Trustee shall give or cause to be given written notice of such cancellation to the Custodian, as the Owner thereof in accordance with the Letter of Representation. Such notice shall be given by first class mail, postage prepaid by the Trustee to the Custodian, each Rating Agency then rating the Bonds and the affected Owners prior to the Redemption Date; *provided, however*, that such notice of cancellation shall be effective to cancel such redemption, whether or not it is received by the Custodian, any Rating Agency then rating the Bonds or such Owners, and such occurrence shall not constitute a default or an Event of Default

On the Redemption Date, provided the Trustee is then holding funds sufficient to pay the redemption price (including interest accrued to the Redemption Date and premium, if any) of all Bonds to be redeemed on such date, interest on the Bonds (or portions thereof) duly called for redemption shall cease to accrue and said Bonds (or portions thereof) shall cease to be entitled to any benefit or security under the Indenture, and the Owners of said Bonds shall have no rights in respect thereof except to receive payment of said redemption price and interest accrued to the Redemption Date; *provided*, that with respect to optional and extraordinary optional redemptions only, if the Trustee shall not have funds in its possession on the Redemption Date sufficient to pay the redemption price of all of the Bonds to be optionally or extraordinarily optionally redeemed (including premium, if any, and accrued interest), for any reason (including, but not limited to, failure to issue any refunding obligations intended for such purpose on or prior to the Redemption Date), then the purported optional or extraordinary optional redemption and any notice thereof shall be void, but such event shall not constitute an Event of Default under the Indenture.

**ACCELERATION:** Upon the occurrence of certain Events of Default in the Indenture, the principal of all Bonds then Outstanding, together with all interest accrued thereon, may be declared (or, in certain circumstances, shall be declared) due and payable prior to the Stated Maturity thereof in the manner, with the effect and subject to the conditions provided in the Indenture.

**MANDATORY TENDER AND PURCHASE; OPTIONAL TENDER AND PURCHASE:** While in the Variable Rate, the Bonds are subject to optional tender and purchase and mandatory tender and purchase upon the terms and conditions set forth in the Indenture.

The covenants contained herein and in the Indenture and Agreement may be discharged by making provision, at any time, for the payment of the principal of and interest on this Bond in the manner set forth in the Indenture.

No Owner of any Bond shall have any right to enforce provisions of the Indenture or the Agreement except as provided in the Indenture. At any time and from time to time, the terms and provisions of the Indenture, the Agreement or any instrument supplemental or amendatory thereto may be modified or altered to the extent permitted by and in the manner set forth in the Indenture.

Reference is hereby made to the Indenture for other terms and conditions upon which this Bond has been issued, which terms and conditions are made a part hereof by this reference. Executed counterparts of the Indenture, the Agreement, the 1995 Master Indenture, the 2007 Master Indenture and copies of the Series 2007B Notes are on file at the office of the Trustee.

Prior to the Book-Entry Termination Date, the beneficial ownership of Bonds may only be transferred on the records established and maintained by the Custodian.

The Issuer, the Corporation and the Trustee, and their respective successors, each in its discretion, may deem and treat the Owner hereof as the absolute owner hereof for all purposes and neither the Issuer, the Corporation and the Trustee, nor their respective successors, shall be affected by any notice to the contrary. "Owner," as used herein, means the Person named as the Owner of this Bond on the registry books of the Trustee.

Unless this certificate 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 certificate issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL, inasmuch as the Owner hereof, Cede & Co., has an interest herein.

This Bond shall not be entitled to any right, security or benefit under the Indenture or be valid or become obligatory for any purpose until this Bond shall have been authenticated by the Trustee, by execution of the certificate of authentication inscribed hereon.

All acts, conditions and things required to happen, exist and be performed precedent to and in the issuance of the Bonds in order to make them legal, valid and binding obligations of the Issuer in accordance with their terms, and the execution of the Indenture have happened, exist and have been performed as so required; the Issuer has received payment in full for the Bonds; and no

limitation of indebtedness, either statutory or constitutional, has been exceeded in the issuance of the Bonds.

The Owner of this Bond shall have no right to enforce the provisions of the Indenture or to institute action to enforce the covenants therein, or to take any action with respect to any Event of Default under the Indenture, or to institute, appear in or defend any suit or other proceeding with respect thereto, except as provided in the Indenture and except that any Owner may institute action to enforce the payment of the principal of or the interest on his or her Bond.

Modifications or alterations of the Indenture or any trust indenture supplemental thereto, the Agreement or any agreement supplemental thereto, may be made only to the extent and in the circumstances permitted by the Indenture and the Agreement.

This Bond, notwithstanding the provisions for registration of transfer stated herein and contained in the Indenture, at all times shall be and shall be understood to be an investment security within the meaning of and for all the purposes of the Uniform Commercial Code of Pennsylvania. This Bond is issued with the intent that the laws of the Commonwealth of Pennsylvania shall govern its construction.

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

**IN WITNESS WHEREOF**, the Allegheny County Hospital Development Authority has caused this Bond to be executed in its name by the facsimile signature of its Chairman or Vice Chairman and the facsimile seal of the Issuer to be imprinted hereon, attested by the facsimile signature of its Assistant Secretary all as of the date of issuance of the Bonds.

Attest:

**ALLEGHENY COUNTY HOSPITAL  
DEVELOPMENT AUTHORITY**

\_\_\_\_\_  
Assistant Secretary

\_\_\_\_\_  
(Vice) Chairman

(SEAL)

**CERTIFICATE OF AUTHENTICATION**

This Bond is one of the Bonds described in the with-mentioned Indenture. The text of the opinion attached hereto is the text of the opinion of bond counsel, Houston Harbaugh, P.C., Pittsburgh, Pennsylvania, dated and delivered on the date of delivery of and payment for the Bonds, an executed counterpart of which is on file with the Trustee.

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

Dated:

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

## ASSIGNMENT

For value received \_\_\_\_\_ hereby sells, assigns and transfers unto \_\_\_\_\_ the within Bond issued by the Allegheny County Hospital Development Authority, Pittsburgh, Pennsylvania and all rights thereunder, hereby irrevocably appointing to transfer said Bond on the Bond Register, with full power of substitution in the premises.

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

Guaranteed\*: \_\_\_\_\_  
\* Signature(s) must be Guaranteed by a member of an approved Signature Guarantee Medallion Program.

NOTICE: The signature to this assignment must correspond with the name as it appears upon the face of within Bond in every particular, without alteration or any change whatever.

The following abbreviations when used in the inscription on the face of the within Bond, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM - as tenants in common

TEN ENT - as tenants by the entireties

JT TEN - as joint tenants with right of survivorship and not as tenants in common

UNIF GIFT MIN ACT - \_\_\_\_\_ Custodian \_\_\_\_\_  
(Cust) (Minor)  
under Uniform Gifts to Minors Act

\_\_\_\_\_  
(State)



EXHIBIT B

Notice of Proposed Change to a Variable Rate Mode

\$ 165,000,000

ALLEGHENY COUNTY HOSPITAL DEVELOPMENT AUTHORITY  
UNIVERSITY OF PITTSBURGH MEDICAL CENTER REVENUE BONDS, SERIES 2007

NOTICE IS HEREBY GIVEN that UPMC (the "Corporation"), on behalf of the Allegheny County Hospital Development Authority (the "Issuer") proposes to change the method by which the interest rate borne by the above-captioned bonds (the "Bonds") is determined. Capitalized terms herein have the meaning set forth in the Trust Indenture pertaining to the Bonds (the "Indenture"), dated as of July 1, 2007, by and between the Issuer and THE BANK OF NEW YORK TRUST COMPANY, N.A., as Trustee (the "Trustee"). You are hereby notified that:

In accordance with the Indenture, subject to the conditions hereinafter set forth, the interest rate on the Bonds will be changed to a [Daily Rate] [Weekly Rate] [Monthly Rate] [Semiannual Rate] [Annual Rate] [Term Rate] Mode.

The change to a [Daily Rate] [Weekly Rate] [Monthly Rate] [Semiannual Rate] [Annual Rate] [Term Rate] Mode will be effective from and after \_\_\_\_\_ (the "Effective Date").

The Bonds are subject to mandatory purchase on the Effective Date at a purchase price equal to the principal amount thereof plus accrued interest to the Effective Date.

The Change to a [Daily Rate] [Weekly Rate] [Monthly Rate] [Semiannual Rate] [Annual Rate] [Term Rate] Mode shall take effect only if:

(A) With respect to a change from the ARS Mode:

1. The Trustee and the Auction Agent shall receive:

(a) An Officer's Certificate from the Corporation by no later than the tenth day prior to the proposed effective date of such Change to a [Daily Rate] [Weekly Rate] [Monthly Rate] [Semiannual Rate] [Annual Rate] [Term Rate] Mode stating that

(1) a written agreement between the Corporation and a firm or firms of investment bankers to remarket the Bonds on such effective date at a price of 100% of the principal amount thereof at the applicable [Daily Rate] [Weekly Rate] [Monthly Rate] [Semiannual Rate] [Annual Rate] [Term Rate] determined as set forth in the Indenture (a "Remarketing Commitment") has been entered into, which Remarketing Commitment may be subject to such reasonable terms and conditions which in the judgment of the Corporation reflect the current market standards regarding investment banking risk, must include a provision requiring payment of the purchase price in same-day funds for the Bonds involved, and must

include a provision requiring the determination of the applicable [Daily] [Weekly] [Monthly] [Semiannual] [Annual] [Term] Rate for the applicable initial [Daily] [Weekly] [Monthly] [Semiannual] [Annual] [Term] Rate Period no later than 11:00 a.m., New York City time, on the Business Day prior to the effective date of such Change to a [Daily Rate] [Weekly Rate] [Monthly Rate] [Semiannual Rate] [Annual Rate] [Term Rate] Mode; provided, that no such Remarketing Commitment shall be required if such [Change to a Variable Rate Mode is to a Daily Rate or a Weekly Rate]

(2) in the case of a Change to a Variable Rate, either (x) a Liquidity Support Facility is in effect or has been obtained by the Corporation with respect to such Bonds and shall be in effect on or prior to the effective date of such change to a [Daily] [Weekly] [Monthly] [Semiannual] [Annual] [Term] Rate Mode, or (y) the Trustee shall have received written notice from the Corporation that upon such change to a [Daily] [Weekly] [Monthly] [Semiannual] [Annual] [Term] Rate Mode the Bonds shall be remarketed without the availability of a Liquidity Support Facility;

(b) a Remarketing Agreement is or will be in effect on or prior to one Business Day prior to the effective date of such change to a [Daily Rate] [Weekly Rate] [Monthly Rate] [Semiannual Rate] [Annual Rate] [Term Rate] Mode; and

(c) written confirmation from a Rating Agency as to the rating to be assigned to the Bonds upon such Change to a [Daily Rate] [Weekly Rate] [Monthly Rate] [Semiannual Rate] [Annual Rate] [Term Rate] Mode.

(d) By 11:00 a.m., New York City time, on the Business Day prior to the effective date of such change to a [Daily Rate] [Weekly Rate] [Monthly Rate] [Semiannual Rate] [Annual Rate] [Term Rate] Mode, by Electronic Means,

(1) an Officer's Certificate from the Corporation authorizing such change, and

(2) a written notice from the Remarketing Agent setting forth the applicable [Daily] [Weekly] [Monthly] [Semiannual] [Annual] Rate for the initial [Daily] [Weekly] [Monthly] [Semiannual] [Annual] [Term] Rate Period;

(e) By 4:00 p.m., New York City time, on the effective date of such change to a [Daily Rate] [Weekly Rate] [Monthly Rate] [Semiannual Rate] [Annual Rate] [Term Rate] Mode, a certificate from the Remarketing Agent that all of the Bonds tendered or deemed tendered have been purchased at a price equal to the principal amount thereof;

(f) Not later than the Business Day prior to the effective date of such change to a [Daily Rate] [Weekly Rate] [Monthly Rate] [Semiannual Rate] [Annual Rate] [Term Rate] Mode, an Opinion of Counsel from Bond Counsel to the effect that a change to such Mode will not adversely effect the validity of the Bonds or the exclusion of the interest on the Bonds from gross income for federal income tax purposes;

2. Unless the Trustee shall have received written notice from the Corporation that upon such Change to a Variable Rate Mode the Bonds shall be remarketed without the availability of a Liquidity Support Facility, a Liquidity Support Facility has been delivered to the Trustee not less than one Business Day prior to the effective date of such Change to a Variable Rate Mode and is, by its terms, in effect on or prior to such effective date; and]

3. A Remarketing Agreement has been duly executed and delivered by the parties thereto and is in full force and effect not less than one Business Day prior to the effective date of such change to a [Daily Rate] [Weekly Rate] [Monthly Rate] [Semiannual Rate] [Annual Rate] [Term Rate] Mode; and

If a change to a [Daily Rate] [Weekly Rate] [Monthly Rate] [Semiannual Rate] [Annual Rate] [Term Rate] Mode is effective, the Bonds shall cease to bear interest at the ARS Rate, and shall bear interest at the specified [Daily] [Weekly] [Monthly] [Semiannual] [Annual] [Term] Rate. If any one of the conditions referred to in paragraphs (a)(1)(A), (a)(1)(B), (a)(1)(C), (a)(1)(D), (a)(1)(F), (a)(2) (in the case of Change to a Variable Rate) or (a)(3) above is not met, such Bonds will continue to operate in the ARS Mode, such Bonds will not be subject to mandatory tender pursuant to the Indenture, and the ARS Rate for the next succeeding Auction Period shall be determined pursuant to the Auction Procedures. The Auction Period commencing on such date shall, however, be of the following duration: (i) if the Auction Period preceding the date of the proposed Change to a Variable Rate Mode had a duration of less than one year, the new Auction Period shall be a seven-day period; and (ii) if the Auction Period preceding the date of the proposed Change to a Variable Rate Mode had a duration of one year or longer, the new Auction Period shall (1) if there is delivered to the Trustee an Opinion of Counsel from Bond Counsel to the effect that conducting an auction with a seven-day Auction Period on such proposed Change to a Variable Rate Mode will not adversely effect the validity of the Bonds or the exclusion of the interest on the Bonds from gross income for federal income tax purposes, be a seven-day Auction Period, or (2) if no such Opinion of Counsel is delivered, an Auction Period of the same duration as that in effect prior to such proposed Change to a Variable Rate Mode. If the condition referred to in paragraph (a)(1)(E) hereof is not met, such Bonds will not be subject to mandatory tender and the ARS Rate shall be the Maximum Rate, and the Auction Period shall be of the duration determined in the preceding provisions of this paragraph.

(B) If the change is from a Variable Rate Mode, the Trustee shall receive:

1. By 11:00 a.m., New York City time, on the Business Day prior to the Effective Date of such change to a [Daily Rate] [Weekly Rate] [Monthly Rate] [Semiannual Rate] [Annual Rate] [Term Rate] Mode, a certificate from the Remarketing Agent disclosing the [Daily] [Weekly] [Monthly] [Semiannual] [Annual] [Term] Rate established by the Remarketing Agent for the applicable initial a [Daily] [Weekly] [Monthly] [Semiannual] [Annual] [Term] Rate Period;

2. By 4:00 p.m., New York City time, on the Effective Date of such change to a [Daily Rate] [Weekly Rate] [Monthly Rate] [Semiannual Rate] [Annual Rate] [Term Rate]

Mode, a certificate from the Remarketing Agent that all of the Bonds tendered or deemed tendered have been purchased at a price equal to the principal amount thereof; and

3. An Opinion of Counsel from Bond Counsel to the effect that a change to a [Daily Rate] [Weekly Rate] [Monthly Rate] [Semiannual Rate] [Annual Rate] [Term Rate] Mode will not adversely effect the validity of the Bonds or the exclusion of the interest on the Bonds from gross income for federal income tax purposes.

If a change to a [Daily Rate] [Weekly Rate] [Monthly Rate] [Semiannual Rate] [Annual Rate] [Term Rate] Mode is effective, the Bonds involved shall cease to bear interest at the immediately preceding [Variable Rate], and shall bear interest at the new [Daily] [Weekly] [Monthly] [Semiannual] [Annual] [Term] Rate. In the event that all Bonds are not remarketed on the proposed effective date of the Change to a Variable Rate Mode or if any of the conditions referred to in clause (b) above is not met, the Bonds:

- (a) will not be converted to the Variable Rate Mode,
- (b) will be subject to mandatory tender pursuant to the indenture on the proposed effective date of the Change to a Variable Rate Mode, and
- (c) with respect to a change from a Variable Rate Mode to a different Variable Rate Mode, will automatically convert to a Weekly Rate Mode with an initial Variable Rate equal to the Variable Rate determined by the Remarketing Agent on the proposed effective date of such change; *provided, however*, that if the Bonds were operating in an Annual Rate Mode or Term Rate Mode prior to the proposed effective date of such change, such Bonds shall be remarketed and operate on such proposed effective date of such change as follows: (1) if there is delivered to the Trustee and the Remarketing Agent an Opinion of Counsel from Bond Counsel to the effect that remarketing such Bonds in the Weekly Rate Mode on such proposed effective date of the Change to a Variable Rate Mode will not adversely effect the validity of the Bonds or the exclusion of the interest on the Bonds from gross income for federal income tax purposes, in the Weekly Rate Mode, or (2) if no such Opinion of Counsel is delivered, as described in the immediately preceding paragraph, the Annual Rate Mode or Term Rate Mode, as applicable]

Owners of Bonds are required to deliver their Bonds to the Trustee located at c/o [JPMorgan Chase Bank, ITS Bond Events, 2001 Bryan Street, 9th Floor, Dallas, TX 75201], by no later than 12:00 noon, New York City time, on the Effective Date, endorsed in blank by the Owner thereof or accompanied by an instrument of transfer thereof in form satisfactory to the Trustee executed for transfer in blank by the Owner thereof (the Trustee is authorized to refuse to make payment with respect to any such Bonds not endorsed in blank or for which an instrument of transfer satisfactory to it has not been provided).

Each Owner of Bonds who has properly tendered such Bonds in accordance with the above provisions will be paid the purchase price thereof on the Effective Date and if such purchase price is paid, such Owner shall have no further rights with respect to said Bonds.

With respect to any Owner of Bonds who has not properly tendered such Bonds in accordance with the above provisions of this notice, (a) such Owner's Bonds will be deemed tendered and purchased on the Effective Date at a purchase price equal to the principal amount thereof, (b) such Owner will be paid the purchase price for such Bonds upon the tender of such Bonds to the Trustee, and (c) such Bonds shall, on and after the Effective Date, cease to accrue interest and after the Effective Date such Owner will have no rights with respect to such Bonds except the right to receive payment of the purchase price equal to the principal amount thereof (without interest thereon from and after the Effective Date) upon tender of such Bonds to the Trustee.

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

UPMC

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

Name: \_\_\_\_\_

Title: \_\_\_\_\_

EXHIBIT C

Notice of Failure of Conditions

\$ 165,000,000

ALLEGHENY COUNTY HOSPITAL DEVELOPMENT AUTHORITY  
UNIVERSITY OF PITTSBURGH MEDICAL CENTER REVENUE BONDS, SERIES 2007B

NOTICE IS HEREBY GIVEN that one of the conditions for effecting a Change to a Variable Rate Mode has not been met.

The above-captioned bonds (the "Bonds") [with respect to a change from an ARS Mode, will continue to bear interest in the ARS Mode] [with respect to a change from a Variable Rate Mode to a different Variable Rate Mode, will continue to bear interest in a Variable Rate Mode] as provided in and subject to the provisions of the Trust Indenture pertaining to the Bonds, dated as of July 1, 2007 (the "Indenture"), by and between the Allegheny County Hospital Development Authority (the "Issuer") and THE BANK OF NEW YORK TRUST COMPANY, N.A., as Trustee, with interest determined in accordance with and subject to the provisions of the Indenture, on the proposed Effective Date of such proposed Change to a Variable Rate Mode.

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

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

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

EXHIBIT D

Notice of Proposed Change From any Variable Rate Mode to ARS Mode

\$ 165,000,000

ALLEGHENY COUNTY HOSPITAL DEVELOPMENT AUTHORITY  
UNIVERSITY OF PITTSBURGH MEDICAL CENTER REVENUE BONDS, SERIES 2007B

NOTICE IS HEREBY GIVEN that UPMC (the "Corporation"), on behalf of the Allegheny County Hospital Development Authority (the "Issuer") proposes to change the method by which the interest rate borne by the above-captioned bonds (the "Bonds") is determined. Capitalized terms herein have the meaning set forth in the Trust Indenture pertaining to the Bonds (the "Indenture"), dated as of July 1, 2007, by and between the Issuer and THE BANK OF NEW YORK TRUST COMPANY, N.A., as Trustee (the "Trustee"). You are hereby notified that:

In accordance with the Indenture, subject to the conditions hereinafter set forth, the interest rate on the Bonds will be changed to an ARS Rate.

The change to ARS Mode will be effective from and after \_\_\_\_\_ (the "Effective Date").

The Bonds are subject to mandatory purchase on the Effective Date at a purchase price equal to the principal amount thereof plus accrued interest to the Effective Date.

The Change to ARS Mode shall take effect only if:

- A. An Auction Agreement has been duly executed and delivered by the parties thereto and is in full force and effect not less than 14 days prior to the Effective Date; and
- B. A Broker-Dealer Agreement has been duly executed and delivered by the parties thereto and is in full force and effect not less than 14 days prior to the Effective Date; and
- C. An Auction Agent has been appointed by the Corporation in accordance with the Indenture and a Broker-Dealer has been appointed by the Corporation in accordance with the Indenture

If any of the conditions set forth in clauses (a), (b) or (c) above is not met, such Bonds shall not be converted to an ARS Mode, such Bonds shall nevertheless be subject to mandatory tender pursuant to the Indenture and shall be remarketed on the proposed effective date of the Change to ARS Mode in the Weekly Rate Mode, *provided, however*, that if the Bonds were operating in an Annual Rate Mode or Term Rate Mode prior to the proposed effective date of a Change to ARS Mode such Bonds shall be remarketed and operate on such proposed effective date of a Change to ARS Mode as follows:

A if there is delivered to the Trustee and the Auction Agent an Opinion of Counsel from Bond Counsel to the effect that remarketing such Bonds in the Weekly Rate Mode on such proposed effective date of the Change to ARS Mode will not adversely effect the validity of the Bonds or the exclusion of the interest on the Bonds from gross income for federal income tax purposes, in the Weekly Rate Mode, or

B if no such Opinion of Counsel is delivered (as described in the immediately preceding paragraph), the Annual Rate Mode or Term Rate Mode, as applicable.

Owners of Bonds are required to deliver their Bonds to the Trustee located at ITS Bond Events, 2001 Bryan Street 9th Floor, Dallas, TX 75201, by no later than 12:00 noon, New York City time, on the Effective Date, endorsed in blank by the Owner thereof or accompanied by an instrument of transfer thereof in form satisfactory to the Trustee executed for transfer in blank by the Owner thereof (the Trustee is authorized to refuse to make payment with respect to any such Bonds not endorsed in blank or for which an instrument of transfer satisfactory to it has not been provided).

Each Owner of Bonds who has properly tendered such Bonds in accordance with the above provisions will be paid the purchase price thereof on the Effective Date and if such purchase price is paid, such Owner shall have no further rights with respect to said Bonds.

With respect to any Owner of Bonds who has not properly tendered such Bonds in accordance with the above provisions of this notice, (a) such Owner's Bonds will be deemed tendered and purchased on the Effective Date at a purchase price equal to the principal amount thereof, (b) such Owner will be paid the purchase price for such Bonds upon the tender of such Bonds to the Trustee, and (c) such Bonds shall, on and after the Effective Date, cease to accrue interest and after the Effective Date such Owner will have no rights with respect to such Bonds except the right to receive payment of the purchase price equal to the principal amount thereof (without interest thereon from and after the Effective Date) upon tender of such Bonds to the Trustee.

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

UPMC

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

Name:\_\_\_\_\_

Title:\_\_\_\_\_



EXHIBIT E

Notice of Failure of Conditions

\$165,000,000

ALLEGHENY COUNTY HOSPITAL DEVELOPMENT AUTHORITY  
UNIVERSITY OF PITTSBURGH MEDICAL CENTER REVENUE BONDS, SERIES 2007B

NOTICE IS HEREBY GIVEN that one of the conditions for effecting a Change to ARS Mode has not been met.

The above-captioned bonds (the "Bonds") will continue to bear interest in a Variable Rate Mode as provided in and subject to the provisions of the Trust Indenture pertaining to the Bonds, dated as of July 1, 2007 (the "Indenture"), by and between the Allegheny County Hospital Development Authority (the "Issuer") and THE BANK OF NEW YORK TRUST COMPANY, N.A., as Trustee, with interest determined in accordance with and subject to the provisions of the Indenture, on the proposed Effective Date of such proposed Change to ARS Mode.

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

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

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

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

EXHIBIT F

Notice of Proposed Conversion to Fixed Rate

\$ 165,000,000

ALLEGHENY COUNTY HOSPITAL DEVELOPMENT AUTHORITY  
UNIVERSITY OF PITTSBURGH MEDICAL CENTER REVENUE BONDS, SERIES 2007B

NOTICE IS HEREBY GIVEN that UPMC (the "Corporation"), on behalf of the Allegheny County Hospital Development Authority (the "Issuer") proposes to change the method by which the interest rate borne by the above-captioned bonds (the "Bonds") is determined. Capitalized terms herein have the meaning set forth in the Trust Indenture pertaining to the Bonds (the "Indenture"), dated as of July 1, 2007, by and between the Issuer and THE BANK OF NEW YORK TRUST COMPANY, N.A., as Trustee (the "Trustee"). You are hereby notified that:

The Issuer is proposing to convert the interest rate on the Bonds to a fixed rate (the "Fixed Rate") on \_\_\_\_\_ (the "proposed Fixed Rate Date").

All Bonds are subject to mandatory tender for purchase on the proposed Fixed Rate Date at a purchase price equal to the principal amount thereof.

The Fixed Rate shall take effect only if:

A. If the change is from an ARS Mode, the Trustee and the Auction Agent shall receive:

1. An Officer's Certificate by no later than the tenth day prior to the proposed Fixed Rate Date stating that a written agreement has been entered into between the Corporation and a firm or firms of investment bankers to remarket the Bonds on the Fixed Rate Date at a price of not less than 100% of the principal amount thereof at a fixed rate per annum which would be, but would not exceed, the interest rate which would result in the fair market value of the Bonds being 100% of the principal amount thereof (a "Fixed Rate Commitment"). The Fixed Rate Commitment may be subject to such reasonable terms and conditions which in the judgment of the Corporation reflect current market standards regarding investment banking risk, must include a provision requiring payment of the purchase price in same-day funds for the Bonds, and must include a provision requiring the determination of the Fixed Rate no later than 11:00 a.m., New York City time, on the Business Day prior to the Fixed Rate Date, and provided that such Fixed Rate Commitment shall be subject to the provisions of Section 205(d)(4)(A)(i) of the Indenture;

2. By 11:00 a.m., New York City time, on the Business Day prior to the Fixed Rate Date, in writing or by Electronic Means;

(a) an Officer's Certificate from the Corporation authorizing the establishment of the Fixed Rate, and

(b) a written notice from the counterparty to the Fixed Rate Commitment setting forth the Fixed Rate established pursuant to the Fixed Rate Commitment;

3. By 4:00 p.m., New York City time, on the Fixed Rate Date, a certificate from the counterparty to the Fixed Rate Commitment that all of the Bonds tendered or deemed tendered have been purchased at a price equal to the principal amount thereof, with funds provided from the remarketing of such Bonds in accordance with the Fixed Rate Commitment; and

4. An Opinion of Counsel from Bond Counsel to the effect that a conversion to the Fixed Rate will not adversely effect the validity of the Bonds or the exclusion of the interest on the Bonds from gross income for federal income tax purposes.

If any one of the conditions referred to in paragraph (a) (i), (a) (ii) or (a) (iv) above is not met with respect to any change to the Fixed Rate from an ARS Rate, the ARS Mode shall continue and the ARS Rate for the next succeeding Auction Period shall be determined pursuant to the Auction Procedures. The Auction Period commencing on such date shall, however, be of the following duration:

1. if the Auction Period preceding the date of the proposed change to the Fixed Rate had a duration of less than one year, the new Auction Period shall be a seven day period; and

2. if the Auction Period preceding the date of the proposed change to the Fixed Rate had a duration of one year or longer, the new Auction Period shall

(a) if there is delivered to the Trustee an Opinion of Counsel from Bond Counsel to the effect that conducting an auction for such Bonds with a seven-day Auction Period on such proposed Conversion Date to the Fixed Mode will not adversely effect the validity of the Bonds or the exclusion of the interest on the Bonds from gross income for federal income tax purposes, be a seven-day Auction Period, or

(b) if no such Opinion of Counsel, as described in the immediately preceding paragraph, is delivered, an Auction Period of the same duration as that in effect prior to such proposed Fixed Rate Date.

If the condition referred to in paragraph (a) (iii) above is not met with respect to any change to the Fixed Rate from an ARS Rate, the ARS Mode shall continue and the ARS Rate shall be the Maximum Rate, and the Auction Period shall be of the same duration as determined in the preceding provisions relating to a failure to satisfy the conditions for a Change to the Fixed Rate.

(B) If the change is from any Variable Rate Mode, the Trustee shall receive:

1. An Officer's Certificate from the Corporation by no later than the tenth day prior to the proposed Fixed Rate Date that a Fixed Rate Commitment has been entered into;

2. By 11:00 a.m., New York City time, on the Business Day prior to the Fixed Rate Date, in writing or by Electronic Means;

(a) an Officer's Certificate from the Corporation authorizing the establishment of the Fixed Rate, and

(b) a written notice from the counterparty to the Fixed Rate Commitment setting forth the Fixed Rate established pursuant to the Fixed Rate Commitment;

3. By 4:00 p.m., New York City time, on the Fixed Rate Date, a certificate from the counterparty to the Fixed Rate Commitment that all of the Bonds tendered or deemed tendered have been purchased at a price equal to the principal amount thereof, with funds provided from the remarketing of such Bonds in accordance with a Fixed Rate Commitment; and

4. An Opinion of Counsel from Bond Counsel to the effect that a conversion to the Fixed Rate will not adversely effect the validity of the Bonds or the exclusion of the interest on the Bonds from gross income for federal income tax purposes.

If any one of the conditions referred to in clause (b) above is not met with respect to any change to a Fixed Rate from any Variable Rate, the Bonds

(a) will not be converted to the Fixed Mode,

(b) shall be subject to mandatory purchase pursuant to on the proposed Conversion Date to the Fixed Mode,

(c) shall be remarketed on the proposed Conversion Date to the Fixed Mode in the Weekly Rate Mode; *provided, however*, that if the Bonds were operating in an Annual Rate Mode or Term Rate Mode prior to the proposed Conversion Date, such Bonds shall be remarketed and operate on such proposed Conversion Date:

(1) if there is delivered to the Trustee an Opinion of Counsel from Bond Counsel to the effect that remarketing such Bonds in the Weekly Rate Mode on such proposed Conversion Date will not adversely effect the validity of the Bonds or the exclusion of the interest on the Bonds from gross income for federal income tax purposes, in the Weekly Rate Mode, or

(2) if no such Opinion of Counsel, as described in the immediately preceding paragraph, is delivered, the Annual Rate Mode or Term Rate Mode, as applicable.

(d) if the proposed conversion was from a Variable Rate Mode, shall bear interest at an initial Variable Rate determined by the Remarketing Agent on the proposed Conversion Date.

Owners of the Bonds are required to deliver their Bonds to the Trustee by no later than 12:00 noon, New York City time, on the proposed Fixed Rate Date at the office of the Trustee located at ITS Bond Events, 2001 Bryan Street, 9th Floor, Dallas, TX 75210, endorsed in blank for transfer by the Owner thereof or accompanied by an instrument of transfer thereof in form satisfactory to the Trustee executed in blank for transfer by the Owner thereof (the Trustee being authorized to refuse payment with respect to any such Bonds not endorsed in blank or for which an instrument of transfer satisfactory to it has not been provided).

Each Owner of Bonds who has properly tendered such Bonds in accordance with the above provisions will be paid the purchase price therefor on the proposed Fixed Rate Date and if such purchase price is paid, such Owner shall have no further rights with respect to said Bonds.

With respect to any Owner of Bonds who has not properly tendered such Bonds in accordance with the above provisions of this notice, (a) such Owner's Bonds will be deemed tendered and purchased on such Fixed Rate Date at a purchase price equal to the principal amount thereof, (b) such Owner will be paid the purchase price for such Bonds upon the tender of such Bonds to the Trustee, and (c) such Bonds shall, on and after the proposed Fixed Rate Date, cease to accrue interest and after the proposed Fixed Rate Date such Owner will have no rights with respect to such Bonds except the right to receive payment of the purchase price (without interest thereon from and after the Fixed Rate Date) upon tender of such Bonds to the Trustee.

UPMC

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

Name:\_\_\_\_\_

Title:\_\_\_\_\_

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

EXHIBIT G

Notice of Failure of Conditions

\$165,000,000

ALLEGHENY COUNTY HOSPITAL DEVELOPMENT AUTHORITY  
UNIVERSITY OF PITTSBURGH MEDICAL CENTER REVENUE BONDS, SERIES 2007B

NOTICE IS HEREBY GIVEN that one of the conditions for effecting a conversion to a Fixed Rate has not been met.

The above-captioned bonds (the "Bonds") will therefore continue to bear interest in the [Variable Rate Mode] [ARS Mode] with interest determined in accordance with and subject to the provisions of the Trust Indenture pertaining to the Bonds, dated as of July 1, 2007, by and between the Allegheny County Hospital Development Authority (the "Issuer") and THE BANK OF NEW YORK TRUST COMPANY, N.A., as Trustee, on the proposed Effective Date of such proposed Change to a Fixed Mode.

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

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

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