
TRUST INDENTURE

by and between

BOARD OF EDUCATION OF THE CITY OF CHICAGO

and

AMALGAMATED BANK OF CHICAGO,

as trustee

dated as of December 1, 2011

securing

\$95,000,000

**Unlimited Tax General Obligation Refunding Bonds
(Dedicated Revenues),
Series 2011D**

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THIS TRUST INDENTURE dated as of December 1, 2011 (the "*Indenture*"), by and between the BOARD OF EDUCATION OF THE CITY OF CHICAGO, a school district organized and existing under the laws of the State of Illinois, and AMALGAMATED BANK OF CHICAGO, an Illinois banking corporation duly organized, existing and authorized to accept and execute trusts of the character set forth herein (the "*Trustee*").

WITNESSETH:

WHEREAS, pursuant to the provisions of Article 34 of the School Code of the State of Illinois, as amended (the "*School Code*"), the City of Chicago constitutes one school district (the "*School District*"), which is a body politic and corporate by the name of the "Board of Education of the City of Chicago," governed by the Chicago Board of Education (the "*Board*"); and

WHEREAS, pursuant to Resolution No. 00-0628-21 adopted by the Board on the 28th day of June, 2000, and a Trust Indenture dated as of September 1, 2000 (the "*Series 2000C Indenture*") between the Board and Amalgamated Bank of Chicago, as trustee (the "*Series 2000C Trustee*"), the Board has heretofore issued its Unlimited Tax General Obligation Bonds (Dedicated Revenues), Series 2000C (the "*Series 2000C Bonds*"), which are currently outstanding in the aggregate principal amount of \$95,000,000; and

WHEREAS, the Board has determined to refund and redeem all of the outstanding Series 2000C Bonds; and

WHEREAS, in accordance with the provisions of the Local Government Debt Reform Act of the State of Illinois, as amended (the "*Act*"), the Board, on the 22nd day of July, 2009 adopted Resolution No. 09-0722-RS11 authorizing the issuance of alternate bonds, being general obligation bonds payable from any revenue source as provided by the Act ("*Alternate Bonds*"), in an amount not to exceed \$2,300,000,000 and completed (i) the backdoor referendum proceedings required by Section 15 of the Act and (ii) the notice and hearing requirements of the Bond Issue Notification Act of the State of Illinois, as amended, authorizing the Board to issue its Alternate Bonds in said amount of \$2,300,000,000 (the "*2009 Authorization*"); and

WHEREAS, the Board has previously issued the following obligations pursuant to the 2009 Authorization:

(i) \$49,910,000 Unlimited Tax General Obligation Refunding Bonds (Dedicated Revenues), Series 2010A;

(ii) \$157,055,000 Unlimited Tax General Obligation Refunding Bonds (Dedicated Revenues), Series 2010B;

(iii) \$257,125,000 Unlimited Tax General Obligation Bonds (Dedicated Revenues), Series 2010C (Taxable Qualified School Construction Bonds - Direct Payment);

(iv) \$125,000,000 Unlimited Tax General Obligation Bonds (Dedicated Revenues), Series 2010D (Taxable Build America Bonds - Direct Payment);

(v) \$183,750,000 Tax-Exempt Unlimited Tax General Obligation Refunding Bonds (Dedicated Revenues), Series 2010F;

(vi) \$72,915,000 Taxable Unlimited Tax General Obligation Refunding Bonds (Dedicated Revenues), Series 2010G; and

(vii) \$402,410,000 Unlimited Tax General Obligation Bonds (Dedicated Revenues), Series 2011A;

(collectively, the "*Prior Authorization Bonds*"); and

WHEREAS, in order to further avail itself of the 2009 Authorization, the Board adopted Resolution No. 11-1026-RS4 on October 26, 2011 (the "*Bond Resolution*") authorizing the issuance, from time to time, in one or more series, of its Unlimited Tax General Obligation Refunding Bonds (Dedicated Revenues) in an aggregate principal amount not to exceed \$300,000,000 for the purpose, among other things, of refunding certain obligations of the Board; and

WHEREAS, pursuant to authority granted in the Bond Resolution, the Board has appointed Amalgamated Bank of Chicago to act as Trustee under this Indenture; and

WHEREAS, pursuant to the Bond Resolution, the Board has duly authorized the issuance of its Unlimited Tax General Obligation Refunding Bonds (Dedicated Revenues), Series 2011D, in the aggregate principal amount of \$95,000,000 (the "*Bonds*") for the purpose of paying the costs of the refunding and redemption of all outstanding Series 2000C Bonds pursuant to this Indenture and the Series 2000C Indenture; and

WHEREAS, the Bonds will be payable from the Pledged State Aid Revenues and the Pledged Taxes, all as hereinafter defined, and will be further secured by the other moneys, securities and funds pledged under this Indenture; and

WHEREAS, the Board has determined that the Pledged State Aid Revenues will provide in each year an amount not less than 1.10 times debt service on the Prior Authorization Bonds and the Bonds which determination is supported by the most recent audit of the Board, prepared by McGladrey & Pullen, LLP, which audit is for the fiscal year ended June 30, 2011, being the most recent audit available and being for a fiscal year ending not earlier than 18 months previous to the time of issuance of the Bonds; and

WHEREAS, such determination is made, in part, pursuant to the Act and the Bond Authorization Act, which authorize the Board to project debt service on the Bonds issued as variable rate bonds; and

WHEREAS, all things necessary to make the Bonds, when authenticated by the Trustee and issued as in this Indenture provided, the valid, binding and legal obligations of the Board according to the import thereof, and to constitute this Indenture a valid pledge of and grant of a lien on the Pledged State Aid Revenues and the Pledged Taxes to secure the payment of the principal of, premium, if any, and interest on the Bonds have been done and performed, in due form and time, as required by law; and

WHEREAS, the execution and delivery of this Indenture and the execution and issuance of the Bonds, subject to the terms hereof, have in all respects been duly authorized.

GRANTING CLAUSES

NOW, THEREFORE, THIS TRUST INDENTURE WITNESSETH:

That in order to secure the payment of the principal of, premium, if any, and interest on all Bonds issued hereunder, according to the import thereof, and the performance and observance of each and every covenant and condition herein and in the Bonds contained, and for and in consideration of the premises and of the acceptance by the Trustee of the trusts hereby created, and of the purchase and acceptance of the Bonds by the respective Owners (as hereinafter defined) thereof, and for other good and valuable consideration, the sufficiency of which is hereby acknowledged, and for the purpose of fixing and declaring the terms and conditions upon which the Bonds shall be issued, authenticated, delivered, secured and accepted by all persons who shall from time to time be or become Owners thereof, the Board does hereby pledge and grant a lien upon the following Trust Estate to the Trustee and its successors in trust and assigns, for the benefit of the Owners, and Credit Provider and the Purchaser, to the extent provided in this Indenture:

(a) The Pledged State Aid Revenues and the Pledged Taxes, provided that the pledge of State Aid Revenues to the Bonds, to the Credit Provider (to the extent described herein and in the Reimbursement Agreement) and to the Purchaser (to the extent described herein and in the Continuing Covenant Agreement) is on a parity with the pledge of such Revenues to the Prior Authorization Bonds and any Additional Alternate Bonds of the Board issued pursuant to the 2009 Authorization from time to time in the future and payable from Pledged State Aid Revenues;

(b) All moneys and securities and earnings thereon in all Funds, Accounts and Sub-Accounts established pursuant to this Indenture, with the exception of amounts on deposit in the Costs of Issuance Account, the Bond Purchase Fund (as hereinafter defined), the Program Expense Fund or elsewhere (including amounts held by the Remarketing Agent (as hereinafter defined)) to pay the purchase price of Bonds delivered or deemed delivered for purchase pursuant to Article III hereof; and

(c) Any and all other moneys, securities and property furnished from time to time to the Trustee by the Board or on behalf of the Board or by any other persons to be held by the Trustee under the terms of this Indenture;

BUT IN TRUST NEVERTHELESS, and except as herein otherwise provided, for the equal and proportionate benefit and security of the Bonds issued hereunder and secured by this Indenture, without preference, priority or distinction as to participation in the lien, benefit and protection hereof of any one Bond over any other or from the others by reason of priority in the issue or negotiation thereof or by reason of the date or dates of maturity thereof, or for any other reason whatsoever, so that each and all of the Bonds shall have the same right, lien and privilege under this Indenture and shall be equally secured hereby, with the same effect as if the same had all been made, issued and negotiated upon the delivery hereof and for the benefit, protection and

security of the Purchaser with respect to the obligations of the Board under the Continuing Covenant Agreement and of the Credit Provider with respect to the obligations of the Board under the Reimbursement Agreement, provided that the benefit, protection and security provided by this Indenture for the Credit Provider shall be subordinate in each and every respect (except with respect to the rights of the Credit Provider as an Owner of Bonds, including Credit Provider Bonds) to the benefit, protection and security provided by this Indenture for the Owners of the Bonds.

PROVIDED FURTHER, HOWEVER, that the Board has reserved the right, upon compliance with the provisions of Section 8.4(B) hereof, to issue Additional Bonds (as hereinafter defined) on a parity with and sharing ratably and equally in the Pledged State Aid Revenues with the Prior Authorization Bonds and the Bonds.

PROVIDED FURTHER, HOWEVER, that these presents are upon the condition that, if the Board, or its successors, shall well and truly pay or cause to be paid, or provide, pursuant to Section 13.1 hereof, for the payment of all principal, premium, if any, and interest on the Bonds due or to become due thereon and all other amounts secured hereby (including the Purchaser Obligations and the Credit Provider Obligations described herein), at the times and in the manner stipulated therein and herein, and if the Board shall have satisfied all Purchaser Obligations due to the Purchaser (if any), all Credit Provider Obligations due to the Credit Provider (if any) and returned the Credit Facility (if any) to the Credit Provider (if any) for cancellation, then this Indenture and the rights hereby granted shall cease, terminate and be void, but shall otherwise be and remain in full force.

AND IT IS HEREBY COVENANTED AND AGREED by and among the Board, the Trustee and the Owners of the Bonds from time to time, that the terms and conditions upon which the Bonds are to be issued, authenticated, delivered, secured and accepted by all persons who shall from time to time be or become the Owners thereof, and the trusts and conditions upon which the moneys and securities hereby pledged are to be held and disposed of, which trusts and conditions the Trustee hereby accepts, are as follows:

ARTICLE I.

DEFINITIONS AND CONSTRUCTION

Section 1.1. Definitions. The following terms shall, for all purposes of this Indenture, have the following meanings unless a different meaning clearly appears from the context:

“Act” means the Local Government Debt Reform Act of the State, as amended.

“Additional Bonds” means any Alternate Bonds issued by the Board in the future in accordance with the provisions of the Act on a parity with and sharing ratably and equally in all or any portion of the Pledged State Aid Revenues with the Prior Authorization Bonds, the Bonds, and the Series 2011C Bonds as authorized by Section 8.4(B) hereof.

“Adjustment Date” means (a) the Date of Issuance, (b) any date which is the first day of an Adjustment Period designated in the manner set forth in Section 4.1 hereof, (c) any Substitute

Adjustment Date designated in the manner set forth in Section 4.2 hereof, and (d) any proposed Term Rate Conversion Date or Fixed Rate Conversion Date designated in the manner set forth in Section 4.3 hereof.

“Adjustment Period” means, with respect to each Bond, each period commencing on an Adjustment Date for such Bond to and including the day immediately preceding the immediately succeeding Adjustment Date for such Bond (or the Maturity Date thereof), during which period such Bond shall operate in one type of Interest Mode.

“Alternate Bonds” means general obligation bonds payable from any revenue source as provided by the Act.

“Alternate Credit Facility” means any Credit Facility of the type described in Section 6.1(C) hereof delivered to, and accepted by, the Trustee pursuant to Section 6.1 hereof in substitution for a then-existing Credit Facility.

“Applicable Factor” means (a) during the Initial Index Rate Period, [REDACTED] and (b) during any other Index Rate Period, the Applicable Factor determined by the Remarketing Agent in accordance with Section 2.2(G)(i)(b)(2).

“Applicable Spread” means (a) during the Initial Index Rate Period, a rate per annum associated with the Level corresponding to the lowest long-term unenhanced debt rating assigned by any of Moody's, Fitch or S&P to any indebtedness of the Board issued pursuant to the 2009 Authorization (each, a *“Rating”*), as specified below.

LEVEL	MOODY'S RATING	S&P RATING	FITCH RATING	APPLICABLE SPREAD
Level 1	A1 or above	A+ or above	A+ or above	[REDACTED]
Level 2	A2	A	A	
Level 3	A3	A-	A	
Level 4	Baa1	BBB+	BBB+	
Level 5	Baa2	BBB	BBB	

In the event of split Ratings (*i.e.*, one of the Rating Agencies' ratings is at a different level than the rating of another Rating Agency), the Applicable Spread shall be based upon the Level in which the lowest Rating appears. Any change in the Applicable Spread resulting from a change in a Rating shall be and become effective as of and on the date of the announcement of the change in such Rating. References to Ratings above are references to rating categories as presently determined by the Rating Agencies and in the event of adoption of any new or changed rating system, the ratings from the Rating Agency in question referred to above shall be deemed to refer to the rating category under the new rating system that most closely approximates the applicable rating category as currently in effect. The Board acknowledges that as of the Closing Date the Applicable Spread is that specified above for Level 1; and (b) during any other Index Rate Period, the Applicable Spread determined by the Remarketing Agent in accordance with Sections 2.2(G)(i)(b)(2) hereof. The Board shall at all times maintain Ratings from at least two

Rating Agencies. If the Board no longer maintains a Rating from all three Rating Agencies, the fee will be based on the lower Rating from the remaining Rating Agencies.

"Authorized Denominations" means, (a) with respect to a particular Bond in a Short Mode or an Index Mode, \$100,000 and any multiple of \$5,000 in excess thereof, (b) with respect to a particular Bond in a Term Rate Mode, \$5,000 and any integral multiple thereof, and (c) after the Term Rate Conversion Date or Fixed Rate Conversion Date with respect to a particular Bond, \$5,000 and any integral multiple thereof.

"Authorized Officer" means (a) any Designated Official, (b) the Controller and Chief Operating Officer of the Board acting together, or (c) any other officer or employee of the Board authorized to perform specific acts or duties hereunder by resolution duly adopted by the Board.

"Base Rate" means for any day, a fluctuating rate of interest per annum equal to the greatest of (i) the Prime Rate in effect at such time *plus* one and one-half percent (1.5%), (ii) the Federal Funds Open Rate in effect at such time *plus* two percent (2.0%), (iii) the Daily LIBOR Rate *plus* one percent (1.0%), or (iv) seven and one half percent (7.5%).

"Board" means the school district coterminous with the City of Chicago, which is a body politic and corporate by the name of the "Board of Education of the City of Chicago," governed by the Chicago Board of Education.

"Bond Authorization Act" means the Bond Authorization Act of the State, as amended.

"Bond Counsel" means the firm of Quarles & Brady LLP, Chicago, Illinois, or any other law firm designated by the Board having a national reputation in the field of municipal law whose opinions are generally accepted by purchasers of municipal bonds, acceptable to the Trustee.

"Bond Payment Account" means the account of that name established in Section 5.3 hereof.

"Bond Purchase Fund" means the trust fund so designated which is created and established pursuant to Section 5.7 hereof.

"Bond Resolution" means Resolution No. 11-1026-RS4, adopted by the Board on October 26, 2011, authorizing the issuance of the Bonds.

"Bond Year" means each annual period beginning on March 2 of a calendar year to and including March 1 of the next succeeding calendar year.

"Bonds" means the \$95,000,000 aggregate principal amount Unlimited Tax General Obligation Refunding Bonds (Dedicated Revenues), Series 2011D, of the Board and any Bonds issued hereunder in substitution or replacement therefor and includes any Credit Provider Bonds then Outstanding.

"Business Day" means any day other than a Saturday, Sunday or (a) a day on which banking institutions located (i) in the city in which the designated office of the Trustee is located,

(ii) in the city in which the office of the Credit Provider at which drawings under the Credit Facility drawings are to be honored is located, (iii) in the city in which the corporate trust office of the Trustee or the Trustee's Agent at which the Bonds may be tendered for purchase by the holders thereof is located, (iv) in the city in which the principal office of the Remarketing Agent is located, (v) in the city in which the principal office of the Index Agent is located, and (vi) the city in which the principal office of the Purchaser is located, are required or authorized to remain closed or (b) a day on which The New York Stock Exchange is closed.

"Code" or "Code and Regulations" means the Internal Revenue Code of 1986, as amended, and the regulations promulgated or proposed pursuant thereto as the same may be in effect from time to time.

"Continuing Covenant Agreement" means the Continuing Covenant Agreement dated as of December 1, 2011, between PNC Bank and the Board during the Initial Index Rate Period, any subsequent Index Rate Period or any Delayed Remarketing Period during which PNC Bank or its permitted transferee holds Bonds bearing interest at an Index Rate or Unremarketed Bonds, and during any subsequent Index Rate Period when PNC is not the Purchaser, means any other agreement between the Board and a Purchaser which may be designated as the Continuing Covenant Agreement.

"Costs of Issuance Account" means the account of that name established in Section 5.2 hereof.

"Counsel's Opinion" or "Opinion of Counsel" means an opinion signed by an attorney or firm of attorneys of recognized standing in the area of law to which the opinion relates, who may be counsel to the Board (including the internal counsel to the Board) or Bond Counsel.

"County Clerks" means, collectively, the County Clerks of The Counties of Cook and DuPage, Illinois.

"County Collectors" means, collectively, the County Treasurers of The Counties of Cook and DuPage, Illinois, in their respective capacities as county collector, or, respectively, such other officer as may be lawfully appointed in the future to serve as county collector in either of said counties.

"Credit Facility" means a letter of credit, standby bond purchase agreement, line of credit, revolving credit agreement, bond insurance policy, surety bond or similar credit and liquidity enhancement or support facility or combination thereof, providing for payments by the Credit Facility Provider upon the order of the Trustee of amounts up to an aggregate amount sufficient to pay (a) (i) the aggregate principal amount of the Bonds then outstanding which bear interest at a Short Rate (other than Credit Facility Bonds and Bonds owned by the Board) or (ii) the principal component of the purchase price of Bonds tendered or required to be tendered for purchase pursuant to Section 3.1 which bear interest at a Short Rate (other than Credit Facility Bonds and Bonds owned by the Board); plus (b) an amount equal to accrued interest on such Bonds, for the number of days calculated in accordance with Section 6.1(G), and otherwise meeting the requirements of Section 6.1 of this Indenture, including any Alternate Credit Facility. As of the effective date of this Indenture, there is no Credit Facility securing the Bonds.

All references to "Credit Facility" shall be of no effect if no Credit Facility is outstanding and no Credit Provider Bonds, Credit Provider Obligations or Reimbursement Agreement Obligations remain outstanding and unpaid.

"*Credit Facility Account*" means the Account of that name established in the Debt Service Fund pursuant to Section 5.3 of this Indenture and includes any Credit Facility Sub-Account established pursuant to Section 4.1(A) hereof.

"*Credit Facility Cancellation Date*" has the meaning assigned to such term in Section 6.1(K) hereof.

"*Credit Facility Sub-Account*" means a sub-account established as provided in Section 4.1(A) hereof to hold funds drawn under a Credit Facility securing a new Sub-series of Bonds created in connection with a conversion of a portion of the Bonds to another Interest Mode.

"*Credit Provider*" means the issuer or issuers of any Credit Facility, and its or their successor or successors, as appropriate, in such capacity and its or their assign or assigns, as appropriate. All references to "Credit Provider" shall be of no effect if no Credit Facility is outstanding and no Credit Provider Bonds, Credit Provider Obligations or Reimbursement Agreement Obligations remain outstanding and unpaid.

"*Credit Provider Approval*" means the written approval of the Credit Provider, if such approval is required pursuant hereto or pursuant to the then-applicable Reimbursement Agreement.

"*Credit Provider Bonds*" means Tendered Bonds purchased with moneys drawn under the Credit Facility pursuant to Section 3.7(D) hereof, which are owned by the Credit Provider or its permitted assigns in accordance with the Reimbursement Agreement or the Custody Agreement, if any, until such Bonds are remarketed by the Remarketing Agent pursuant to the Remarketing Agreement and the Credit Provider is in receipt of the principal amount thereof plus accrued interest thereon at the Credit Provider Rate or such Bonds lose their character as Credit Provider Bonds pursuant to the Reimbursement Agreement.

"*Credit Provider Obligations*" means the Board's obligations to reimburse the Credit Provider for draws on the Credit Facility for the payment of interest due on the Bonds on any Interest Payment Date and principal of the Bonds as the same shall become due by mandatory sinking fund redemption or at maturity. "*Credit Provider Obligations*" do not include Reimbursement Agreement Obligations.

"*Credit Provider Rate*" means with respect to any Credit Provider Bond or Credit Provider Obligation, such interest rate or sequence of rates (which may be stated as a formula and may be determined by reference to a specified index or indices) as is specified in the applicable Credit Provider Bonds or the Reimbursement Agreement then in effect, pursuant to which such Credit Provider Bond was purchased or Credit Provider Obligation incurred. Notwithstanding the foregoing, at no time shall the Board pay interest on Credit Provider Bonds or Credit Provider Obligations at a rate higher than the Maximum Interest Rate.

"Custody Agreement" means a custody agreement or a pledge and security agreement (which may also be the Reimbursement Agreement), if any, entered into by the Trustee, as custodian, and the Credit Provider, and any and all amendments and supplements thereto, relating to Credit Provider Bonds.

"Daily LIBOR" means, for any day, the rate per annum determined by the Purchaser by dividing (i) the Published Rate by (ii) a number equal to 1.00 minus the LIBOR Reserve Percentage.

"Daily Mode" means the Interest Mode during which the Bonds bear interest at the Daily Rate.

"Daily Rate" means the per annum interest rate on any Bond in the Daily Mode determined pursuant to Section 2.2(B) hereof equal to the lowest interest rate which, in the judgment of the Remarketing Agent, would enable such Bond to be remarketed at the principal amount thereof, plus accrued interest thereon, if any, on the Rate Change Date for such Rate Period.

"Daily Rate Period" means the period during which a Bond in the Daily Mode shall bear a Daily Rate, which shall be from the Business Day upon which a Daily Rate is set to but not including the next succeeding Business Day.

"Date of Issuance" and *"Closing Date"* mean the date of original issuance and delivery of the Bonds hereunder.

"Debt Service Fund" means the fund of that name established in Section 5.3 hereof.

"Default Rate" means, in respect of the Initial Index Rate Period or any Index Rate Period or Delayed Remarketing Period during which PNC Bank or its permitted transferee is the Owner of the Bonds, the Base Rate plus 3.0%; provided, however, after 180 days, the Default Rate shall increase to the Maximum Interest Rate. In the case of other Index Rate Periods, the Default Rate shall be rate designated as such in the applicable Continuing Covenant Agreement. The Default Rate shall never be payable at a rate in excess of the Maximum Interest Rate.

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

"Defeasance Government Obligations" means Government Obligations which are not subject to redemption other than at the option of the holder thereof.

"Defeasance Obligations" means (a) Defeasance Government Obligations and (b) Pre-refunded Municipal Obligations.

"Delayed Remarketing Period" shall have the meaning specified in Section 3.3(B) hereof.

"Delivery Office" shall mean, for the Remarketing Agent, such address as shall be specified in any Remarketing Agreement delivered pursuant to this Indenture.

“Demand Date” means, with respect to any Bond during a Daily Mode or a Weekly Mode, the Business Day specified in the notice received by the Trustee’s Agent upon which the Owner of such Bond intends to tender such Bond (or any portion thereof in an Authorized Denomination) for purchase as provided in Section 3.1 hereof, which Business Day in the event of a Weekly Mode shall be not less than seven calendar days after the date such notice is received.

“Deposit Date” means February 15 of each year beginning February 15, 2012 or such earlier date as may be necessary to permit the Board to lawfully make the abatement of taxes described in Sections 5.4(A) and 8.6(B) hereof.

“Deposit Sub-Account” means the sub-account of that name in the Pledged State Aid Revenues Account established in Section 5.3 hereof.

“Designated Official” means (a) the President of the Board, (b) the Chief Financial Officer of the Board or (c) any other officer of the Board authorized to perform specific acts and duties hereunder by resolution duly adopted by the Board.

“DTC” means The Depository Trust Company, New York, New York.

“Determination of Taxability” means and shall be deemed to have occurred on the first to occur of the following during an Index Rate Period or Delayed Remarketing Period:

(i) on that date when the Board files any statement, supplemental statement or other tax schedule, return or document which discloses that an Event of Taxability shall have in fact occurred;

(ii) on the date when the Board notifies the Purchaser or any former Purchaser that it has requested and received a written opinion by a nationally recognized attorney or firm of attorneys of substantial expertise on the subject of tax-exempt municipal finance to the effect that an Event of Taxability shall have occurred unless, within one hundred eighty (180) days after receipt of such notification by the Purchaser, the Board shall deliver to the Purchaser and any former Purchaser a ruling or determination letter issued to or on behalf of the Board by the Commissioner or any District Director of the Internal Revenue Service (or any other governmental official exercising the same or a substantially similar function from time to time) to the effect that, after taking into consideration such facts as form the basis for the opinion that an Event of Taxability has occurred, an Event of Taxability shall not have occurred;

(iii) on the date when the Board shall be advised in writing by the Commissioner or any District Director of the Internal Revenue Service (or any other government official or agent exercising the same or a substantially similar function from time to time) that based upon filings of the Issuer, or upon any review or audit of the Board or upon any other ground whatsoever, an Event of Taxability shall have occurred; or

(iv) on the date when the Board shall receive notice from the Purchaser or any former Purchaser that the Internal Revenue Service (or any other government official or

agency exercising the same or a substantially similar function from time to time) has assessed as includable in the gross income of such Purchaser or such former Purchaser the interest on the Bonds due to the occurrence of an Event of Taxability;

provided, however, no Determination of Taxability shall occur under subparagraph (iii) or (iv) hereunder unless the Board has been afforded the opportunity, at its expense, to contest any such assessment, and further, no Determination of Taxability shall occur until such contest, if made, has been finally determined, *provided further, however*, that upon demand from the Purchaser or former Purchaser, the Board shall promptly reimburse, but solely from payments made by the Board, such Purchaser or former Purchaser for any payments, including any taxes, interest, penalties, or other charges, such Purchaser (or former Purchaser) shall be obligated to make as a result of the Determination of Taxability.

"Eligible Account" means an account that is either (a) maintained with a federal or state-chartered depository institution or trust company that has an S&P short-term debt rating of at least 'A-2' (or, if no short-term debt rating, a long-term debt rating of 'BBB+'); or (b) maintained with the corporate trust department of a federal depository institution or state-chartered depository institution subject to regulations regarding fiduciary funds on deposit similar to Title 12 of the U.S. Code of Federal Regulation Section 9.10(b), which, in either case, has corporate trust powers and is acting in its fiduciary capacity.

"Event of Default" means any event so designated and specified in Section 9.1 hereof.

"Event of Taxability" means a (i) change in law or fact or the interpretation thereof, or the occurrence or existence of any fact, event or circumstance (including, without limitation, the taking of any action by the Board, or the failure to take any action by the Board, or the making by the Board of any misrepresentation herein or in any certificate required to be given in connection with the issuance, sale or delivery of the Bonds) which has the effect of causing interest paid or payable on the Bonds to become includable, in whole or in part, in the gross income of the Purchaser or any former Purchaser for federal income tax purposes or (ii) the entry of any decree or judgment by a court of competent jurisdiction, or the taking of any official action by the Internal Revenue Service or the Department of the Treasury, which decree, judgment or action shall be final under applicable procedural law, in either case, which has the effect of causing interest paid or payable on the bonds to become includable, in whole or in part, in the gross income of the Purchaser or any former Purchaser for federal income tax purposes with respect to the Bonds.

"Excess Interest Amount" has the meaning set forth in Section 2.2(G)(i)(JJ) of this Indenture.

"Expiration of the Term of the Credit Facility" means the expiration of a then-existing Credit Facility in effect with respect to any Bonds, including extensions thereof, without provisions being made in accordance with Section 6.1 of this Indenture for the delivery of an Alternate Credit Facility prior to any date upon which the Trustee is required hereunder to give notice of a mandatory tender of Bonds as a result of such expiration. No "Expiration of the Term of the Credit Facility," with respect to a Bond, shall be deemed to occur to the extent of a

remarketing of such Bond in the Term Rate Mode on the Term Rate Conversion Date or the Fixed Mode on the Fixed Rate Conversion Date without the security of a Credit Facility.

"Federal Funds Open Rate" means, for any day, the rate per annum which is the daily federal funds open rate as quoted by ICAP North America, Inc. (or any successor) as set forth on the Bloomberg Screen BTMM for that day opposite the caption "OPEN" (or on such other substitute Bloomberg Screen that displays such rate), or as set forth on such other recognized electronic source used for the purpose of displaying such rate as selected by the Purchaser (an *"Alternate Source"*) (or if such rate for such day does not appear on the Bloomberg Screen BTMM (or any substitute screen) or on any Alternate Source, or if there shall at any time, for any reason, no longer exist a Bloomberg Screen BTMM (or any substitute screen) or any Alternate Source, a comparable replacement rate determined by the Purchaser at such time (which determination shall be conclusive absent manifest error); *provided, however*, that if such day is not a Business Day, the Federal Funds Open Rate for such day shall be the "open" rate on the immediately preceding Business Day. The rate of interest charged shall be adjusted as of each Business Day based on changes in the Federal Funds Open Rate without notice to the Board.

"Fiduciary" or *"Fiduciaries"* means the Trustee, the Registrar and any Paying Agent, or any or all of them, as may be appropriate.

"Fitch" means Fitch Ratings, its successors and assigns, and, if Fitch shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, "Fitch" shall be deemed to refer to any other nationally recognized securities rating agency designated by the Board by notice to the Trustee.

"Fixed Mode" means the Adjustment Period commencing on the Fixed Rate Conversion Date for a Bond and ending on the Maturity Date thereof, as established pursuant to Section 4.3 hereof, during which the Bond bears interest at the Fixed Rate.

"Fixed Rate" means, for the Fixed Mode applicable to a Bond, a fixed per annum interest rate borne by such Bond established pursuant to Sections 2.2(F) and 4.3 hereof equal to the lowest interest rate which, in the judgment of the Remarketing Agent, would enable such Bond to be remarketed at the principal amount thereof on the Fixed Rate Conversion Date for such Fixed Mode.

"Fixed Rate Conversion" means the conversion of the interest rate to be borne by all or any portion of the Bonds to a Fixed Rate pursuant to Sections 2.2(F) and 4.3 hereof.

"Fixed Rate Conversion Date" means an Adjustment Date for any Bond on which it begins to bear interest at a Fixed Rate.

"Flexible Mode" means any Adjustment Period during which the Rate Determination Date and the Rate Change Date for each Rate Period therein (which shall have a duration which is not less than 30 days (or such duration as short as one (1) day as may be approved by a Designated Official by written notice to the Trustee and the Remarketing Agent) nor more than 396 days) shall occur on the first day of such Rate Period which shall be designated by the

Remarketing Agent pursuant to Section 2.2(D), 4.1(C) or 4.2(B) hereof, and during which the Bonds which bear interest during such Adjustment Period bear interest at the Flexible Rate.

"Flexible Rate" means, for each Rate Period within a Flexible Mode applicable to a Bond, a fixed per annum interest rate borne by such Bond established pursuant to Section 2.2(D), 4.1(C) or 4.2(B) hereof equal to the lowest interest rate which, in the judgment of the Remarketing Agent, would enable such Bond to be remarketed at the principal amount thereof on the Rate Change Date for such Rate Period.

"Forward Supply Contract" means any contract entered into between the Board and a supplier of Investment Securities selected by or pursuant to the direction of the Board (a *"Counterparty"*) pursuant to which the Counterparty agrees to sell to the Board (or to the Trustee on behalf of the Board) and the Board (or the Trustee on behalf of the Board) agrees to purchase specified Investment Securities on specific dates at specific purchase prices, all as established at the time of the execution and delivery of such contract and as set forth in such contract. Any amounts due and owing from the Board to the Counterparty pursuant to any Forward Supply Contract (other than the specified purchase prices of the Investment Securities set forth therein) shall be treated as current operating expenses of the Board subject to annual appropriation, and shall not constitute indebtedness of the Board.

"Government Obligations" means (a) any direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America and (b) certificates of ownership of the principal of or interest on obligations of the type described in clause (a) of this definition, (i) which obligations are held in trust by a commercial bank which is a member of the Federal Reserve System in the capacity of a custodian, (ii) the owner of which certificate is the real party in interest and has the right to proceed directly and individually against the obligor of the underlying obligations, and (iii) for which the underlying obligations are held in safekeeping in a special account, segregated from the custodian's general assets, and are not available to satisfy any claim of the custodian, any person claiming through the custodian, or any person to whom the custodian may be obligated.

"Immediate Notice" means notice by telephone, telex or telecopier or by facsimile transmission or other similar electronic means of communication, not including electronic mail transmission, proving evidence of transmission to such address as the addressee shall have directed in writing, promptly followed by written notice by first class mail, postage prepaid; provided, however, that if any person required to give an Immediate Notice shall not have been provided with the necessary information as to the telephone, telex, telecopier, facsimile or other similar electronic address of an addressee, Immediate Notice shall mean written notice by first class mail, postage prepaid.

"Indenture" means this Trust Indenture, dated as of December 1, 2011, by and between the Board and the Trustee, as from time to time amended and supplemented.

"Index" means (a) for the Initial Interest Rate Period LIBOR, and (b) for any subsequent Index Rate Period, LIBOR or SIFMA as designated by the Board in accordance with Section 2.2(G) of this Indenture.

"Index Agent" means (a) for the Initial Index Rate Period and any Delayed Remarketing Period immediately succeeding the Initial Index Rate Period, PNC Bank and (b) for any other Index Rate Period, such financial institution or financial advisory firm as designated by the Board pursuant to Section 2.2(G)(ii) hereof and approved by the Purchaser.

"Index Mode" means the Interest Mode during which the Bonds bear interest at an Index Rate.

"Index Rate" means for each Rate Period during the Index Rate Period the per annum interest rate with respect to the Bonds determined on each Rate Determination Date when the Bonds are in the Index Mode equal to the Applicable Factor multiplied by the Index on the Rate Determination Date, plus the Applicable Spread, as calculated pursuant to Sections 2.2(G)(i)(a) and 2.2(G)(i)(b) hereof.

"Index Rate Change Date" means

(a) the date on which the Bonds begin to bear interest at an Index Rate and

(b) if the Bonds are presently bearing interest at an Index Rate during an Index Rate Period then ending, the Index Rate Purchase Date occurring at the end of the then-ending Index Rate Period on which a new Index Rate Period shall commence.

"Index Rate Period" means (a) the Initial Index Rate Period and (b) each period thereafter during which the Bonds bear interest at an Index Rate from and including an Index Rate Change Date to, but not including, the earlier of (i) the immediately succeeding Index Rate Purchase Date and (ii) the Maturity Date.

"Index Rate Purchase Date" means the Business Day immediately succeeding the last day of any Index Rate Period.

"Initial Board Funds" means the lawfully available funds of the Board in the amount of \$3,370,758.28 derived from funds transferred by the Series 2000C Trustee to the Trustee, and \$300,000.00 deposited by the Board, constituting from legally available funds of the Board, for application pursuant to Section 2.11 hereof.

"Initial Index Rate Period" means the period commencing on the Date of Issuance and ending on the first to occur of (i) December 1, 2014, (ii) the Adjustment Date consented to by the Purchaser and (iii) the date on which the Bonds are paid in full.

"Initial Index Rate Purchase Date" shall be December 1, 2014.

"Initial Interest Payment Date" means the first Business Day of the month following the Date of Issuance.

"Initial Interest Period" means the period from and including the Date of Issuance to and including the day immediately preceding the immediately succeeding Rate Change Date.

"Interest Coverage Rate" means the rate used in the Credit Facility to calculate the maximum amount (as reduced and restated from time to time in accordance with the terms thereof) that may be drawn under the Credit Facility to pay (i) the portion of the purchase price of Tendered Bonds corresponding to interest accrued on the Tendered Bonds and (ii) the interest accrued and payable on the Bonds from time to time.

"Interest Deposit Sub Account" means the sub-account of that name in the Payment Sub-Account of the Pledged State Aid Revenues Account established in Section 5.3 hereof.

"Interest Mode" means a period of time relating to the frequency with which the interest rate on the Bonds is determined pursuant to Sections 2.1 and 2.2 hereof. An Interest Mode may be a Daily Mode, Weekly Mode, a Flexible Mode, an Index Mode, a Term Rate Mode or a Fixed Mode.

"Interest Payment Date" means each Initial Interest Payment Date and, thereafter,

- (a) for each Bond, each Adjustment Date therefor,
- (b) for any Bond in the Daily Mode, the Weekly Mode or the Index Mode and for Unremarketed Bonds, the first Business Day of each calendar month,
- (c) for any Bond in a Flexible Mode, each Rate Change Date therefor,
- (d) for any Bond in the Term Rate Mode, each Stated Interest Payment Date occurring in such Rate Period (beginning with the first Stated Interest Payment Date that occurs no earlier than 6 months after the commencement of such Rate Period),
- (e) for any Bond in a Fixed Mode, each September 1 and March 1, commencing as provided in Section 4.3 hereof,
- (f) for any Credit Provider Bond, such dates as are specified in the Credit Provider Bond or in the Reimbursement Agreement, and
- (g) for each Bond, the Maturity Date thereof;

provided that, except with respect to (i) Bonds in the Flexible Mode (without the approval of the Board described in the definition of such term) or (ii) any Interest Payment Dates with respect to remarketed Credit Provider Bonds under (f), in no event shall more than one Interest Payment Date for the Bonds occur in any one calendar month.

"Interest Sub-Account" means the sub-account of that name in the Bond Payment Account established in Section 5.3.

"Investment Policy" means the Investment Policy approved by the Board, as currently in effect and as may be amended from time to time.

"Investment Securities" means any of the following securities authorized by law and the Investment Policy as permitted investments of Board funds at the time of purchase thereof:

- (a) Government Obligations;
- (b) Obligations of any of the following federal agencies which obligations represent the full faith and credit of the United States of America, including:

- Export-Import Bank
- Farm Credit System Financial Assistance Corporation
- Farmers Home Administration
- General Services Administration
- U.S. Maritime Administration
- Small Business Administration
- Government National Mortgage Association (GNMA)
- U.S. Department of Housing & Urban Development (PHA's)
- Federal Housing Administration;

- (c) Senior debt obligations issued by the Fannie Mae or the Federal Home Loan Mortgage Corporation and senior debt obligations of other government agencies which at the time of purchase are rated within the 4 highest general classifications established by a rating service of nationally recognized expertise or are expressly secured by the full faith and credit of the United States of America;

- (d) U.S. dollar denominated deposit accounts, certificates of deposit (including those placed by a third party pursuant to an agreement between the Trustee and the Board), demand deposits, including interest bearing money market accounts, trust deposits, time deposits, federal funds and banker's acceptances with domestic commercial banks (including the Trustee and its affiliates) which on the date of purchase have any two of the following ratings on their short-term certificates of deposit: "A-1" or "A-1+" by S&P, "P-1" by Moody's and "F1" or "F1+" by Fitch, and maturing no more than 360 days after the date of purchase. (Ratings on holding companies are not considered as the rating of the bank);

- (e) Commercial paper which at the time of purchase has any two of the following ratings: "A-1" or above by S&P, "P-1" by Moody's and "F1" by Fitch, and which matures not more than 180 days after the date of purchase;

- (f) Investments in a money market fund which at the time of purchase is rated "AAAm" or "AAAm-G" or better by S&P, including those for which the Trustee or an affiliate performs services for a fee, whether as a custodian, transfer agent, investment advisor or otherwise;

- (g) Repurchase Agreements;
- (h) Pre-refunded Municipal Obligations;
- (i) Forward Supply Contracts; and

(j) Any other investment securities authorized by law and the Investment Policy as permitted investments of Board funds as to which the Board has received written advice from each Rating Service that investment in such securities will not result in a reduction of the rating by such Rating Service.

Ratings of Investment Securities referred to herein shall be determined at the time of purchase of such Investment Securities and without regard to ratings subcategories.

"*Investor Letter*" means a letter in the form attached hereto as Exhibit D.

"*Letter of Representations*" means the Blanket Issuer Letter of Representations dated March 15, 2002, between the Board and DTC, relating to the book-entry only system for the Bonds described in Section 2.9 hereof.

"*LIBOR*" means the rate per annum determined by dividing (a) a rate calculated on the basis of the rate of deposits in U.S. dollars offered for a term of one month, which rate appears on the display designated on the Bloomberg Screen LIBOR01 (or such other page as may replace the Bloomberg Screen LIBOR01 or such other service or services as may be nominated by the British Bankers' Association for the purpose of displaying London interbank offered rates in U.S. dollar deposits), determined at approximately 11:00 a.m., London time, on the date of determination, or if such rate is not available, another rate determined by the Index Agent of which the Trustee has received written notice, by (b) a number equal to 1.00 minus the LIBOR Reserve Percentage.

"*LIBOR Reserve Percentage*" means the maximum effective percentage in effect on such day as prescribed by the Board of Governors of the Federal Reserve System (or any successor) for determining the reserve requirements (including, without limitation, supplemental, marginal and emergency reserve requirements) with respect to Eurocurrency funding (currently referred to as "*Eurocurrency Liabilities*"); *provided* that so long as no such percentage is in effect, the LIBOR Reserve Percentage shall be zero.

"*Liquidity Facility*" means any standby bond purchase agreement, bank bond purchase agreement, line of credit, surety bond, revolving credit facility, bond insurance policy or other agreement or instrument under which any Person (other than the Board) undertakes to pay or provide funds to pay the principal component and interest component of the purchase price of Bonds (or beneficial interests therein) supported by such Liquidity Facility. As provided in Section 6.2(C) hereof, if the Board elects to support all or a portion of the Bonds with a Liquidity Facility, this Indenture shall be amended as necessary to provide for the implementation of such a Liquidity Facility.

"*London Business 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.

"*Maturity Date*" means March 1, 2032.

"*Maximum Interest Rate*" means, with respect to any of the Bonds at any time, the lesser of (a) the Statutory Maximum Rate, (b) the applicable Interest Coverage Rate or (c) 15%;

provided, however, with respect to Bonds bearing interest at the Index Rate or for Unremarketed Bonds, the "Maximum Rate" shall be the lesser of (a) the Statutory Maximum Rate or (b) 15%.

"*Moody's*" means Moody's Investors Service, its successors and assigns, and, if Moody's shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, "Moody's" shall be deemed to refer to any other nationally recognized securities rating agency designated by the Board by notice to the Trustee and the Credit Provider.

"*Opinion of Bond Counsel*" means a written opinion of Bond Counsel in form and substance acceptable to the Board and the Trustee, which opinion may be based on a ruling or rulings of the Internal Revenue Service.

"*Outstanding*" means, as of any date, all Bonds theretofore or thereupon being authenticated and delivered under this Indenture except:

(a) Any Bonds canceled by the Trustee at or prior to such date;

(b) Bonds (or portions of Bonds) for the payment or redemption of which moneys and/or Defeasance Obligations, equal to the principal amount or Redemption Price thereof, as the case may be, with interest to the date of maturity or date fixed for redemption, are held in trust under this Indenture and set aside for such payment or redemption (whether at or prior to the maturity or redemption date), provided that if such Bonds (or portions of Bonds) are to be redeemed, notice of such redemption shall have been given as in Article III provided or provision satisfactory to the Trustee shall have been made for the giving of such notice;

(c) Bonds in lieu of or in substitution for which other Bonds shall have been authenticated and delivered pursuant to Article II, Section 3.8(C), Section 3.13 or Section 12.6 hereof; and

(d) Bonds deemed to have been paid as provided in Section 13.1(B) hereof.

"*Owner*" means any person who shall be the registered owner of any Bond or Bonds.

"*Participant*," when used with respect to any Securities Depository, means any participant of such Securities Depository.

"*Paying Agent*" means the Trustee and any other bank, national banking association or trust company designated by a Designated Official or the Trustee pursuant to Section 10.2 or 10.1(B), respectively, hereof as a paying agent for the Bonds, and any successor or successors appointed by a Designated Official or the Trustee under this Indenture.

"*Payment Sub-Account*" means the sub-account of that name in the Pledged State Aid Revenues Account established in Section 5.3 hereof.

"*Person*" means and includes an association, unincorporated organization, a corporation, a partnership, a joint venture, a business trust, or a government or an agency or a political subdivision thereof, or any other public or private entity, or a natural person.

“Pledged State Aid Revenues” means that amount of State Aid Revenues, not in excess of \$300,000,000 available pursuant to the 2009 Authorization in any year, as shall provide for the payment of the Prior Authorization Bonds, the Bonds and the Series 2011C Bonds and the Series 2011D Bonds, and any Additional Bonds and the provision of not less than an additional .10 times debt service thereon in such year.

“Pledged State Aid Revenues Account” means the account of that name in the Debt Service Fund established in Section 5.3 hereof.

“Pledged State Aid Revenues Account Requirement” means:

(i) on each Deposit Date, with respect to the Bonds bearing interest at a Short Rate, an Index Rate or for Unremarketed Bonds, an amount equal to the sum of (A) one year’s interest on such Bonds based upon the aggregate principal amount of such Bonds scheduled to be Outstanding on the first day of the next succeeding Bond Year and an interest rate equal to the greater of (x) 4.50% or (y) the actual weighted average interest rate borne by such Bonds for the 12-month period ending on the preceding February 1; provided that such amount shall be increased or decreased, as appropriate, giving effect to the known interest to accrue with respect to any Bonds in the Flexible Mode on such Deposit Date from the first day of the next succeeding Bond Year to the Interest Payment Date for such Bonds; provided, however, that for any period of time during the next succeeding Bond Year for which a Swap Agreement is in place with respect to any Bonds requiring the Board to pay a fixed rate of interest, such amount shall be increased or decreased, as appropriate, giving effect to the known fixed rate of interest to accrue with respect to such Swap Agreement for such period of time during the next succeeding Bond Year that such Swap Agreement shall be in effect, (B) if no Swap Agreement is in place, the known interest to accrue with respect to any Bonds in the Flexible Mode on such Deposit Date for which the Interest Payment Date occurs in the next succeeding Bond Year from the first day of the Rate Period for such Bonds to the last day of the then-current Bond Year, and (C) the principal amount of such Bonds scheduled to become due at maturity or by mandatory sinking fund redemption on the last day of the next succeeding Bond Year;

(ii) on each Deposit Date, with respect to Bonds bearing interest at a Term Rate or Fixed Rate, an amount equal to the sum of (A) one year’s interest on such Bonds based upon the aggregate principal amount of Bonds scheduled to be Outstanding on the first day of the next succeeding Bond Year and the actual Term Rate or Fixed Rate or Term Rates or Fixed Rates then borne by such Bonds; provided, however, that for any period of time during the next succeeding Bond Year for which a Swap Agreement is in place with respect to any Bonds requiring the Board to pay a variable rate of interest, such amount shall be increased or decreased, as appropriate, by calculating interest with respect to such Bonds pursuant to subparagraph (i)(A) above, treating the Swap Agreement as the Bonds for purposes of subclause (y), above, and (B) the principal amount of such Bonds scheduled to become due at maturity or by mandatory sinking fund redemption on the last day of the next succeeding Bond Year; and

(iii) on each Deposit Date, with respect to any Credit Provider Bonds or Unremarketed Bonds, an amount equal to the sum of (A) one year’s interest on such Credit Provider Bonds or Unremarketed Bonds based upon the aggregate principal amount of such Credit Provider Bonds or Unremarketed Bonds scheduled to be Outstanding on the first day of the next succeeding

Bond Year and an assumed interest rate equal to the greater of (i) 8.00% or (ii) the average Credit Provider Rate or Purchaser Rate, as applicable, for the 12-month period ending on the preceding March 1 (regardless of whether Credit Provider Bonds or Unremarketed Bonds, as the case may be, are Outstanding during such period) and (B) the principal amount of such Bonds scheduled to become due at maturity or by mandatory sinking fund redemption on the last day of the next succeeding Bond Year.

"Pledged State Aid Revenues Sub-Account" means the sub-account of that name in the Payment Sub-Account of the Pledged State Aid Revenues Account.

"Pledged Taxes" means the *ad valorem* taxes levied or to be levied pursuant to the covenant contained in Section 8.6(D) hereof against all of the taxable property in the School District without limitation as to rate or amount, and pledged hereunder.

"Pledged Taxes Account" means the account of that name in the Debt Service Fund established in Section 5.3 hereof.

"PNC Bank" means PNC Bank, National Association and its successors and assigns.

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

(a) which are rated, based on an irrevocable escrow account or fund (the "escrow"), the same or higher than obligations of the United States of America by any two of S&P, Moody's and Fitch or any successors thereto; or

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

"Prime Rate" means (a) so long as PNC Bank is the Purchaser, for any day the per annum rate of interest publicly announced each Business Day from time to time by the Purchaser as its prime rate with any change in such rate to be automatically and immediately effective on the date of any change in such rate, it being understood that such rate may not be the Purchaser's best or lowest rate, and (b) if PNC Bank is not the Purchaser any other rate agreed to by the Purchaser and the Board.

"Principal Sub-Account" means the sub-account of that name in the Bond Payment Account established in Section 5.3 hereof.

"Prior Authorization Bonds" means the outstanding (i) Unlimited Tax General Obligation Refunding Bonds (Dedicated Revenues), Series 2010A, (ii) Unlimited Tax General Obligation Refunding Bonds (Dedicated Revenues), Series 2010B, (iii) Unlimited Tax General Obligation Bonds (Dedicated Revenues), Series 2010C (Taxable Qualified School Construction Bonds - Direct Payment), (iv) Unlimited Tax General Obligation Bonds (Dedicated Revenues), Series 2010D (Taxable Build America Bonds - Direct Payment), (v) Tax-Exempt Unlimited Tax General Obligation Refunding Bonds (Dedicated Revenues), Series 2010F, (vi) Taxable Unlimited Tax General Obligation Refunding Bonds (Dedicated Revenues), Series 2010G, and (vii) Unlimited Tax General Obligation Bonds (Dedicated Revenues), Series 2011A of the Board.

"Program Expense Fund" means the Program Expense Fund established in Section 5.8 hereof.

"Published Rate" shall mean the rate of interest published each Business Day in *The Wall Street Journal* "Money Rates" listing under the caption "London Interbank Offered Rates" for a one month period (or, if no such rate is published therein for any reason, then the Published Rate shall be the Eurodollar rate for a one month period as published in another publication selected by the Bank).

"Purchaser" means the owner of the Bonds during an Index Rate Period or during a Delayed Remarketing Period. During the Initial Index Rate Period, the Purchaser is PNC Bank.

"Purchaser Obligations" means all amounts payable by the Board, and all other obligations to be performed by the Board, pursuant hereto and pursuant to the Continuing Covenant Agreement and the other Related Documents (including any amounts to reimburse the Purchaser for any advances or expenditures by it under any of such documents).

"Purchaser Rate" means a fluctuating interest rate per annum which, for each day, shall equal (i) for the period from and including the Index Rate Purchase Date to and including the thirtieth (30th) day immediately succeeding the Index Rate Purchase Date, the Base Rate from time to time in effect *plus* one percent (1%), (ii) for the period from and after the thirty-first (31st) day immediately succeeding the Index Rate Purchase Date to and including the date one hundred and eighty (180) days after the Index Rate Purchase Date, the Base Rate from time to time in effect *plus* two percent (2%), and (iii) for the period from and after the date one hundred and eighty-one (181) days immediately succeeding the Index Rate Purchase Date, the Maximum Interest Rate; *provided that* if an Event of Default has occurred and is continuing, the Purchaser Rate shall equal greater of (i) the Default Rate or (ii) the Maximum Interest Rate.

"Rate Change Date" means for each Rate Period

- (a) during any Daily Mode, a Business Day,

(b) during any Weekly Mode, Thursday or such other day of the week designated as such by the Remarketing Agent from time to time, in accordance with the provisions of Section 2.2(C)(ii) hereof,

(c) during any Flexible Mode, the Business Day(s) specified in the notice delivered to the Trustee in accordance with Section 2.2(D), 4.1(C) or 4.2(B) hereof,

(d) during any Term Rate Mode, the Business Day(s) specified in the notice delivered to the Trustee in accordance with Section 2.2(E), 4.1(D) or 4.2(B) hereof,

(e) during any Index Mode, the first Business Day of each month, and

(f) each Adjustment Date.

“Rate Determination Date” means for

(a) each Rate Period during any Daily Mode, each Business Day commencing with the first day (which must be a Business Day) the Bonds become subject to the Daily Mode,

(b) each Rate Period during any Weekly Mode, Wednesday or such other day of the week designated as such by the Remarketing Agent from time to time, in accordance with the provisions of Section 2.2(C)(ii) hereof, next preceding the Rate Change Date for such Rate Period (unless such day is not a Business Day, in which case the Rate Determination Date shall be the immediately preceding Business Day),

(c) each Rate Period during any Flexible Mode, the Rate Change Date for such Rate Period specified in the notice delivered to the Trustee in accordance with Section 2.2(D), 4.1(C) or 4.2(B) hereof,

(d) each Rate Period during a Term Rate Mode, a Business Day no earlier than thirty (30) Business Days and no later than the Business Day next preceding the first day of a Rate Period, as determined by the Remarketing Agent,

(e) each Rate Period during an Index Mode or for Unremarketed Bonds, shall be the date two London Business Days preceding the Rate Change Date for such Rate Period,

(f) the Rate Period during a Fixed Mode, the date of the firm underwriting or purchase contract referred to in Section 4.3 hereof,

(g) the Rate Period following a proposed Fixed Rate Conversion Date in the event of a failed conversion, such proposed Fixed Rate Conversion Date, and

(h) the Rate Period following a failed Interest Mode conversion pursuant to Section 4.1(D), the proposed Adjustment Date.

"Rate Period" means, with respect to each Bond, each period commencing on a Rate Change Date for such Bond to and including the day immediately preceding the immediately succeeding Rate Change Date for such Bond (or the Maturity Date or date of redemption thereof), during which period such Bond shall bear interest at one specific interest rate.

"Rating Services" means the nationally recognized rating services, or any of them, that shall have assigned ratings to any Bonds Outstanding as requested by or on behalf of the Board, and which ratings are then currently in effect.

"Record Date" means (a) with respect to any Bond during a Short Mode or an Index Mode, the Business Day immediately preceding each Interest Payment Date for such Bond, (b) with respect to Bonds in a Term Rate Mode, the fifteenth (15th) day (whether or not a Business Day) of the month next preceding each Interest Payment Date, and (c) with respect to any Bond during a Fixed Mode, February 15 and August 15 (whether or not a Business Day); provided, however, that if the Fixed Rate Conversion Date shall occur on or after February 15 but prior to March 1, or on or after August 15 but prior to September 1, the Record Date shall be the Fixed Rate Conversion Date.

"Redemption Price" means, with respect to any Bond, the principal amount thereof plus the applicable premium, if any, and unpaid accrued interest, if any, payable upon the date fixed for redemption.

"Registrar" means the Trustee and any other bank, national banking association or trust company appointed by a Designated Official under this Indenture and designated as registrar for the Bonds, and its successor or successors.

"Reimbursement Agreement" means with respect to any Credit Facility then in effect, the agreement pursuant to which such Credit Facility is issued, including all amendments thereof and supplements thereto. All references to *"Reimbursement Agreement"* shall be of no effect, with respect to any Bond, at any time that such Bond is not secured by a Credit Facility and no Credit Provider Bonds, Credit Provider Obligations or Reimbursement Agreement Obligations remain outstanding, except with respect to vested rights.

"Reimbursement Agreement Obligations" means the Board's obligations to the Credit Provider under the Reimbursement Agreement with the exception of the Board's obligations to pay the principal of and interest on any Credit Provider Bonds and to pay all Credit Provider Obligations. *"Reimbursement Agreement Obligations"* include, without limitation, payments in the nature of fees and expenses, indemnification payments and tax and regulatory gross-up payments, but do not include Credit Provider Obligations.

"Remarketing Agent" means one or more placement or remarketing agents at the time serving as such under any Remarketing Agreement and designated by the Board as Remarketing Agent with respect to the Bonds for purposes of this Indenture. Subject to the provisions of Sections 10.4 and 10.5 hereof, a Remarketing Agent may be designated by the Board to provide some or all of the duties of the Remarketing Agent hereunder.

"Remarketing Agreement" means each Remarketing Agreement between the Board and a Remarketing Agent delivered under this Indenture, as the same may be amended, supplemented

or assigned from time to time, or any similar agreement as may be substituted therefor. When more than one placement or remarketing agent is acting in the capacity of the Remarketing Agent, references herein to the Remarketing Agreement shall be deemed to refer to each such remarketing agreement between the Board and each such placement or remarketing agent.

"Repurchase Agreements" means repurchase agreements of government securities having the meaning set out in the Government Securities Act of 1986 subject to the provisions of said Act and the Regulations issued thereunder. The government securities that are the subject of such repurchase agreements, unless registered or inscribed in the name of the Board, shall be purchased through banks or trust companies authorized to do business in the State of Illinois

"Right to Retain" means the right of the Purchaser to elect to continue to hold the Bonds upon the occurrence of an Index Rate Change Date on which the Index Rate Period is changing from the then-existing Index Rate Period to another Index Rate Period.

"School Code" means the School Code of the State of Illinois, as amended.

"School District" means the school district constituted by the City of Chicago pursuant to Article 34 of the School Code, and governed by the Chicago Board of Education.

"Securities Depository" means DTC and any other securities depository registered as a clearing agency with the Securities and Exchange Commission pursuant to Section 17A of the Securities Exchange Act of 1934, as amended, and appointed as the securities depository for the Bonds.

"Series 2000C Bonds" means the Unlimited Tax General Obligation Bonds (Dedicated Revenues), Series 2000C, of the Board, currently outstanding in the aggregate principal amount of \$95,000,000.

"Series 2000C Indenture" means the Trust Indenture dated as of September 1, 2000 between the Board and the Series 2000C Trustee providing for the issuance of the Series 2000C Bonds.

"Series 2000C Trustee" means Amalgamated Bank of Chicago, as trustee under the Series 2000C Indenture.

"Series 2011D Bonds" means the \$95,000,000 Unlimited Tax General Obligation Refunding Bonds (Dedicated Revenues), Series 2011D, of the Board being issued on the Date of Issuance.

"Short Mode" means a Flexible Mode, Daily Mode or a Weekly Mode.

"Short Rate" means a Flexible Rate, Daily Rate or a Weekly Rate.

"SIFMA Municipal Index" means the "SIFMA Municipal Swap Index"TM (such index previously known as the "Bond Market Association/PSA Municipal Swap Index"TM) based upon the weekly interest rate resets of tax-exempt variable rate issues included in a database maintained by Municipal Market Data which meet specified criteria established by the Bond

Market Association. The SIFMA Municipal Swap Index shall be based upon current yields of high-quality weekly adjustable variable rate demand bonds which are subject to tender upon seven days notice, the interest on which under the Code, is excludable from gross income for Federal income tax purposes; provided, however, that if such index is no longer produced by Municipal Market Data, Inc. or its successor, then "SIFMA Municipal Index" means such other reasonably comparable index selected by the Board.

"*SLGS*" means United States Treasury Certificates of Indebtedness, Notes and Bonds - State and Local Government Series.

"*Special Record Date*" means the date fixed by the Trustee pursuant to Section 2.2(G) hereof for the payment of Defaulted Interest.

"*S&P*" means Standard & Poor's, a Division of The McGraw-Hill Companies, Inc., its successors and assigns, and, if S&P shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, "S&P" shall be deemed to refer to any other nationally recognized securities rating agency designated by the Board by notice to the Trustee and the Credit Provider.

"*State*" means the State of Illinois.

"*State Aid Revenues*" means those State Aid payments to be made to the Board in any Year pursuant to Article 18 of the School Code, or such successor or replacement fund or act as may be enacted in the future.

"*Stated Interest Payment Dates*" means each March 1 and September 1.

"*Stated Termination Date*" means the stated date upon which the Credit Facility by its terms expires, as the same may be extended from time to time.

"*Statutory Maximum Rate*" means the maximum rate of interest permitted for the Bonds, the Purchaser Obligations and the Credit Provider Obligations from time to time pursuant to applicable law, including the Bond Authorization Act of the State, as amended, currently with respect to tax-exempt obligations of the Board a rate not exceeding the greater of 9% per annum or 125% of the rate for the most recent date shown in the 20 G.O. Bonds Index of average municipal bond yields as published in the most recent edition of The Bond Buyer published in New York, New York, at the time the contract is made for the sale of the bonds (including any change in a variable rate or a demand for purchase), and with respect to taxable obligations of the Board a rate not exceeding the greater of 13.5% per annum or 200% of the rate for the most recent date shown in the 20 G.O. Bonds Index of average municipal bond yields as published in the most recent edition of The Bond Buyer published in New York, New York, at the time the contract is made for the sale of the bonds (including any change in a variable rate or a demand for purchase).

"*Sub-series*" or "*sub-series*" means a sub-account established as provided in Section 4.1(A) hereof in connection with a conversion of a portion of the Bonds to another Interest Mode.

"Substitute Adjustment Date" means any Business Day during any Adjustment Period for Credit Provider Bonds designated by the Board in accordance with Section 4.2 hereof as the first day of a new Adjustment Period.

"Supplemental Indenture" means any Supplemental Indenture between the Board and the Trustee authorized pursuant to Article XI hereof.

"Swap Agreement" means any agreement between the Board and a counterparty, the purpose of which is to provide to the Board an interest rate basis, cash flow basis or other basis different from that provided in the Bonds for the payment of interest.

"Swap Payment" means, with respect to each Swap Agreement, each periodic scheduled payment owing to the Swap Provider made with respect to the notional amount identified in such Swap Agreement. For purposes of this Indenture, "Swap Payment" excludes any non-scheduled payments, including but not limited to termination payments, indemnification payments, tax gross-up payments, expenses and default interest payments.

"Swap Payment Account" means the Account of that name in the Debt Service Fund established in Section 5.3 hereof.

"Swap Payment Date" has the meaning set forth in Section 5.4(D).

"Swap Provider" means any counterparty to a Swap Agreement.

"Tax Agreement" means the Tax Compliance Agreement, dated the date of issuance of the Bonds, executed by the Board and the Trustee.

"Taxable Date" means the date on which interest on the Bonds is first includable in gross income of the Purchaser (including, without limitation, any previous Purchaser) thereof as a result of an Event of Taxability as such a date is established pursuant to either (i) the Determination of Taxability or (ii) an opinion by an attorney or firm of attorneys of nationally recognized standing on the subject of tax-exempt municipal finance.

"Taxable Period" shall have the definition set forth in Section 2.02(G)(i)(EE) hereof.

"Taxable Rate" means, with respect to a Taxable Period, the product of (i) the average interest rate on the Bonds during such period and (ii) 1.54.

"Tendered Bonds" means Bonds tendered or deemed tendered for purchase pursuant to Sections 3.1, 3.2, 3.3, 3.4 or 3.5 hereof.

"Term Rate" means for each Rate Period within a Term Rate Mode applicable to a Bond, a fixed per annum interest rate borne by such Bond established pursuant to Section 2.2(E), 4.1(C) or 4.2(B) hereof equal to the lowest interest rate which, in the judgment of the Remarketing Agent, would enable such Bond to be remarketed at the principal amount thereof on the Rate Change Date for such Rate Period.

"Term Rate Conversion Date" means an Adjustment Date for any Bond on which it begins to bear interest at a Term Rate.

"Term Rate Mode" means any Adjustment Period during which the Rate Determination Date and the Rate Change Date for each Rate Period therein (which shall have a duration which is not less than 12 months nor extend beyond the Maturity Date) shall occur on the first day of such Rate Period which shall be designated by the Remarketing Agent pursuant to Section 2.2(E), 4.1(C) or 4.2(B) hereof, and during which the Bonds which bear interest during such Adjustment Period bear interest at the Term Rate.

"Trustee" means Amalgamated Bank of Chicago and any successor or successors appointed under this Indenture as hereinafter provided. The "designated office" of the Trustee means One West Monroe Street, Chicago, Illinois, or such other address as is provided by the Trustee.

"Trust Estate" means the Pledged State Aid Revenues, the Pledged Taxes and all other property pledged to the Trustee pursuant to the Granting Clauses of this Indenture.

"Trustee's Agent" means (a) the Trustee or (b) any agent designated as Trustee's Agent by the Trustee and at the time serving in that capacity. Any agent so designated by the Trustee shall execute a written agreement with the Trustee assuming all obligations of the Trustee hereunder with respect to those duties of the Trustee such agent agrees to perform on behalf of the Trustee.

"2009 Authorization" means the authorization adopted by the Board pursuant to Resolution No. 09-0722-RS11 on July 22, 2009, authorizing the issuance of Alternate Bonds pursuant to the Act in an amount not to exceed \$2,300,000,000.

"Undelivered Bonds" means Bonds in an Index Mode that are not presented to the Trustee for payment of principal thereof and interest thereon when due, or purchase price thereon when due and for which sufficient moneys are on deposit with the Trustee to pay such principal and interest or purchase price.

"Unremarketed Bonds" means Bonds which, on the applicable Index Rate Purchase Date, have not been (i) successfully converted to another Interest Mode, (ii) successfully converted to another Index Rate Period, or (iii) remarketed to a Person other than the Purchaser.

"Weekly Mode" means an Interest Mode during which the rate of interest borne by the Bonds is determined on a weekly basis as set forth in Section 2.2(C) hereof.

"Weekly Rate" means, for each Rate Period during any Weekly Mode, the rate of interest established pursuant to Section 2.2(C) hereof equal to the lowest interest rate which, in the judgment of the Remarketing Agent, would enable such Bond to be remarketed at the principal amount thereof, plus accrued interest thereon, if any, on the Rate Change Date for such Rate Period.

"Year" or *"year"* means a calendar year.

Section 1.2. Miscellaneous Definitions. As used herein, and unless the context shall otherwise indicate, the words "Bond," "Owner," and "Person" shall include the plural as well as the singular number.

As used herein, the terms "herein," "hereunder," "hereby," "hereto," "hereof" and any similar terms refer to this Indenture.

Unless the context shall otherwise indicate, references herein to articles, sections, subsections, clauses, paragraphs and other subdivisions refer to the designated articles, sections, subsections, clauses, paragraphs and other subdivisions of this Indenture as originally executed.

ARTICLE II.

AUTHORIZATION AND ISSUANCE OF BONDS

Section 2.1. Authorization and Issuance of Bonds.

(A) The Board shall not issue any Bonds under the provisions of this Indenture except in accordance with the provisions of this Article II. The total principal amount of Bonds that may be issued hereunder is expressly limited to \$95,000,000 (other than Bonds issued in lieu of or in substitution for which other Bonds shall have been authenticated and delivered pursuant to Article II, Section 3.8(C), Section 3.13 or Section 12.6 hereof).

(B) Bonds entitled to the benefit, protection and security of this Indenture are hereby authorized in the aggregate principal amount of \$95,000,000.

(C) The Bonds shall be issuable as fully registered bonds, without coupons, in Authorized Denominations, substantially in the form attached as *Exhibit A* hereto, with such appropriate variations, omissions and insertions as are permitted or required by this Indenture; provided that Bonds in the Index Mode shall be substantially in the form attached as *Exhibit C* hereto. Unless the Board shall otherwise direct, the Bonds shall be lettered and numbered from R-1 and upwards. The Bonds, as initially issued, shall be dated the Date of Issuance and shall mature, subject to optional and mandatory redemption as provided in Article III hereof and further subject to the designation of additional maturity dates in connection with a Fixed Rate Conversion Date, on the Maturity Date.

(D) Each Bond authenticated prior to the first Interest Payment Date thereon shall bear interest from the Date of Issuance and thereafter interest shall accrue as set forth in the next paragraph except that if, as shown by the records of the Trustee, interest on such Bond shall be in default, any Bond issued in exchange for or upon the registration of transfer of such Bond shall bear interest from the date to which interest has been paid in full on such Bond or, if no interest has been paid on such Bond, the Date of Issuance. Each Bond shall bear interest on overdue principal and, to the extent permitted by law, on overdue premium, if any, and interest at the rate borne by such Bond on the date on which such principal, premium or interest came due and payable provided that the overdue principal to the extent permitted by law, on overdue premium, if any, and interest on Bonds in the Index Mode shall bear interest at the Default Rate.

(E) Interest on Bonds in the Daily Mode, the Weekly Mode or the Index Mode shall be payable on each Interest Payment Date for the period from the later of (i) the first Business Day of each calendar month, or (ii) the Adjustment Date for such Daily Mode, Weekly Mode or Index Mode to, but not including, the earlier of (a) the first Business Day of the next calendar month, or (b) the Adjustment Date for the Interest Mode which succeeds such Daily Mode, Weekly Mode or Index Mode. Interest on Bonds in a Flexible Mode shall be payable on each Interest Payment Date for the period from the Rate Change Date for such Bonds to, but not including, the next succeeding Rate Change Date. Interest on the Bonds in a Term Rate Mode shall be payable for the period from (and including) the Rate Change Date to (but excluding) the last day of the first period that such Bond shall be in the Term Rate Mode as established for such Bond pursuant to Section 2.2(E) hereof and, thereafter, the period from (and including) the beginning date of each successive interest period selected for such Bond pursuant to Section 2.2(E) hereof, while it is in the Term Rate Mode (but excluding) the ending date for such period selected for such Bond. The Rate Period for a Bond in the Term Rate Mode shall end on a Stated Interest Payment Date occurring not earlier than 6 months after the commencement of such Rate Period. Interest on Bonds which are Credit Provider Bonds shall be payable on each Interest Payment Date for the period to, but not including, such Interest Payment Date from the preceding Interest Payment Date to which interest has been paid. Interest on Bonds in a Fixed Mode shall be payable on each Interest Payment Date for the period from the Fixed Rate Conversion Date to, but not including, the next succeeding March 1 or September 1, and from each succeeding March 1 or September 1, as the case may be, to, but not including, the next succeeding March 1 or September 1. The foregoing notwithstanding, no interest shall accrue on any Bonds prior to the Date of Issuance or after the Maturity Date thereof, after the redemption or mandatory or optional purchase date for such Bond (provided the redemption or purchase price is paid or provided for in accordance with the provisions of this Indenture), or after the date to which such Bond is accelerated and paid.

(F) The principal and purchase price of, premium, if any, and interest on the Bonds shall be payable in any coin or 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.

(G) The principal of and premium, if any, on Bonds bearing interest at a Credit Provider Rate, an Index Rate or a Short Rate shall be payable at the payment office of the Trustee, upon presentation and surrender of such Bonds. The principal of and premium, if any, on Bonds bearing interest at a Term Rate or Fixed Rate shall be payable at the payment office of the Trustee or, at the option of the Owners, at the designated office of any Paying Agent named in such Bonds, upon presentation and surrender of such Bonds. Any payment of the purchase price of a Tendered Bond shall be payable at the designated office of the Trustee's Agent (or at such other office as may be designated by the Trustee), upon presentation and surrender of such Tendered Bond, as provided in Section 3.6 hereof.

(H) Payment of interest on Bonds bearing interest at a Daily Rate, a Weekly Rate, a Term Rate or a Fixed Rate shall be paid by check mailed on the Interest Payment Date to the person appearing on the Bond Register as the Owner thereof as of the close of business of the Trustee on the Record Date at the addresses of such Owners as they appear on the Bond Register, or at such other addresses as are furnished to the Trustee in writing by the Owners not later than the Record Date. Payment of interest on Bonds bearing interest at a Flexible Rate shall be made

to the person appearing on the Bond Register as the Owner thereof as of the close of business of the Trustee on the applicable Record Date, upon presentation and surrender of such Bond at the designated office of the Trustee on the applicable Interest Payment Date. Payment of interest on any Bond shall be made to the Owner of \$1,000,000 or more in aggregate principal amount of Bonds as of the close of business of the Trustee on the Record Date for a particular Interest Payment Date by wire transfer to such Owner on such Interest Payment Date upon written notice from such Owner containing the wire transfer address within the United States to which such Owner wishes to have such wire directed, which written notice is received not later than the Business Day next preceding the Record Date; provided that such wire transfer shall only be made for Bonds bearing interest at a Flexible Rate upon presentation and surrender of such Bonds at the designated office of the Trustee on the applicable Interest Payment Date. Payment of interest on Credit Provider Bonds shall be made to the Credit Provider by wire transfer on each Interest Payment Date at the wire transfer address specified in the Liquidity Agreement (or such other wire transfer address as is specified by the Credit Provider in writing from time to time). Payment of interest on Bonds bearing interest at an Index Rate and Unremarketed Bonds shall be made to the Purchaser by wire transfer on each Interest Payment Date at the wire transfer address specified by the Purchaser in written notice to the Trustee received not later than the Business Day next preceding the Record Date which notice may provide that is effective for more than one Interest Payment Date (or such other wire transfer address as is specified by the Purchaser in writing from time to time).

(I) Credit Provider Obligations are payable as provided in the applicable Reimbursement Agreement. Purchaser Obligations are payable as provided in the applicable Continuing Covenant Agreement.

(J) The net proceeds of the Bonds, upon receipt, shall be applied as provided in Section 2.11 hereof.

(K) So long as the Bonds are held by a Securities Depository, payments of principal of and interest on the Bonds shall be made in accordance with the requirements of the Securities Depository. Bonds bearing interest at an Index Rate shall be physical bonds and shall not be paid through a Securities Depository.

Section 2.2. Interest on Bonds.

(A) **General.** The Bonds shall bear interest from and including the Date of Issuance until payment of the principal or Redemption Price thereof shall have been made or provided for in accordance with the provisions hereof, whether at the Maturity Date, upon redemption, or otherwise. The Bonds shall be issued in the Index Mode and shall continue to bear interest at the applicable Index Rate until and unless converted to a different Interest Mode as provided in Section 4.1, 4.2 or 4.3 hereof or until they become Unremarketed Bonds. Interest accrued on the Bonds during each Rate Period shall be paid in arrears on each Interest Payment Date. Interest on the Bonds shall be computed (i) during any Short Mode upon the basis of a 365- or 366-day year, as applicable, for the number of days actually elapsed, (ii) during a Term Rate Mode, upon the basis of a 360 day year comprised of twelve 30-day months, (iii) during a Fixed Mode, upon the basis of a 360-day year consisting of twelve 30-day months, and (iv) during an Index Mode and with respect to Credit Provider Bonds and Unremarketed Bonds, upon the basis of a 365 or

366-day year as applicable and the actual number of days elapsed. Each Credit Provider Bond shall bear interest at the Credit Provider Rate upon the basis set forth in the Credit Facility. Each Unremarketed Bond shall bear interest at the Purchaser Rate upon the basis set forth in the Continuing Credit Agreement. At no time shall interest on the Bonds (including Credit Provider Bonds) be payable at a rate higher than the Maximum Interest Rate and at no time shall Bonds entitled to the benefit of the Credit Facility bear interest at a rate higher than the Interest Coverage Rate. No Rate Period shall be established during a Flexible Mode which extends beyond the Business Day preceding the Stated Termination Date.

(B) *Daily Mode.*

For each Rate Period during any Daily Mode, Bonds in such Interest Mode shall bear interest beginning on the Rate Change Date at the Daily Rate determined on the Rate Determination Date in the following manner for each such Rate Period. No later than 9:00 a.m., Chicago time, on the Rate Determination Date for each such Rate Period, the Remarketing Agent will determine the Daily Rate and will give Immediate Notice or telephonic notice (confirmed by telecopy) to the Trustee of the Daily Rate by 9:30 a.m., Chicago time, on such Rate Determination Date. Except on an Adjustment Date, in the event that the Daily Rate is not determined by the Remarketing Agent on a Rate Determination Date, the rate of interest borne by the Bonds bearing interest at a Daily Rate shall remain the same until the Remarketing Agent next determines the Daily Rate as required hereunder.

(C) *Weekly Mode.*

(i) For each Rate Period during any Weekly Mode, Bonds in such Interest Mode shall bear interest beginning on the Rate Change Date at the Weekly Rate determined on the Rate Determination Date in the following manner for each such Rate Period. No later than 3:00 p.m., Chicago time, on the Rate Determination Date for each such Rate Period, the Remarketing Agent will determine the Weekly Rate and will give Immediate Notice or telephonic notice (confirmed by telecopy) to the Trustee of the Weekly Rate by 4:00 p.m., Chicago time, on such Rate Determination Date. Except on an Adjustment Date, in the event that the Weekly Rate is not determined by the Remarketing Agent on a Rate Determination Date, the rate of interest borne by the Bonds bearing interest at a Weekly Rate shall be equal to the SIFMA Municipal Index until the Remarketing Agent next determines the Weekly Rate as required hereunder.

(ii) If at any time the Remarketing Agent shall determine that, in its judgment, the scheduled Rate Determination Dates or Rate Change Dates during a Weekly Mode have become inappropriate (taking into account general market practice with respect to periodic adjustment of rates on instruments comparable to the Bonds bearing interest at the Weekly Rate, whether based upon the time of compilation or reporting of any interest rate or financial index or indicator or otherwise), the Remarketing Agent may, after consultation with the Board, designate new scheduled Rate Determination Dates and/or Rate Change Dates, to remain in effect until another redetermination of scheduled Rate Determination Dates or Rate Change Dates in accordance with this subparagraph. The Remarketing Agent shall give written notice of any change in scheduled Rate Determination Dates and/or Rate Change Dates during a Weekly Mode to the Board, the

Trustee, the Trustee's Agent and the Credit Provider, and such change shall become effective on the first scheduled Rate Determination Date or Rate Change Date, as the case may be, so designated occurring not less than fourteen (14) days following the giving of such notice. Promptly upon receipt of such notice, the Trustee shall notify or cause the Remarketing Agent to notify each affected Owner of such change in writing.

(D) *Flexible Mode.*

(i) For each Rate Period during any Flexible Mode, each Bond which will bear interest at a Flexible Rate for such Rate Period shall bear interest beginning on the Rate Change Date at the Flexible Rate determined on the Rate Determination Date in the following manner for each such Rate Period. No later than 12:00 noon, Chicago time, on the Rate Determination Date for a Bond bearing interest at the Flexible Rate, the Remarketing Agent will determine, and is required to give Immediate Notice or telephonic notice (confirmed by telecopy) to the Trustee of, (a) the duration of the Rate Period for such Bond by specifying the succeeding Rate Change Date (which shall also be the succeeding Rate Determination Date) for such Bond which Rate Change Date shall be no later than the Business Day prior to the Stated Termination Date if a Credit Facility is required to be in place, and (b) the Flexible Rate applicable to such Bonds bearing interest at the Flexible Rate during such Rate Period. The last day of such Rate Period must be a Business Day and the day next succeeding such Business Day must also be a Business Day. Pursuant to Section 5.5(B) hereof, the Trustee will make monthly draws under the Credit Facility as necessary in amounts equal to the interest accruing or to accrue on the Bonds in the Flexible Mode during the then-current month. No Rate Period during any Flexible Mode shall extend beyond March 1 of any year unless Bonds in an aggregate principal amount equal to the mandatory sinking fund redemption requirement on March 1 of such year shall remain Outstanding and callable for redemption or subject to purchase in lieu of redemption on such March 1. Except on an Adjustment Date, in the event that the Flexible Rate for any Bond is not determined by the Remarketing Agent on any Rate Determination Date, such Bond shall bear interest at a Flexible Rate equal to the SIFMA Municipal Index for a Rate Period of the shortest possible duration until the Remarketing Agent next determines the Flexible Rate, as required hereunder.

(ii) The Remarketing Agent shall determine the duration of Rate Periods during a Flexible Mode as will, in the judgment of the Remarketing Agent, result in the lowest aggregate cost being payable by the Board with respect to the Bonds bearing interest at Flexible Rates, taking into account interest and any other determinable fees and expenses. The Remarketing Agent may establish different Rate Periods on the same Rate Change Date for Bonds in the Flexible Mode in order to achieve an average duration of Rate Periods that, in the judgment of the Remarketing Agent, is most likely to achieve the lowest total aggregate cost being payable by the Board with respect to such Bonds, taking into account interest and any other determinable fees and expenses. The Remarketing Agent's determination shall be based upon the market for, and the relative yields of, the Bonds and other securities that bear interest at a variable rate or at fixed rates that, in the judgment of the Remarketing Agent, are otherwise comparable to the Bonds, or any fact or circumstance relating to the Bonds, affecting the market for the Bonds or affecting such other comparable securities in a manner that, in the judgment of the Remarketing

Agent, will affect the market for the Bonds. The Remarketing Agent's determination shall be conclusive and binding upon the Board, the Trustee, the Credit Provider and the Owners of the Bonds. Except on an Adjustment Date, in the event that the Rate Period for any Bond in a Flexible Mode is not determined by the Remarketing Agent as provided in this clause, the Rate Period for such Bond shall be a Rate Period of the shortest possible duration.

(E) ***Term Rate Mode.***

(i) For each Rate Period during any Term Rate Mode, each Bond which will bear interest at a Term Rate for such Rate Period shall bear interest beginning on the Rate Change Date at the Term Rate determined on the Rate Determination Date in the following manner for each such Rate Period. No later than 11:00 a.m., Chicago time, on the Rate Determination Date for a Bond bearing interest at the Term Rate, the Remarketing Agent will determine, and is required to give Immediate Notice or telephonic notice (confirmed by telecopy) to the Trustee of, (a) the duration of the Rate Period for such Bond by specifying the succeeding Rate Change Date (which shall also be the succeeding Rate Determination Date) for such Bond which Rate Change Date shall (i) be no later than the Business Day prior to the Stated Termination Date and (ii) not extend beyond the number of days of interest coverage provided by the then-current Credit Facility, in either case if a Credit Facility is required to be in place, and (b) the Term Rate applicable to such Bonds bearing interest at the Term Rate during such Rate Period. No Rate Period during any Term Rate Mode shall extend beyond the applicable maturity date. Except on an Adjustment Date, in the event that the Term Rate for any Bond is not determined by the Remarketing Agent on any Rate Determination Date, such Bond shall bear interest at a Term Rate equal to the Term Rate for the immediately preceding Rate Period.

(ii) The Remarketing Agent shall determine the duration of Rate Periods during a Term Rate Mode as will, in the judgment of the Remarketing Agent, result in the lowest aggregate cost being payable by the Board with respect to the Bonds bearing interest at Term Rates, taking into account interest and any other determinable fees and expenses. The Remarketing Agent may establish different Rate Periods on the same Rate Change Date for Bonds in the Term Rate Mode in order to achieve an average duration of Rate Periods that, in the judgment of the Remarketing Agent, is most likely to achieve the lowest total aggregate cost being payable by the Board with respect to such Bonds, taking into account interest and any other determinable fees and expenses. The Remarketing Agent's determination shall be based upon the market for, and the relative yields of, the Bonds and other securities that bear interest at a variable rate or at fixed rates that, in the judgment of the Remarketing Agent, are otherwise comparable to the Bonds, or any fact or circumstance relating to the Bonds, affecting the market for the Bonds or affecting such other comparable securities in a manner that, in the judgment of the Remarketing Agent, will affect the market for the Bonds. The Remarketing Agent's determination shall be conclusive and binding upon the Board, the Trustee, the Credit Provider and the Owners of the Bonds. Except on an Adjustment Date, in the event that the Rate Period for any Bond in a Term Rate Mode is not determined by the Remarketing Agent as provided in this clause, the Rate Period for such Bond shall be a Rate Period of the same

length as the current Rate Period (or such lesser period as shall be necessary to comply with the next sentence). No Rate Period in the Term Rate Mode may extend beyond the applicable Maturity Date.

(F) **Fixed Rate Mode.** From and after the Fixed Rate Conversion Date for a Bond, such Bond shall bear interest at the Fixed Rate with respect thereto established as provided in Section 4.3 hereof.

(G) **Index Rate Mode.**

(i) Determination of Index Rates.

(a) The Index Rate for the Bonds in the Index Mode shall be calculated on or prior to each Rate Determination Date by the Index Agent and shall be payable at a rate equal to the lower of (1) the Maximum Interest Rate and (2) the per annum interest rate equal to (A) the Applicable Factor multiplied by the Index on the Rate Determination Date, plus (B) the Applicable Spread; provided, that:

(AA) the Applicable Factor multiplied by the Index, plus the Applicable Spread, shall be calculated to 1/1000 of one percent (1%);

(BB) so long as an Event of Default has occurred and is continuing, the interest rate for Bonds in the Index Mode or Unremarketed Bonds shall be the Default Rate, calculated by the Index Agent with notice thereof given to the Trustee, the Board and the Purchaser prior to the next Interest Payment Date;

(CC) for the Rate Period from the Date of Issuance to, but not including, January 3, 2012, the Index Rate shall be equal to 0.805% per annum; and

(DD) for any Delayed Remarketing Period, the interest rate on the Bonds shall be the Purchaser Rate, calculated by the Index Agent with notice thereof to the Trustee, the Board and the Purchaser prior to the next Interest Payment Date.

(EE) **Taxable Period.** During a Taxable Period, the interest rate on Bonds in the Index Mode and for Unremarketed Bonds shall be established by the Index Agent at a rate at all times equal to the Taxable Rate, calculated by the Index Agent on or prior to the Rate Determination Date with respect to Bonds in an Index Mode and prior to the next Interest Payment Date with respect to Unremarketed Bonds.

(FF) In the event a Determination of Taxability occurs, the Board hereby agrees to pay to each Owner (or, if applicable, the Purchaser) on demand (1) an amount calculated by the Index Agent equal to the difference between (A) the amount of interest that would have been

paid to such Owner (or, if applicable, the Purchaser) on the Bonds during the period for which interest on the Bonds is included in the gross income of such Owner (or, if applicable, the Purchaser) if the Bonds had borne interest at the Taxable Rate, beginning on the Taxable Date (the "Taxable Period"), and (B) the amount of interest actually paid to the Owner (or, if applicable, the Purchaser) during the Taxable Period, and (2) an amount equal to any interest, penalties or charges owed by such Owner (or, if applicable, the Purchaser) as a result of interest on the Bonds becoming included in the gross income of such Owner (or, if applicable, the Purchaser), together with any and all attorneys' fees, court costs, or other out-of-pocket costs incurred by such Owner (or, if applicable, the Purchaser) in connection therewith.

(GG) Subject to the provisions of clauses (HH) and (II) below, Board shall have the opportunity, at the Board's sole cost and expense, to contest (1) the validity of any amendment to the Code which causes the interest on the Bonds to be included in the gross income of such Owner (or, if applicable, the Purchaser) or (2) any challenge to the validity of the tax exemption with respect to the interest on the Bonds, including the right to direct the necessary litigation contesting such challenge (including administrative audit appeals).

(HH) As a condition precedent to the exercise by the Board of its right to contest set forth in clause (ii) above, the Board shall, on demand, immediately reimburse such Owner for any and all expenses (including reasonable attorneys' fees for services that may be required or desirable, as determined by such Owner (or, if applicable, the Purchaser) in its sole discretion) that may be incurred by the Purchaser in connection with any such contest that are not incurred as a direct result of any action or failure to act on the part of the Purchaser, and shall, on demand, immediately reimburse the Purchaser for any and all penalties or other charges payable by such Owner (or, if applicable, the Purchaser) for failure to include such interest in its gross income; and

(II) The amounts payable by the Board pursuant to this Section 3.02(b) during a Taxable Period shall not be payable in excess of the Maximum Rate applicable to the taxable obligations of the Board.

(JJ) *Excess Interest.* Notwithstanding anything in this Indenture to the contrary, if the interest rate on Bonds in the Index Mode or for Unremarketed Bonds exceeds the Maximum Interest Rate for such Bonds, then (x) such Bonds shall bear interest at the Maximum Interest Rate and (y) interest on the Bonds calculated at the rate equal to the difference between (1) the rate of interest that otherwise would have been applicable to such Bonds as calculated hereunder but for the Maximum Interest Rate and (2) the Maximum Interest Rate (the "Excess Interest Amount") shall be deferred until such date as the rate of interest borne by such Bonds as calculated hereunder is below the Maximum Interest Rate, at which time the Excess Interest Amount shall be payable with respect to such Bonds;

provided that at no time shall the interest payable on such Bonds including any Excess Interest Amount paid thereon, exceed interest calculated at the Maximum Interest Rate. Payments of the deferred Excess Interest Amount shall continue to apply until the earlier of (A) the date on which the Excess Interest Amount with respect to such Bonds is fully paid, and (B) the Purchaser owed such Excess Interest Amount is no longer the Owner of the Bonds.

The Index Agent shall calculate the Index Rate, including the calculation of any Excess Interest Amount, for each Rate Period on each Rate Determination Date and shall provide prompt notice of such Index Rate to the Trustee and the Board. The Index Rate so determined shall be effective for the Rate Period immediately following such Rate Determination Date. The determination by the Index Agent of the Index Rate, the Taxable Rate and the Default Rate (absent manifest error) shall be conclusive and binding upon the Board, the Trustee and the Purchaser. If for any reason the Index Agent shall fail to establish the Index Rate, the Taxable Rate or the Default Rate for any Interest Period, the Bonds shall bear interest at the Index Rate, the Taxable Rate or the Default Rate last in effect, as applicable.

(b) Prior to the commencement of any Index Rate Period (other than the Initial Index Rate Period),

(1) the Board shall designate an Index that will be in effect for such Index Rate Period and request the Remarketing Agent to determine the Applicable Factor and the Applicable Spread for such Index Rate Period; and

(2) the Remarketing Agent shall determine on or prior to the Rate Determination Date preceding such Index Rate Period, the Applicable Factor and the Applicable Spread for such Index Rate Period, which shall be a combination that will result in the Index Rate determined in accordance with Section 2.2(G)(i)(a) to be equal to the minimum interest rate per annum which, in the judgment of the Remarketing Agent under then-existing market conditions, will enable the Remarketing Agent or such other entity to sell such Bonds on such date at a price (without regard to accrued interest) equal to 100% of the principal amount thereof. The Remarketing Agent shall provide Immediate Notice to the Trustee, the Board and the Index Agent of the Applicable Spread and the Applicable Factor by 10:00 a.m., Chicago time, on the initial Rate Determination Date for such Index Rate Period, and any adjustment will take effect on the Index Rate Change Date. If for any reason the Applicable Spread or the Applicable Factor is not so determined for any such Index Rate Period, then such Bonds shall bear interest as calculated in accordance with Section 2.2(G)(i)(a) using the Applicable Spread and Applicable Factor in effect during the immediately preceding Index Rate Period unless such Bonds become Unremarketed Bonds.

(3) Notwithstanding anything in this Indenture to the contrary, at least 150 days prior to the Index Rate Purchase Date, the Board may request that the Purchaser continue holding the Bonds for a new Index Mode following such initial Index Rate Purchase Date. If the Board so requests, the Board shall propose the length of the new Index Mode (including the new Index Rate

Purchase Date), and the interest rate to be effective during such new Index Mode, including the Applicable Factor and Applicable Spread. The Purchaser agrees in the Continuing Covenant Agreement that it will make reasonable efforts to respond to such request within sixty (60) days after receipt of all information necessary, in the Purchaser's reasonable judgment, to permit the Purchaser to make an informed credit decision. The Purchaser may, in its sole and absolute discretion, decide to approve, reject or renegotiate any such request, and no approval of the Purchaser with respect thereto shall become effective unless in writing. In the event the Purchaser rejects such request or fails to definitively respond to such request within such sixty (60) day period, the Purchaser shall be deemed to have rejected or failed to approve such request and the Bonds shall be subject to mandatory tender pursuant to Section 3.3(B) hereof. The approval of the Purchaser, if granted, shall be conditioned upon the preparation, execution and delivery of documentation in form and substance reasonably satisfactory to the Purchaser.

No such new Index Mode shall take effect unless the Remarketing Agent shall determine on or prior to the Rate Determination Date preceding such Index Rate Period that the proposed rate will result in the Index Rate being equal to the minimum interest rate per annum which, in the judgment of the Remarketing Agent under then-existing market conditions, would enable the Remarketing Agent or such other entity to sell such Bonds on such date at a price (without regard to accrued interest) equal to 100% of the principal amount thereof. The Remarketing Agent shall provide Immediate Notice to the Trustee, the Board and the Index Agent whether such condition is met no later than sixty (60) days prior to the Index Rate Purchase Date. Additionally, prior to the first day of the new Index Mode, the Board shall provide the Trustee and the Purchaser with a Favorable Opinion of Bond Counsel with respect to such new Index Mode. In the event that the Purchaser agrees to hold the Bonds during the new Index Mode and the conditions precedent set forth above are satisfied, the Bonds will not be subject to mandatory tender on the Index Rate Purchase Date pursuant to Section 3.3(B) hereof.

(ii) Remarketing Agent; Index Agent.

(a) While the Bonds are in an Index Period, the Trustee shall provide written notice to the Board of the Index Rate Purchase Date not less than 45 days prior to such date. The Board shall appoint a Remarketing Agent pursuant to the terms of this Indenture at such times as are required to remarket such Bonds on each Index Rate Purchase Date and to determine the Applicable Spread and the Applicable Factor in accordance with the provisions of Sections 2.2(G)(i)(b)(2) hereof.

(b) While the Bonds are in a Index Rate Period, an Index Agent shall be appointed by the Board and shall serve as such under the terms and provisions hereof. The Board may appoint a new Index Agent on any Index Rate Change Date; provided that the Purchaser for the Index Rate Period immediately

succeeding such Index Rate Change Date must consent to any such appointment if the Index Agent so appointed is not the Purchaser for such immediately succeeding Index Rate Period. The Board shall give notice of such appointment to the Trustee and the Purchaser prior to the effective date thereof.

(H) **Defaulted Interest.** Defaulted Interest with respect to any Bond shall cease to be payable to the Owner of such Bond on the relevant Record Date, and shall be payable to the Owner in whose name such Bond is registered at the close of business of the Trustee on the Special Record Date for the payment of such Defaulted Interest, which shall be fixed in the following manner. The Board 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 the next sentence hereof), and at the same time the Board shall deposit with the Trustee 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, such money when deposited to be held in trust for the benefit of the Owners entitled to such Defaulted Interest as provided in this Section. Following receipt of such funds, the Trustee shall fix a Special Record Date for the payment of such Defaulted Interest which shall be not more than fifteen (15) nor less than ten (10) days prior to the date of the proposed payment and not less than ten (10) days after the receipt by the Trustee of the notice of the proposed payment. The Trustee shall promptly notify the Board of such Special Record Date and, in the name and at the expense of the Board 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 Owner of a Bond at the address of such Owner as it appears on the Bond Register not less than ten (10) days prior to such Special Record Date. Such Defaulted Interest shall be paid to the Owners in whose names the Bonds on which such Defaulted Interest is to be paid are registered on such Special Record Date.

(I) **Information for Owners.** The Trustee agrees to provide to any Owner, upon the written request of such Owner, information regarding the Adjustment Periods, Rate Periods, Interest Payment Dates, optional redemption provisions and interest rate or rates applicable to such Owner's Bonds.

(J) **Notices to Board.** The Remarketing Agent agrees to provide to the Board, at such address and to the attention of the officers of the Board named in the Remarketing Agreement, notice of all determinations made by the Remarketing Agent pursuant to this Indenture, including, but not limited to, interest rate determinations and duration of Rate Periods, on a timely basis.

(K) **Confirmation of Rate.** At any time the Remarketing Agent or the Index Agent determines any interest rate with respect to the Bonds that is in excess of 9%, the Trustee shall confirm whether such rate is in excess of the then applicable Maximum Interest Rate. The Trustee shall give Immediate Notice to the Remarketing Agent, the Credit Provider (if any) the Purchaser (if any), the Index Agent (if any) and the Board of any interest rate so determined in excess of 9%.

Section 2.3. Execution and Authentication.

(A) The Bonds shall be executed in the name of the Board by the manual or facsimile signatures of its President (or in the event of a vacancy in the office of the President, the Vice President) and attested by the manual or facsimile signature of its Secretary. In case any one or more of the officers who shall have signed any of the Bonds shall cease to be such officer before the Bonds so signed shall have been authenticated and delivered by the Trustee, such Bonds may, nevertheless, be authenticated and delivered as herein provided, and may be issued as if the persons who signed such Bonds had not ceased to hold such offices. Any Bond may be signed on behalf of the Board by such persons who at the time of the execution of such Bond shall hold the proper office of the Board, although at the date of such Bond such persons may not have been so authorized or have held such office.

(B) The Bonds shall bear a certificate of authentication, in the form set forth in this Indenture, executed manually by the Trustee. Only such Bonds as shall bear such certificate of authentication shall be entitled to any right or benefit under this Indenture, and no such Bond shall be valid or obligatory for any purpose until such certificate of authentication shall have been duly executed by the Trustee. Such certificate of the Trustee upon any such Bond executed on behalf of the Board shall be conclusive evidence that the Bond so authenticated has been duly authenticated and delivered under this Indenture and that the Owner thereof is entitled to the benefits of this Indenture.

Section 2.4. Interchangeability of Bonds. Subject to the provisions of Section 2.5 hereof, any Bond, upon surrender at the designated office of the Registrar with a written instrument of transfer satisfactory to the Registrar, duly executed by the Owner or its duly authorized attorney, may, at the option of the Owner and upon payment of any taxes, fees or charges as provided in Section 2.5, be exchanged for an equal aggregate principal amount of fully registered Bonds having the same Maturity Date and tenor of any other Authorized Denominations.

Section 2.5. Negotiability, Transfer and Registration.

(A) Subject to the limitations contained in subsections (C) and (G) of this Section, upon surrender for registration of transfer of any Bond at the designated office of the Trustee, duly endorsed by, or accompanied by a written instrument or instruments of transfer in form satisfactory to the Trustee and duly executed by the Owner or such Owner's attorney duly authorized in writing, the Board shall execute, and the Trustee shall authenticate and deliver, in the name of the transferee or transferees a new Bond or Bonds of like date and tenor in Authorized Denominations of the same Maturity Date for the aggregate principal amount which the Owner is entitled to receive bearing numbers not contemporaneously Outstanding. Subject to the limitations contained in subsections (C) and (G) of this Section, Bonds may be exchanged at such times at such designated office of the Trustee upon surrender thereof together with an assignment duly executed by the Owner thereof or such Owner's attorney in such form and with guarantee of signature as shall be satisfactory to the Trustee for an equal aggregate principal amount of Bonds of like date and tenor of any Authorized Denomination as the Bonds surrendered for exchange bearing numbers not contemporaneously Outstanding. The execution by the Board of any Bond of any Authorized Denomination shall constitute full and due

authorization of such Authorized Denomination, and the Trustee shall thereby be authorized to authenticate and deliver such registered Bond.

(B) No service charge shall be imposed upon the Owners for any exchange or transfer of Bonds. The Board and the Trustee may, however, require payment by the person requesting an exchange or transfer of Bonds of a sum sufficient to cover any tax, fee or other governmental charge that may be imposed in relation thereto, except in the case of the issuance of a Bond or Bonds for the unredeemed portion of a Bond surrendered for redemption in part.

(C) Subsequent to the Fixed Rate Conversion Date for any Bond, the Trustee shall not be required to transfer or exchange such Bond during the period commencing on the Record Date next preceding any Interest Payment Date of such Bond and ending on such Interest Payment Date, or to transfer or exchange such Bond after the mailing of notice calling such Bond for redemption has been made as herein provided or during the period of fifteen (15) days next preceding the giving of notice of redemption of Bonds of the same Maturity Date and interest rate which were converted on the same date. Prior to the Fixed Rate Conversion Date applicable to any Bonds, the Trustee shall not be required to exchange or register the transfer of such Bond after the mailing of notice calling such Bond for redemption has been made as herein provided, except that the Board and the Trustee shall be required to issue or register the transfer of Tendered Bonds after such date of mailing of notice of redemption.

(D) Bonds delivered upon any registration of transfer or exchange as provided herein or as provided in Section 2.6 hereof shall be valid general obligations of the Board, evidencing the same debt as the Bonds surrendered, shall be secured by this Indenture and shall be entitled to all of the security and benefits hereof to the same extent as the Bond surrendered.

(E) The Board, the Trustee, the Remarketing Agent, the Credit Provider and any Paying Agent may treat the Owner of any Bond as the absolute owner thereof for all purposes, whether or not such Bond shall be overdue, and shall not be bound by any notice to the contrary. All payments of or on account of the principal of, premium, if any, and interest on any such Bond as herein provided shall be made only to or upon the written order of the Owner thereof or such Owner's legal representative, but such registration may be changed as herein provided. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

(F) In the event that sufficient moneys are on deposit with the Trustee to pay the applicable purchase price of any Tendered Bond as provided herein, such Tendered Bond shall be deemed to have been purchased whether or not delivered by the Owner thereof on the date such Tendered Bond is to be purchased. In the event any such purchased Tendered Bond is not so delivered, the Board shall execute and the Trustee shall authenticate and deliver a replacement Bond of like date, Maturity Date and denomination as the Tendered Bond and bearing a number not contemporaneously outstanding. In the event any such purchased Tendered Bond is so delivered, the Trustee shall register such Tendered Bond as provided in Section 3.8(B) hereof.

(G) Unless the Board directs the Trustee otherwise, Trustee shall not register the transfer of any Bond in the name of a new Owner unless (i) it has received from such new Owner an executed copy of an Investor Letter of such new Owner in the form attached hereto as *Exhibit*

D or (ii) such new owner is an affiliate of the Purchaser. Any transfer made in violation of this provision shall cause the purported transfer to be null and void.

Section 2.6. Bonds Mutilated, Destroyed, Stolen or Lost. In case any Bond shall become mutilated or be destroyed, stolen or lost, the Board shall execute, and thereupon the Trustee shall authenticate and deliver, a new Bond of like Maturity Date and principal amount, as the Bonds so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Bond, upon surrender and cancellation of such mutilated Bond or in lieu of and substitution for the Bond destroyed, stolen or lost, upon filing with the Trustee evidence satisfactory to the Board and the Trustee that such Bond has been destroyed, stolen or lost and proof of ownership thereof, and upon furnishing the Board and the Trustee with indemnity satisfactory to them and complying with such other reasonable regulations as the Board or the Trustee may prescribe and paying such expenses as the Board and Trustee may incur. All Bonds so surrendered to the Trustee shall be canceled by the Trustee in accordance with Section 13.5 hereof. Any such new Bonds issued pursuant to this Section in substitution for Bonds alleged to be destroyed, stolen or lost shall constitute original additional contractual obligations on the part of the Board, whether or not the Bonds so alleged to be destroyed, stolen or lost shall be found at any time or be enforceable by anyone, shall be entitled to equal and proportionate benefits with all other Bonds issued under this Indenture and shall be equally secured by the moneys or securities held by the Trustee for the benefit of the Owners.

Section 2.7. Temporary Bonds.

(A) Until the definitive Bonds are prepared, the Board may execute, in the same manner as is provided in Section 2.3, and, upon the request of the Board, the Trustee shall authenticate and deliver, in lieu of definitive Bonds, but subject to the same provisions, limitations and conditions as the definitive Bonds except as to exchangeability, one or more temporary Bonds substantially of the tenor of the definitive Bonds in lieu of which such temporary Bond or Bonds are issued, in Authorized Denominations, and with such omissions, insertions and variations as may be appropriate to temporary Bonds. The Board shall prepare and execute and, upon the surrender of such temporary Bonds the Trustee shall authenticate and, without charge to the Owner thereof, deliver in exchange therefor, definitive Bonds of the same aggregate principal amount and Maturity Date as the temporary Bonds surrendered in Authorized Denominations. Until so exchanged, the temporary Bonds shall in all respects be entitled to the same benefits and security as definitive Bonds authenticated and issued pursuant to this Indenture.

(B) The Owner of any temporary Bond or Bonds may, at its option, surrender the same to the Trustee in exchange for another temporary Bond or Bonds of like aggregate principal amount and Maturity Date of any Authorized Denominations, and thereupon the Board shall execute and the Trustee shall authenticate and, in exchange for the temporary Bond or Bonds so surrendered and upon payment of the taxes, fees and charges provided for in Section 2.5(B), shall deliver a temporary Bond or Bonds of like aggregate principal amount and maturity in such other Authorized Denominations as shall be requested by such Owner.

(C) All temporary Bonds surrendered in exchange either for another temporary Bond or Bonds or for a definitive Bond or Bonds shall be forthwith canceled by the Trustee.

Section 2.8. Required Information in Bond Form.

(A) On each date on which the Trustee or the Trustee's Agent authenticates and delivers a Bond, it shall complete the information required to be inserted by the Bond form and shall keep a record of such information.

(B) On each date on which the Trustee or the Trustee's Agent authenticates and delivers a Bond during a Flexible Mode applicable to such Bond as provided in Section 2.5 or 2.6 hereof, the Trustee or Trustee's Agent shall attach to each such Bond a copy of the notice in substantially the form set forth in the form of Bond attached as *Exhibit A* hereto for the purpose of maintaining an accurate record of the terms and provisions of the Adjustment Period then applicable to such Bond.

(C) On each date on which the Trustee authenticates and delivers Bonds bearing interest at a Fixed Rate from and after the Fixed Rate Conversion Date applicable to such Bonds, the Trustee shall issue Bonds with such information as is required pursuant to Section 4.3 hereof.

Section 2.9. Book-Entry Provisions. Notwithstanding any other provision of this Indenture to the contrary, the Bonds will not initially be registered to participate in a securities depository system. Upon initial issuance, the ownership of the Bonds shall be registered in the registration books kept by the Trustee in the name of the initial Purchaser. At any time the Bonds are not held by the initial Purchaser or any transferee thereof (unless requested by the initial Purchaser or such transferee), the Board and the Trustee shall execute and deliver such letters to or agreements with DTC as shall be necessary to effectuate the DTC system, including the Letter of Representations. The following provisions of this Section shall apply as long as the Bonds are maintained in book-entry form with DTC or another Securities Depository, any provisions of this Indenture to the contrary notwithstanding.

(A) The Bonds shall be payable to the Securities Depository, or its nominee, as the Owner of the Bonds, in same day funds on each date on which the principal of, premium, if any, and interest on the Bonds is due as set forth in this Indenture and the Bonds. Such payments shall be made to the offices of the Securities Depository specified by the Securities Depository to the Board and the Trustee in writing. Without notice to or the consent of the beneficial owners of the Bonds, the Board and the Securities Depository may agree in writing to make payments of principal and interest in a manner different from that set forth herein. If such different manner of payment is agreed upon, the Board shall give the Trustee written notice thereof, and the Trustee shall make payments with respect to the Bonds in the manner specified in such notice as set forth herein. Neither the Board nor the Trustee shall have any obligation with respect to the transfer or crediting of the principal of, premium, if any, and interest on the Bonds to Participants or the beneficial owners of the Bonds or their nominees.

(B) The Owners of the Bonds have no right to the appointment or retention of a Securities Depository for the Bonds. If (i) the Board determines, or (ii) the Board receives notice that the Securities Depository has received notice from its Participants having interests in at least 50 percent in principal amount of the Bonds that the Securities Depository or its successor is incapable of discharging its responsibilities as a securities depository, or that it is in the best interests of the beneficial owners that they obtain certificated Bonds, the Board may (or, in the

case of clause (ii) above, the Board shall) cause the Trustee to authenticate and deliver Bond certificates. The Board shall have no obligation to make any investigation to determine the occurrence of any events that would permit the Board to make any determination described in this paragraph.

(C) If, following a determination or event specified in paragraph (B) above, the Board discontinues the maintenance of the Bonds in book-entry form with the then current Securities Depository, the Board will issue replacement Bonds to the replacement Securities Depository, if any, or, if no replacement Securities Depository is selected for the Bonds, directly to the Participants as shown on the records of the former Securities Depository or, to the extent requested by any Participant, to the beneficial owners of the Bonds shown on the records of such Participant. Replacement Bonds shall be in fully registered form and in Authorized Denominations, be payable as to interest on the Interest Payment Dates of the Bonds by check mailed to each Owner at the address of such Owner as it appears on the Bond Register or, at the option of any Owner of not less than \$1,000,000 principal amount of Bonds, by wire transfer to any address in the United States of America on such Interest Payment Date to such Owner as of such Record Date, if such Owner provides the Trustee with written notice of such wire transfer address not later than the Record Date (which notice may provide that it will remain in effect with respect to subsequent Interest Payment Dates unless and until changed or revoked by subsequent notice). Principal and premium, if any, on the replacement Bonds are payable only upon presentation and surrender of such replacement Bond or Bonds at the designated office of the Trustee.

(D) The Securities Depository and its Participants, and the beneficial owners of the Bonds, by their acceptance of the Bonds, agree that the Board and the Trustee shall not have liability for the failure of such Securities Depository to perform its obligations to the Participants and the beneficial owners of the Bonds, nor shall the Board or the Trustee be liable for the failure of any Participant or other nominee of the beneficial owners to perform any obligation of the Participant to a beneficial owner of the Bonds.

(E) As long as Cede & Co. is the Owner of the Bonds, as nominee of DTC, references herein to the Owners of the Bonds shall mean Cede & Co. and shall not mean the beneficial owners of the Bonds.

(F) As long as Cede & Co. is the Owner of the Bonds:

(i) election of Bonds to be redeemed upon partial redemption, presentation of Bonds to the Trustee upon partial redemption, delivery of Bonds to the Trustee in connection with an optional or mandatory tender, or redelivery of such Bonds by the Trustee to Owners following a remarketing or failed conversion to the Fixed Rate shall be deemed made when the right to exercise ownership rights in such Bonds through DTC or DTC's Participants is transferred by DTC on its books;

(ii) notices of demand for purchase of Bonds shall be given by the beneficial owners of such Bonds exercising ownership rights to the Remarketing Agent (pursuant to DTC's Deliver Order procedures) by telephonic notice (confirmed in writing) or written notice;

(iii) any notices of the interest rate on the Bonds to be provided by the Trustee shall be provided to anyone identifying itself to the Trustee as a person entitled to exercise ownership rights with respect to such Bonds through DTC or its Participants;

(iv) DTC may present notices, approvals, waivers or other communications required or permitted to be made by Owners under this Indenture on a fractionalized basis on behalf of some or all of those persons entitled to exercise ownership rights in the Bonds through DTC or its Participants; and

(v) beneficial interests in Credit Provider Bonds shall be held for the account of the Credit Provider (or its Participant) on the records of DTC.

Section 2.10. Delivery of Bonds. Upon the execution and delivery of this Indenture, the Board shall execute and deliver to the Trustee and the Trustee shall authenticate the Bonds to be issued in the aggregate principal amount of \$95,000,000 and shall deliver them to or upon the order of the Board as hereinafter in this Section 2.10 provided.

Prior to the delivery by the Trustee of any of the Bonds there shall be filed with the Trustee:

- (1) A copy, duly certified by the Secretary of the Board, of (i) the 2009 Authorization and the Bond Resolution and (ii) the Investment Policy.
- (2) Original executed counterparts of this Indenture, the Confining Covenant Agreement and the Tax Agreement.
- (3) An Opinion of Bond Counsel as to the validity and tax-exempt status of the Bonds.
- (4) An Opinion of Counsel for the Board in form and substance satisfactory to Bond Counsel and the purchasers of the Bonds.
- (5) A written direction from the Board to the Trustee requesting the Trustee to authenticate and deliver the Bonds in the aggregate principal amount of \$95,000,000 upon payment to the Board of the sum specified in such written direction.
- (6) Such other instruments, documents and showings as may be required by the Board, the Trustee or Bond Counsel in connection with the issuance of the Bonds.

The proceeds of the Bonds shall be paid over to the Trustee and deposited to the credit of various funds as hereinafter provided under Section 2.11 hereof.

Section 2.11. Deposit of Funds. At closing, the Board shall cause the deposit with the Trustee of \$95,000,000, reflecting the proceeds received from the sale of the Bonds (the "*Bond Proceeds*"), together with the Initial Board Funds, and the Trustee shall apply such sale proceeds of the Bonds and Initial Board Funds as follows:

(a) transfer all Bond Proceeds, to the Series 2000C Trustee to be applied to the refunding and redemption of the Series 2000C Bonds;

(b) from the transfer of moneys in the Pledged State Aid Revenue Account for the Series 2000C Bonds, transfer to the Series 2000C Trustee for deposit into the Interest Sub-Account of the Bond Payment Account for the Series 2000C Bonds the sum of \$390,150.68 representing the remaining sums necessary to refund and redeem the Series 2000C Bonds;

(c) from the transfer of moneys in the Pledged State Aid Revenues Account for the Series 2000C Bonds, deposit the amount of \$888,216.94 to the credit of the Interest Sub-Account of the Pledged State Aid Revenues Account to be applied to the payment of interest on the Bonds through March 1, 2012, as described in Sections 5.4(a) and (C) hereof;

(d) release to the Board free and clear of the lien of the Series 2000C any remaining moneys from the transfer of the Pledged State Aid Revenues Account for the Series 2000C Bonds; and

(e) deposit Initial Board Funds in the amount of \$300,000.00 to the credit of the Costs of Issuance Account, which funds shall be disbursed by the Trustee for the purposes and in the manner set forth in Section 5.2 hereof.

ARTICLE III.

PURCHASE AND REDEMPTION OF BONDS

Section 3.1. Purchase on Demand of Owner While Bonds Bear Daily Rate or Weekly Rate.

(A) While a Bond (other than a Credit Provider Bond) bears interest at a Daily Rate, such Bond (or portion thereof in an Authorized Denomination) shall be purchased on a Demand Date therefor upon the demand of the Owner thereof, at a purchase price equal to 100 percent of the principal amount thereof plus accrued interest, if any, to such Demand Date, upon irrevocable written notice (which may be given by telecopy) to the Trustee's Agent and the Remarketing Agent, which notice must be received by the Trustee's Agent and the Remarketing Agent not later than 10:00 a.m., Chicago time, on a Business Day in order to be effective on that day. Any notice received after 10:00 a.m., Chicago time, on a Business Day shall be deemed given on the next succeeding Business Day. Such notice must specify (i) the principal amount and number of such Bond, the name and the address of such owner and the taxpayer identification number, if any, of such owner, and (ii) the Demand Date on which such Bond is to be purchased. The Trustee's Agent shall give Immediate Notice (which notice shall be given no later than 10:45 a.m., Chicago time, on the Business Day on which it receives notice of tender) to the Trustee, the Remarketing Agent, the Board and the Credit Provider as to the contents of any such notices received by it.

(B) While a Bond (other than a Credit Provider Bond) bears interest at a Weekly Rate, such Bond (or portion thereof in an Authorized Denomination) shall be purchased on a Demand

Date therefor upon the demand of the Owner thereof, at a purchase price equal to 100 percent of the principal amount thereof plus accrued interest, if any, to such Demand Date, upon irrevocable written notice (which may be given by telecopy) to the Trustee's Agent and the Remarketing Agent, which notice must be received by the Trustee's Agent and the Remarketing Agent not later than 3:00 p.m., Chicago time, on a Business Day in order to be effective on that day. Any notice received after 3:00 p.m., Chicago time, on a Business Day shall be deemed given on the next succeeding Business Day. Such notice must specify (i) the principal amount and number of such Bond, the name and the address of such owner and the taxpayer identification number, if any, of such owner, and (ii) the Demand Date on which such Bond is to be purchased. The Trustee's Agent shall give Immediate Notice (which notice shall be given no later than 3:30 p.m., Chicago time, on the Business Day on which it receives notice of tender) to the Trustee, the Remarketing Agent, the Board and the Credit Provider as to the contents of any such notices received by it.

(C) The determination of the Trustee's Agent as to whether a notice of tender has been properly delivered pursuant to the foregoing shall be conclusive and binding upon the Owner of such Bond. Any notice received by the Trustee's Agent pursuant to this Section from any person reasonably believed by the Trustee's Agent to be the Owner of a Bond may be conclusively relied upon by the Trustee's Agent as a true, irrevocable notice of demand with respect to such Bond.

Section 3.2. Purchase on Notice of Certain Events of Default Under Reimbursement Agreement While Credit Facility is Required; Notice of Nonreinstatement of Credit Facility.

(A) During the period a Credit Facility is in effect, the Bonds (other than Credit Provider Bonds and Bonds bearing interest at a Fixed Rate) are subject to mandatory tender by the Owners thereof to the Trustee (i) on the Business Day preceding the date on which the Credit Facility then in effect will terminate after receipt by the Trustee from the Credit Provider of written notice from the Credit Provider to the effect that an event of default under the Reimbursement Agreement has occurred, the Credit Provider is directing a mandatory tender of the Bonds and as a consequence thereof the Credit Provider is terminating the Credit Facility, and (ii) on the sixth calendar day (or if such day is not a Business Day on the immediately preceding Business Day) succeeding receipt by the Trustee of notice from the Credit Provider that it will not reinstate the amount available under the Credit Facility attributable to interest on the Bonds. The Owner of a Bond subject to mandatory tender pursuant to this Section 3.2(A) may not elect to retain its Bond and by acceptance of such Bond shall be deemed to have agreed to deliver such Bond to the Trustee on the date specified in the notice delivered pursuant to Section 3.2(C).

(B) With respect to a mandatory tender pursuant to clause (i) of Section 3.2(A), the Trustee shall immediately upon receipt of written notice from the Credit Provider to the effect that an event of default has occurred under the Reimbursement Agreement and the Credit Provider is terminating the Credit Facility give Immediate Notice to each affected Owner that such Owner's Bonds (or beneficial interests therein) are subject to mandatory tender for purchase on the Business Day preceding the termination date of the Credit Facility; such notice shall state: (i) the termination date of such Credit Facility; and (ii) that on the Business Day preceding the

termination date of such Credit Facility (which date shall be specified) such Owner's Bonds are subject to mandatory tender for purchase (or, if the Bonds are held in a book-entry only system, that the beneficial interests in the affected Bonds are subject to mandatory tender for purchase).

(C) With respect to a mandatory tender pursuant to clause (ii) of Section 3.2(A), the Trustee shall immediately upon receipt of written notice from the Credit Provider to the effect that the amount available to be drawn under the Credit Facility to pay interest on the Bonds will not be reinstated give Immediate Notice to each affected Owner that such Owner's Bonds (or beneficial interests therein) are subject to mandatory tender for purchase on the sixth calendar day (or if such day is not a Business Day on the immediately preceding Business Day) succeeding receipt by the Trustee of such notice from the Credit Provider; such notice shall state: (a) that the Trustee has received written notice from the Credit Provider that the Credit Provider will not reinstate the Credit Facility as described above; and (b) that on the sixth calendar day (or if such day is not a Business Day on the immediately preceding Business Day) succeeding receipt by the Trustee of such notice from the Credit Provider (which date shall be specified), such Owner's Bonds are subject to mandatory tender for purchase (or, if the Bonds are held in a book-entry only system, that the beneficial interests in the affected Bonds are subject to mandatory tender for purchase).

(D) In addition, if a book-entry only system is not in effect, the notices given pursuant to paragraphs (B) and (C), above, shall further state: (i) that any affected owner who has not tendered its Bond for purchase on the mandatory tender date will be deemed to have tendered its Bond for purchase on such date and (ii) that any Undelivered Bond, for which there has been irrevocably deposited in trust with the Trustee or the Trustee's Agent on or prior to the mandatory tender date an amount of money sufficient to pay the purchase price of such Undelivered Bond on the mandatory tender date, shall be deemed to have been so purchased at the price of par plus accrued interest as of such date, and such Bond shall no longer be considered to be outstanding for purposes of this Indenture and shall no longer be entitled to the benefits of this Indenture, except for the payment of the purchase price thereof (and no interest shall accrue thereon subsequent to the mandatory tender date).

Section 3.3. Purchase While Bonds Bear Interest at Flexible Rate or Term Rate and Purchase at End of Index Rate Period.

(A) ***Purchase While Bonds Bear Interest at Flexible Rate or Term Rate.*** While any Bond (other than a Credit Provider Bond) bears interest at a Flexible Rate or a Term Rate, such Bond shall be purchased pursuant to this Section on each Rate Change Date for such Bond, other than the Rate Change Date which is the first day of such Flexible Mode or Term Rate Mode applicable to such Bond, and on the Adjustment Date immediately following the last day of such Flexible Mode or Term Rate Mode at a purchase price equal to 100 percent of the principal amount thereof plus accrued interest to the Purchase Date. No notice of purchase shall be delivered and the Owner of such Bond may not elect to retain its Bond and by acceptance of such Bond shall be deemed to have agreed to deliver such Bond to the Trustee on the date specified pursuant to this Section.

(B) ***Purchase at End of Index Rate Period.*** Each Bond in the Index Mode is subject to mandatory purchase on the Index Rate Purchase Date for the current Index Rate Period at a

purchase price equal to 100 percent of the principal amount thereof plus accrued interest thereon to the Purchase Date. The Trustee or the Trustee's Agent shall give notice of such mandatory purchase by mail to the Owners of the Bonds subject to mandatory purchase no less than 15 days prior to the applicable Index Rate Purchase Date. The notice shall state the mandatory purchase date, the purchase price and that interest on the Bonds subject to mandatory purchase shall cease to accrue from and after the mandatory purchase date, subject to the provisions of the following paragraph. The failure to give such notice with respect to any Bond shall not affect the validity of the mandatory purchase of any other Bonds 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 Owner.

Notwithstanding any other provision of this Indenture to the contrary, if sufficient proceeds from the remarketing of such Bonds in accordance with the terms of this Indenture are inadequate for the purchase of such Bonds on the applicable Index Rate Purchase Date, no mandatory purchase shall be consummated and the Trustee or the Trustee's Agent shall (i) return all tendered Bonds to the Owners thereof and such Bonds shall be Unremarketed Bonds and (ii) return all proceeds from the sale of such Unremarketed Bonds to the Remarketing Agent for return to the Persons providing such moneys. All such Unremarketed Bonds shall bear interest at the Purchaser Rate during the period of time from and including the applicable Index Rate Purchase Date to, but not including, the date that the purchase price of all such Unremarketed Bonds has been paid to the Owners thereof (the "*Delayed Remarketing Period*"). During the Delayed Remarketing Period, the Remarketing Agent shall continue to use its best efforts to remarket all of such Unremarketed Bonds. During the Delayed Remarketing Period, interest on such Unremarketed Bonds shall be paid to the Owners on (a) the first Business Day of each calendar month occurring during the Delayed Remarketing Period and (b) on the last day of the Delayed Remarketing Period. During the Delayed Remarketing Period, the Board may direct the conversion of the Unremarketed Bonds to a different Interest Mode in accordance with the applicable provisions of Article IV hereof. Notwithstanding the applicable notice provisions of Article IV to the contrary, the Trustee shall give five Business Days' notice of such conversion to the Owners of the Bonds to be converted.

Section 3.4. Purchase Prior to Expiration of the Term of the Credit Facility; Purchase Prior to the Effective Date of a Liquidity Facility or an Alternate Credit Facility; Purchase Prior to Credit Facility Cancellation Date.

(A) Each Bond (or beneficial interest therein) (other than a Credit Provider Bond) is subject to mandatory tender for purchase (i) in the case of Bonds bearing interest at a Short Rate, on the last Interest Payment Date occurring not later than two Business Days prior to the Expiration of the Term of the Credit Facility, (ii) on the Business Day preceding the effective date of any Liquidity Facility or any Alternate Credit Facility or (iii) on the Business Day prior to the Credit Facility Cancellation Date pursuant to the mandatory tender described in Section 6.2(C) hereof if a Liquidity Facility is no longer required pursuant to Section 6.2 hereof. The Owner of a Bond subject to mandatory tender pursuant to this Section 3.4(A) may not elect to retain its Bond and by acceptance of such Bond shall be deemed to have agreed to deliver such Bond to the Trustee on the dates specified in the notices delivered pursuant to Sections 3.2(B), 3.2(C) and 3.2(D).

(B) With respect to a mandatory tender pursuant to clause (i) of Section 3.4(A) hereof, the Trustee shall, not later than 15 days prior to said last Interest Payment Date prior to the Expiration of the Term of the Credit Facility, give notice by first class mail, postage prepaid, to each affected Owner that such Owner's Bonds (or beneficial interests therein) are subject to mandatory tender for purchase on such Interest Payment Date; such notice shall state: (a) the last Interest Payment Date while the Bonds bear interest at a Short Rate, as appropriate, prior to the Expiration of the Term of the Credit Facility; and (b) that on such last Interest Payment Date, as appropriate, such Owner's Bonds are subject to mandatory tender for purchase (or, if the Bonds are held in a book-entry only system, that the beneficial interests in the affected Bonds are subject to mandatory tender for purchase).

(C) With respect to a mandatory tender pursuant to clause (ii) of Section 3.4(A) hereof, the Trustee shall, not later than 15 days prior to the Business Day preceding the effective date of any Liquidity Facility or any Alternate Credit Facility, give notice, by first class mail, postage prepaid, to each affected Owner that such Owner's Bonds (or beneficial interests therein) are subject to mandatory tender for purchase on the Business Day preceding such effective date; such notice shall state: (a) the effective date of such Liquidity Facility or such Alternate Credit Facility; and (b) that on the Business Day preceding such effective date (which Business Day shall be specified in such notice), such Owner's Bonds are subject to mandatory tender for purchase (or, if the Bonds are held in a book-entry only system, that the beneficial interests in the affected Bonds are subject to mandatory tender for purchase).

(D) With respect to a mandatory tender pursuant to clause (iii) of Section 3.4(A) hereof, the Trustee shall, not later than 15 days prior to the Business Day preceding the Credit Facility Cancellation Date, give notice, by first class mail, postage prepaid, to each affected Owner that such Owner's Bonds (or beneficial interests therein) are subject to mandatory tender for purchase on the Business Day preceding such effective date; such notice shall state: (a) the effective date of the Credit Facility Cancellation Date; and (b) that on the Business Day preceding such effective date (which Business Day shall be specified in such notice), such Owner's Bonds are subject to mandatory tender for purchase (or, if the Bonds are held in a book-entry only system, that the beneficial interests in the affected Bonds are subject to mandatory tender for purchase).

(E) In addition, if a book-entry only system is not in effect, the notices given pursuant to paragraphs (B) and (C), above, shall further state: (i) that any affected owner who has not tendered its Bond for purchase on the mandatory tender date will be deemed to have tendered its Bond for purchase on such date and (ii) that any Undelivered Bond, for which there has been irrevocably deposited in trust with the Trustee or the Trustee's Agent on or prior to the mandatory tender date an amount of money sufficient to pay the purchase price of such Undelivered Bond on the mandatory tender date, shall be deemed to have been so purchased at the price of par plus accrued interest as of such date, and such Bond shall no longer be considered to be outstanding for purposes of this Indenture and shall no longer be entitled to the benefits of this Indenture, except for the payment of the purchase price thereof (and no interest shall accrue thereon subsequent to the mandatory tender date).

Section 3.5. Purchase on Adjustment Date. On each Adjustment Date with respect to a Bond (other than a Credit Provider Bond or a Bond owned by the Board), including, without

limitation, a proposed Fixed Rate Conversion Date or a Substitute Adjustment Date, such Bond shall be purchased pursuant to this Section at a purchase price equal to 100 percent of the principal amount thereof, except that a Bond which is to be purchased on an Adjustment Date which immediately follows the last day of a Flexible Mode shall be purchased pursuant to Section 3.3 hereof. The Owner of such Bond may not elect to retain its Bond and by acceptance of such Bond shall be deemed to have agreed to deliver such Bond to the Trustee on the date specified in this Section.

Not later than the fifteenth (15th) day next preceding the Adjustment Date for any Bond bearing interest at a Daily Rate or a Weekly Rate, the Trustee shall give Immediate Notice to the Owner of such Bond stating (i) the last day of the Adjustment Period then ending, and (ii) that such Bond is required to be purchased on the Adjustment Date.

Section 3.6. Purchase of Tendered Bonds Delivered to Trustee's Agent.

(A) Tendered Bonds shall be purchased from the Owners thereof at a purchase price equal to 100 percent of the principal amount thereof, plus accrued interest thereon (unless purchased on an Interest Payment Date, in which event such accrued interest shall not be paid as part of the purchase price secured by the Liquidity Facility), but solely from the following sources in order of priority indicated, neither the Board, the Trustee, the Trustee's Agent nor the Remarketing Agent having an obligation to use funds from any other source:

(i) proceeds of the sale of such Tendered Bonds pursuant to Section 3.7 hereof (other than Tendered Bonds sold to the Board for purchase or purchase and cancellation pursuant to Section 3.9(C) hereof);

(ii) moneys received from the underwriter or purchaser of Tendered Bonds upon the conversion of the interest rate thereon to a Term Rate or Fixed Rate;

(iii) proceeds of the Credit Facility, to the extent a Credit Facility is available;
and

(iv) moneys furnished by the Board (at its option) to the Trustee for the purchase, or purchase and cancellation, of Tendered Bonds pursuant to Section 3.9(C) hereof.

(B) The Trustee's Agent shall pay the purchase price specified above from the sources specified above of each Tendered Bond to the Owner thereof by 2:00 p.m., Chicago time, on the purchase date, provided that the Trustee's Agent shall have confirmed that such Owner has delivered such Tendered Bond (with any necessary endorsements) to the designated office of the Trustee's Agent no later than 12:00 noon, Chicago time, on such date.

(C) Subject to Section 3.3(B) when Bonds are in an Index Mode, If funds described in Section 3.6(A) shall not be available to purchase a Tendered Bond, the Owner shall continue to hold such Bond and it shall bear interest, commencing on the date on which such Bond was tendered for purchase, at an interest rate equal to the lesser of (i) the SIFMA Municipal Index or (ii) the Maximum Interest Rate.

Section 3.7. Remarketing of Tendered Bonds by Remarketing Agent.

(A) **Remarketing.** Subject to the provisions of this Section 3.7 and the Remarketing Agreement, the Remarketing Agent shall use its best efforts to remarket Tendered Bonds and Credit Provider Bonds in each case at a price equal to 100% of the principal amount thereof plus accrued interest to the purchase date.

(B) **Tenders During Daily Mode.** By 10:30 a.m., Chicago time, on each purchase date (whether optional or mandatory) during a Daily Rate Period, the Remarketing Agent shall give Immediate Notice to the Trustee and the Trustee's Agent of the principal amount of such Bonds (or beneficial interest therein) remarketed, and, if the Bonds are no longer held in a book-entry only system, the names, addresses and taxpayer identification numbers of the purchasers and the denominations in which the Bonds are to be issued to each purchaser. If less than all of the Bonds (or beneficial interests therein) to be tendered on such purchase date have been remarketed, the Remarketing Agent shall, in addition, give Immediate Notice to the Trustee and the Trustee's Agent by 10:30 a.m., Chicago time, on each purchase date (whether optional or mandatory) during a Daily Rate Period of the principal amount of Bonds (or beneficial interests therein) which have not been remarketed and the amount of accrued interest to be paid on such Bonds (or beneficial interests therein) on such purchase date. Upon receipt of such notices from the Remarketing Agent, the Trustee shall immediately cause the same information contained in such notices to be given to the Board and the Credit Provider by Immediate Notice. Purchasers of Bonds (or beneficial interests therein) which have been remarketed shall be required to deliver the purchase price thereof directly to the Trustee (if the Bonds are held in a book-entry only system) or to the Trustee's Agent (if the Bonds are no longer held in a book-entry only system), as the case may be, not later than 11:00 a.m., Chicago time, on each purchase date (whether optional or mandatory) during a Daily Rate Period. By 11:00 a.m., Chicago time, on each purchase date (whether optional or mandatory) during a Daily Rate Period, the Trustee (if the Bonds are held in a book-entry system) or the Trustee's Agent (if the Bonds are no longer held in a book-entry only system), as the case may be, shall give Immediate Notice to the Remarketing Agent, the Trustee and the Trustee's Agent (as applicable) of any Bonds (or beneficial interests therein) which have been remarketed for which payment has been received. The Trustee shall upon receipt of such notice from the Trustee's Agent, immediately cause the same information contained in such notice to be delivered to the Board and the Credit Provider by Immediate Notice. If the Bonds are no longer held in a book-entry only system, if the Trustee does not receive notice from the Remarketing Agent by 10:15 a.m., Chicago time, on a purchase date of the principal amount of Bonds that have not been remarketed, for purposes of Section 3.7(D) hereof, the Trustee shall assume, until notified otherwise, that none of the Bonds (or beneficial interests therein) tendered or required to be tendered for purchase on such date have been remarketed. If the Bonds are no longer held in a book-entry only system, if the Trustee does not receive notice from the Remarketing Agent or the Trustee's Agent by 10:30 a.m., Chicago time, on a purchase date of the principal amount of Bonds (or beneficial interests therein) which have been remarketed and for which payment has been received, for purposes of Section 3.7(D) hereof, the Trustee shall assume, until notified otherwise, that payment has not been received for those Bonds that were remarketed. Before making the assumptions referred to in the immediately preceding two sentences, the Trustee shall use its best efforts to contact the Remarketing Agent to determine whether such assumptions are correct.

(C) ***Tenders During Weekly Mode or Flexible Mode.*** By 3:00 p.m., Chicago time, on the Business Day next preceding each purchase date (whether optional or mandatory) during a Weekly Rate Period or a Flexible Rate Period, the Remarketing Agent shall give Immediate Notice to the Trustee of the principal amount of such Bonds (or beneficial interests therein) remarketed, and, if the Bonds are no longer held in a book-entry only system, the names, addresses and taxpayer identification numbers of the purchasers and the denominations in which the Bonds are to be issued to each purchaser. If less than all of the Bonds (or beneficial interests therein) to be tendered on such purchase date have been remarketed, the Remarketing Agent shall, in addition, notify the Trustee by 3:00 p.m., Chicago time, on the Business Day next preceding the purchase date (whether optional or mandatory), of the principal amount of Bonds (or beneficial interests therein) which have not been remarketed and the amount of accrued interest to be paid on such Bonds (or beneficial interests therein) on such purchase date. Upon receipt of such notices from the Remarketing Agent, the Trustee shall immediately cause the same information contained in such notices to be delivered to the Trustee's Agent, the Board and the Credit Provider. Purchasers of Bonds (or beneficial interests therein) which have been remarketed shall be required to deliver the purchase price thereof directly to the Trustee (if the Bonds are held in a book-entry only system) or to the Trustee's Agent (if the Bonds are no longer held in a book-entry only system), as the case may be, not later than 9:00 a.m., Chicago time, on each purchase date (whether optional or mandatory) during a Weekly Rate Period or a Flexible Rate Period. By 9:30 a.m., Chicago time, on each purchase date (whether optional or mandatory) during a Weekly Rate Period or a Flexible Rate Period, the Trustee (if the Bonds are held in a book-entry only system) or the Trustee's Agent (if the Bonds are no longer held in a book-entry only system), as the case may be, shall give Immediate Notice to the Remarketing Agent, the Trustee and the Trustee's Agent (as applicable) of any Bonds (or beneficial interests therein) which have been remarketed for which payment has been received. The Trustee upon receipt of such notice from the Trustee's Agent, shall immediately cause the same information contained in such notice to be delivered to the Board and the Credit Provider by Immediate Notice. If the Bonds are no longer held in a book-entry only system, if the Trustee does not receive notice from the Remarketing Agent by 2:00 p.m., Chicago time, on the Business Day next preceding the purchase date of the principal amount of Bonds (or beneficial interests therein) that have not been remarketed, for purposes of Section 3.7(D) hereof, the Trustee shall assume, until notified otherwise, that none of the Bonds (or beneficial interests therein) tendered or required to be tendered for purchase on such date have been remarketed. If the Trustee does not receive such notice from the Trustee's Agent by 9:30 a.m., Chicago time, on a purchase date of the principal amount of Bonds (or beneficial interests therein) which have been remarketed for which payment has been received, for purposes of Section 3.7(D) hereof, the Trustee shall assume, until notified otherwise, that payment has not been received for those Bonds that were remarketed. Before making the assumptions referred to in the immediately preceding two sentences, the Trustee shall use its best efforts to contact the Remarketing Agent to determine whether such assumptions are correct.

(D) ***Draws Upon Credit Facility; Board Moneys.*** With respect to any Bonds then secured by a Credit Facility, prior to 11:00 a.m., Chicago time, on each purchase date (whether optional or mandatory) the Trustee shall, upon receipt of the notices described in subsection (B) or (C) above, as appropriate (or based upon the assumptions described in subsections (B) and (C), as appropriate), draw upon the Credit Facility in an amount equal to the purchase price of (i) any tendered Bonds (or beneficial interests therein) not remarketed and (ii) any Bonds (or

beneficial interests therein) for which the Trustee has received notice that such Bonds are being remarketed and for which payment has not been received, and shall direct the Credit Provider to make payment of the funds so drawn to the Trustee or the Trustee's Agent, as appropriate; the Credit Provider shall cause funds so demanded to be wired to the Trustee or the Trustee's Agent, as appropriate, not later than 1:30 p.m., Chicago time, on the purchase date. If the Credit Provider does not cause funds so drawn to be deposited with the Trustee or the Trustee's Agent, as appropriate, by 1:30 p.m., Chicago time, on each purchase date (whether optional or mandatory), the Trustee (if the Bonds are held in a book-entry only system), or the Trustee's Agent (if the Bonds are no longer held in a book-entry only system) shall request from the Board moneys in an amount sufficient to pay the purchase price of (i) any tendered Bonds (or beneficial interests therein) not remarketed and (ii) any tendered Bonds (or beneficial interests therein) remarketed and for which payment has not been received by the Trustee. As provided in Section 3.6(A)(iv) hereof, the Board may at its option, but need not, provide those moneys. The Trustee or the Trustee's Agent, as appropriate, shall deposit any moneys so received from the Board into the Bond Purchase Fund pursuant to Section 5.7 hereof. The Trustee will immediately give Immediate Notice to the Owners of any failure by the Credit Provider to honor a properly presented draw. No draws shall be made under a Credit Facility for the payment of purchase price with respect to Credit Facility Bonds, Bonds owned by the Board or Bonds bearing interest at other than a Short Rate. In addition, so long as the Credit Facility, any Alternate Credit Facility or any Liquidity Facility does not support the Bonds bearing interest at a Flexible Rate, no draws shall be made thereunder for payment of the purchase price with respect to Bonds bearing interest at a Flexible Rate.

(E) *Tenders Occurring After Notice of Mandatory Tender Date.* Any Bond (or beneficial interest therein) optionally tendered for purchase after the date on which the Trustee has notified the affected Owners of a mandatory tender date in accordance with the provisions of Section 3.2, 3.3, 3.4 or 3.5 hereof shall not be remarketed unless the purchaser has been notified by the Remarketing Agent (if the Bonds are held in a book-entry only system) or the Trustee (if the Bonds are no longer held in a book-entry only system) of the required mandatory tender for purchase. Any such notice shall contain the same provisions as the notice required to be delivered by the Trustee pursuant to said respective Sections of this Indenture. Any purchaser so notified must deliver a notice to the Trustee and the Remarketing Agent (if the Bonds are held in a book-entry only system) or the Trustee's Agent (if the Bonds are no longer held in a book-entry only system), as the case may be, stating that such purchaser will tender its Bonds (or its beneficial interest therein) for purchase on the related mandatory tender date.

Section 3.8. Delivery of Bonds and Proceeds of Sale.

(A) Subject to Section 3.9 hereof, Bonds remarketed by the Remarketing Agent pursuant to Section 3.7 hereof shall be delivered by the Trustee or the Trustee's Agent as directed by the Remarketing Agent by 2:30 p.m., Chicago time, on the date of purchase against payment therefor.

(B) Credit Provider Bonds shall be delivered to the Trustee or otherwise at the direction of the Credit Provider, or for as long as the Bonds are in the book-entry system described in Section 2.9 hereof, credited to the designated account of the Credit Provider or its designee as beneficial owner of such Credit Provider Bonds by DTC (in its capacity as

custodian) pursuant to the Reimbursement Agreement or the Custody Agreement, if any. Notwithstanding anything herein to the contrary, if the Trustee holds Credit Provider Bonds as custodian for the Credit Provider pursuant to the Reimbursement Agreement or the Custody Agreement, if any, the Trustee shall not release to the purchaser thereof Credit Provider Bonds remarketed pursuant to Section 3.7 hereof unless the Credit Provider shall have given written notification (which may be by facsimile communication) to the Trustee that it has reinstated the Credit Facility as required pursuant to Section 3.7. The Trustee hereby agrees to follow the provisions of the Reimbursement Agreement or the Custody Agreement, if any, as to registration and procedures for Credit Provider Bonds during the effective period of the Credit Facility.

(C) Except as otherwise provided in a Reimbursement Agreement or a Custody Agreement, if any, Tendered Bonds delivered as provided in this Section shall be registered in the manner directed by the purchaser thereof, except that Credit Provider Bonds shall be registered in the name of the Credit Provider or its designee, and beneficial interest therein shall be transferred as provided in paragraph (A)(ii) above.

(D) If sufficient moneys are on deposit with the Trustee or the Trustee's Agent to pay the applicable purchase price of any Tendered Bond, such Tendered Bond shall be deemed to have been purchased whether or not delivered by the Owner thereof on the date such Tendered Bond is to be purchased. If any such purchased Tendered Bond is not so delivered, the Board shall execute, and the Trustee shall authenticate and deliver, a replacement Bond of like date, Maturity Date and denomination as the Tendered Bond and bearing a number not contemporaneously outstanding.

Section 3.9. Limitations on Remarketing. (A) Anything in this Indenture to the contrary notwithstanding, there shall be no obligation of the Remarketing Agent to remarket Bonds (or beneficial interests therein) (i) if there shall have occurred and be continuing an Event of Default under this Indenture or (ii) if there is no Credit Facility in effect that secures the Bonds (other than as provided in Section 6.1 hereof). In the event Bonds (or beneficial interests therein) are required to be tendered for purchase on the last Interest Payment Date occurring not later than two Business Days prior to the Expiration of the Term of the Credit Facility as described in Section 3.4(A) hereof, such Bonds (or beneficial interests therein) shall not be remarketed unless and until the term of the then-existing Credit Facility has been extended or renewed or an effective Alternate Credit Facility has been delivered to the Trustee. If Bonds (or beneficial interests therein) are required to be tendered for purchase if (a) the Trustee has received written notice from the Credit Provider to the effect that an event of default has occurred under the Reimbursement Agreement and the Credit Provider is terminating the Credit Facility or the Trustee has received notice from the Credit Provider that the Credit Facility will not be reinstated following a draw thereon, as described in Section 3.2(A) hereof, such Bonds (or beneficial interests therein) shall not be remarketed unless and until an effective Alternate Credit Facility has been delivered to the Trustee. In no event shall Bonds (or beneficial interests therein) be remarketed unless the Credit Provider has reinstated, or will simultaneously reinstate, the amount available to be drawn under the Credit Facility to an amount sufficient to pay principal of, interest on and purchase price for such Bonds (or beneficial interests therein). The Credit Provider shall notify the Trustee in writing, and the Trustee shall notify the Remarketing Agent and the Trustee's Agent, of any reinstatement of the Credit Facility in the case where Credit Provider Bonds (or beneficial interests therein) exist and the Board directly reimburses the

Credit Provider pursuant to the Reimbursement Agreement for amounts previously drawn under the Credit Facility to pay the purchase price for such Bonds.

(B) Any Bond purchased pursuant to Section 3.1, 3.2, 3.3, 3.4 or 3.5 hereof from the date notice is given of redemption of such Bond pursuant to Section 3.11 hereof through the date for such redemption, or from the date of notice of mandatory purchase of such Bond pursuant to Section 3.2, 3.3, 3.4 or 3.5 hereof through the date for such mandatory purchase, shall not be remarketed except to a purchaser who has been notified at the time of such purchase of the requirement to deliver such Bond for redemption or purchase to the Trustee on the redemption or purchase date.

(C) The Board, acting through a Designated Official, reserves the right to purchase for cancellation any Tendered Bond or any Credit Provider Bond by giving Immediate Notice to the Trustee, the Remarketing Agent and the Credit Provider not later than 11:00 a.m., Chicago time, on the second-to-last Business Day preceding such day of purchase. Such Immediate Notice shall state the principal amount of Tendered Bonds to be purchased and the Business Day upon which such Tendered Bonds are to be purchased (which shall be the date, such Bonds are scheduled to be tendered or deemed tendered for purchase). Prior to the applicable date of purchase, the Board shall deposit with the Trustee funds sufficient to purchase such Tendered Bonds or Credit Provider Bonds. Any Bonds so purchased for cancellation shall be selected first, from Credit Provider Bonds and thereafter from, any Tendered Bonds.

Subject to the limitations contained in paragraphs (D) and (E) below, Tendered Bonds may be remarketed to the Board and the Board may, but shall not be obligated to, purchase such Tendered Bonds without providing for the cancellation thereof when there is a default under the Credit Facility then in effect with respect to the Bonds.

(D) Notwithstanding the provisions of the preceding paragraph (C), the Board may buy on the open market, sell, own and hold any of the Bonds for its own account; provided, however, that such Bonds may be sold or remarketed only if the Board and the Remarketing Agent have received an Opinion of Bond Counsel that such sale or remarketing will not adversely affect the exclusion of interest on the Bonds from the gross income of the owners thereof for federal income tax purposes under the Code. No purchase of Bonds by the Board or use of any funds to effectuate any such purchase shall be deemed to be a payment or redemption of the Bonds or of any portion thereof and such purchase shall not operate to extinguish or discharge the indebtedness evidenced by such Bonds.

(E) Notwithstanding anything else herein to the contrary, in no event shall any Bond owned by the Board be entitled to the benefit of the Credit Facility or the tender provisions hereof, and, consequently, in no event shall proceeds of the Credit Facility ever be applied to the payment of such Board-owned Bonds (and, as such, the Trustee shall make no drawings under the Credit Facility with respect thereto).

Section 3.10. Redemption Terms, Dates and Prices. The Bonds shall be subject to redemption prior to their Maturity Date in the amounts, at the times and in the manner provided in this Section. Anything herein to the contrary notwithstanding, any redemption of less than all

of the Bonds Outstanding made pursuant to this Section 3.10 shall be made first from Credit Provider Bonds then Outstanding.

(A) ***Optional Redemption.***

(i) Bonds in a Daily Mode or Weekly Mode shall be subject to redemption prior to their Maturity Date at the option of the Board (with the consent of the Credit Provider if so required by the applicable Credit Facility), in whole or in part (and, if in part, in an Authorized Denomination) on any Business Day during such Daily Mode or Weekly Mode, at a Redemption Price equal to 100 percent of the principal amount thereof plus accrued interest, if any, to the redemption date.

(ii) Bonds in the Term Rate Mode or Fixed Mode shall be subject to redemption prior to their Maturity Date at the option of the Board, in whole or in part (and, if in part, in an Authorized Denomination) on any day commencing on or after the earlier of the tenth anniversary of the Rate Change Date and the last day of such Rate Period at a Redemption Price of 100 percent of the principal amount of Bonds being redeemed, together with accrued interest, if any, to the redemption date.

The Board may deliver to the Trustee an alternative redemption schedule to the schedule shown above, if the Board delivers to the Trustee an Opinion of Bond Counsel to the effect that the alternative schedule of redemption will not adversely affect the validity and enforceability of the Bonds in accordance with their terms, and will not have an adverse effect on any exclusion from gross income of the interest thereon for Federal income tax purposes. Bonds which commence bearing interest at a Fixed Rate on or after the delivery of such alternative schedule and Opinion of Bond Counsel shall be subject to redemption in accordance with the provisions of such alternative schedule.

(iii) Bonds bearing interest at a Flexible Rate shall be subject to optional redemption prior to their Maturity Date at the option of the Board (with the consent of the Credit Provider if so required by the applicable Credit Facility), in whole or in part (and, if in part, in an Authorized Denomination) on any Rate Change Date therefor, at a Redemption Price equal to 100 percent of the principal amount thereof plus accrued interest, if any, to the redemption date.

(iv) Bonds bearing interest at an Index Rate and Unremarketed Bonds shall be subject to optional redemption prior to their Maturity Date at the option of the Board, in whole or in part (and, if in part, in an Authorized Denomination) on any Interest Payment Date at a Redemption Price of 100 percent of the principal amount of Bonds being redeemed, together with accrued interest, if any, to the redemption date.

(B) ***Mandatory Sinking Fund Redemption.*** The Bonds (including Credit Provider Bonds and Unremarketed Bonds) shall be subject to redemption prior to their Maturity Date at a Redemption Price equal to 100 percent of the principal amount thereof, plus accrued interest, if any, by application by the Trustee in accordance with Sections 5.4(C) and 5.5(A) hereof of funds on deposit to the credit of the Principal Sub-Account of the Bond Payment Account. Deposits shall be made into the Principal Sub-Account in amounts which will make possible the

retirement by redemption of Bonds on March 1 of the years and in the amounts set forth in the following table, as adjusted pursuant to Section 3.10(E)(v), below:

REDEMPTION DATE (MARCH 1)	PRINCIPAL AMOUNT
2014	1,800,000
2015	2,000,000
2016	2,300,000
2017	2,600,000
2018	2,800,000
2019	3,700,000
2020	4,300,000
2021	4,500,000
2022	4,800,000
2023	5,100,000
2024	5,400,000
2025	5,700,000
2026	6,000,000
2027	6,400,000
2028	6,800,000
2029	7,200,000
2030	7,600,000
2031	8,100,000
2032	7,900,000*

*Maturity

(C) ***Redemption of Credit Provider Bonds.*** Credit Provider Bonds shall be subject to redemption prior to their Maturity Date at the option of the Board, in whole or in part (and, if in part, in an Authorized Denomination) on any Business Day at a Redemption Price equal to 100 percent of the principal amount thereof plus accrued interest, if any, to the redemption date. Credit Provider Bonds shall not be subject to mandatory redemption on an accelerated basis, but shall be retired in accordance with the schedules set forth in paragraph (B), above.

(D) ***General Provisions Regarding Redemptions.***

(i) No redemption of less than all of the Bonds outstanding shall be made pursuant to Section 3.10(A) or (C) hereof unless (1) if such redemption is of Bonds bearing interest at a Short Rate or an Index Rate or of Unremarketed Bonds, the aggregate principal amount of Bonds to be redeemed is equal to \$5,000 or integral multiples thereof, such that not less than \$100,000 of Bonds remains outstanding after such redemption and (2) if such redemption is with respect to Bonds bearing interest at a Term Rate or a Fixed Rate, the aggregate principal amount of Bonds to be redeemed is equal to \$5,000 or integral multiples thereof. Any redemption of less than all of the Bonds outstanding shall be made in such a manner that all Bonds outstanding after such redemption are in Authorized Denominations. In the event notice of redemption shall

have been given as in Section 3.11 provided, (i) there shall be paid on or prior to the specified redemption date to the Trustee an amount in cash and/or Government Obligations maturing on or before the specified redemption date which, together with other moneys, if any, available therefor held by the Trustee, will be sufficient to redeem all of the Bonds to be redeemed on the specified redemption date at their Redemption Price plus interest accrued and unpaid to the date fixed for redemption; such amount and moneys shall be held in a separate, segregated account for the benefit of the Owners of the Bonds so called for redemption, or (ii) such redemption notice given under Section 3.11 shall state that any redemption is conditional on such funds being deposited on the redemption date, and that failure to deposit such funds shall not constitute an Event of Default under this Indenture.

(ii) Bonds may be called for redemption by the Trustee pursuant to Section 3.10(A) hereof (1) in the case of Bonds bearing interest at a Short Rate, upon receipt by the Trustee at least 35 days prior to the redemption date (or such shorter period as shall be acceptable to the Trustee) of a written request of the Board requesting such redemption or (2) in the case of Bonds bearing interest at a Term Rate or a Fixed Rate, upon receipt by the Trustee at least 45 days prior to the redemption date (or such shorter period as shall be acceptable to the Trustee) of a written request of the Board requesting such redemption or (3) in the case of Bonds bearing interest at an Index Rate or Unremarketed Bonds, upon receipt by the Purchaser and the Trustee at least 15 days prior to the redemption date (or such shorter period as shall be acceptable to the Trustee and the Purchaser) of a written request of the Board requesting such redemption.

(iii) Bonds may be called for redemption by the Trustee pursuant to Section 3.10(C) hereof upon receipt by the Trustee at least two Business Days prior to the redemption date, of a written request of the Board requesting such redemption. The Trustee or the Trustee's Agent shall give notice to the Credit Provider one Business Day prior to any redemption of Credit Provider Bonds pursuant to Section 3.10(C) hereof.

(iv) Bonds shall be called for redemption by the Trustee pursuant to Section 3.10(B) hereof without further request or direction of the Board.

(v) In lieu of redeeming Bonds pursuant to Section 3.10(A) or (B) hereof, the Trustee may, at the request of the Board, use such funds available hereunder for redemption of Bonds to purchase Bonds in the open market at a price not exceeding the Redemption Price then applicable hereunder. Any Bond so purchased in lieu of redemption shall be delivered to the Trustee for cancellation and shall be canceled, all as provided in Section 13.5 hereof.

(vi) At its option, to be exercised on or before the 60th day next preceding any mandatory sinking fund redemption date for the Bonds (or such shorter period as may be acceptable to the Trustee), the Board may (i) deliver to the Trustee for cancellation, Bonds or portions thereof in Authorized Denominations subject to mandatory sinking fund redemption or (ii) receive a credit in respect of its mandatory sinking fund redemption obligation for Bonds or portions thereof in Authorized Denominations which prior to said date have been redeemed (otherwise than through the operation of such

mandatory sinking fund redemption) and canceled by the Trustee and not theretofore applied as a credit against any mandatory sinking fund redemption obligation. Each such Bond or portion thereof subject to mandatory sinking fund redemption so delivered or previously redeemed shall be credited against future mandatory sinking fund redemption obligations on Bonds in such order as the Board shall designate, or if no such designation is made, in chronological order, the principal amount of such Bonds to be redeemed by operation of such mandatory redemption to be accordingly reduced.

Section 3.11. Notice of Redemption.

(A) Except as hereinafter provided, a copy of the notice of the call for any redemption identifying the Bonds to be redeemed shall be given by first class mail, postage prepaid, with respect to Bonds bearing interest at a Short Rate, not less than 30 days prior to the date fixed for redemption and shall be given by first class mail, postage prepaid, or by facsimile transmission, with respect to Bonds bearing interest at a Term Rate or a Fixed Rate, not less than 30 or more than 60 days prior to the date fixed for redemption, and with respect to Bonds bearing interest at an Index Rate and Unremarketed Bonds, not later than 15-days prior to the date fixed for redemption and shall be given by facsimile transmission to the Purchaser, to the Credit Provider, the Remarketing Agent, the Purchaser and the Owners of the Bonds to be redeemed at their addresses as shown on the Bond Register. Such notice shall specify the redemption date, the Redemption Price, the place and manner of payment, and that from the redemption date interest will cease to accrue on the Bonds which are the subject of such notice, and shall include such other information as the Trustee shall deem appropriate or necessary at the time such notice is given to comply with any applicable law, regulation or industry standard. Pursuant to Section 3.10(D)(i) hereof, such notice may state if requested by the Board whether the redemption is conditioned upon sufficient funds being available on the redemption date or any other condition, and that failure to deposit such funds shall not constitute an Event of Default under this Indenture; any funds so deposited with the Trustee and held in the Bond Payment Account shall be invested solely in Government Obligations maturing no later than the earlier of (i) 30 days after the date of placement with the Trustee, or (ii) the redemption date.

(B) Notwithstanding Section 3.11(A) hereof, if Credit Provider Bonds are to be redeemed pursuant to Section 3.10(C) hereof, the Trustee shall give Immediate Notice of a redemption of Credit Provider Bonds to the Credit Provider at least one Business Day prior to the date fixed for redemption.

(C) In addition to the requirements of subsections (A) and (B), notice of the redemption of Bonds or any portion thereof identifying the Bonds or portions thereof to be redeemed shall specify (i) the series name and designation and certificate numbers of Bonds being redeemed, (ii) the CUSIP numbers of the Bonds being redeemed, (iii) the principal amount of Bonds being redeemed and the redeemed amount for each certificate (for partial calls), (iv) the redemption date, (v) the Redemption Price, (vi) the Date of Issuance, (vii) the interest rate and Maturity Date of the Bonds being redeemed, (viii) the date of mailing of notices to Owners and information services (if required), and (ix) a telephone number for Owner inquiries with regard to such notice.

(D) Redemption notices shall also be sent by registered mail or facsimile transmission, at the respective times required by Section 3.11(A) hereof for the giving of notices of redemption, to a national information service that disseminates redemption information as determined by the Trustee as long as such services exist.

(E) A second redemption notice shall be sent by first class mail, not more than 60 days after the redemption date to each Owner of Bonds called for redemption who has not presented such Bonds within 30 days following the redemption date.

(F) Failure to give notice in the manner prescribed in subsections (A), (C) and (D) hereunder with respect to any Bond, or any defect in such notice, shall not affect the validity of the proceedings for redemption for any Bond with respect to which notice was properly given. Failure to give any of the notices described in subsections (D) or (E) above shall not affect the validity of the proceedings for redemption of any Bonds hereunder. Upon the happening of the above conditions and if sufficient moneys are on deposit with the Trustee on the applicable redemption date to redeem the Bonds to be redeemed and to pay interest due thereon and premium, if any, the Bonds thus called shall not, after the applicable redemption date, bear interest, be protected by this Indenture (except with respect to such deposited moneys) or be deemed to be Outstanding under the provisions of this Indenture.

(G) If any Bond is transferred or exchanged on the Bond Register after notice has been given calling such Bond for redemption, the Trustee will attach a copy of such notice to the Bond issued in connection with such transfer or exchange.

Section 3.12. No Partial Redemption After Default. Anything in this Indenture to the contrary notwithstanding, if there shall have occurred and be continuing an Event of Default of which an officer of the Trustee has actual knowledge, there shall be no redemption of less than all of the Bonds at the time outstanding, other than mandatory sinking fund redemptions pursuant to Section 3.10(B).

Section 3.13. Selection of Bonds for Redemption. If less than all the Bonds shall be called for redemption under any provision of this Indenture permitting or requiring such partial redemption, the particular Bonds or portions thereof to be redeemed shall be selected by the Board (except as otherwise provided in the first paragraph of Section 3.10 hereof and in Section 3.10(D)(iv)), in the principal amount designated to the Trustee by the Board, which designation shall include the Interest Mode and Maturity Date, or otherwise as required by this Indenture; provided however that, subject to the requirements of Sections 3.10(B) and (C) hereof, (i) redemptions be made first from Credit Provider Bonds, (ii) in the case of the redemption of less than all Bonds which bear interest in the same Interest Mode at the same rate for the same Rate Periods, and which, in the case of Bonds bearing interest at a Fixed Rate, were converted on the same date, such redemption shall be by lot in such manner as the Trustee may determine among such Bonds, and (iii) subject to other applicable provisions of this Indenture, the portion of any Bond to be redeemed shall be in a principal amount equal to an Authorized Denomination. In selecting Bonds for redemption, the Trustee shall treat each Bond as representing that number of Bonds which is obtained by dividing the principal amount of such Bond by the minimum Authorized Denomination. If it is determined that one or more, but not all, of the integral multiples of the Authorized Denomination of principal amount represented by any Bond is to be

called for redemption, then, upon notice of intention to redeem such integral multiple of an Authorized Denomination, the Owner of such Bond shall forthwith surrender such Bond to the Trustee for (a) payment to such Owner of the Redemption Price of the integral multiple of the Authorized Denomination of principal amount called for redemption, and (b) delivery to such Owner of a new Bond or Bonds in the aggregate principal amount of the unredeemed balance of the principal amount of such Bond, unless other arrangements with the Trustee, that are satisfactory to the Trustee in its sole discretion, are made for indicating the new outstanding principal amount of such Bond on the books and records of the Trustee maintained as the bond registry. New Bonds representing the unredeemed balance of the principal amount of such Bond shall be issued to the Owner thereof without charge therefor.

Section 3.14. Deposit of Funds. For the redemption of any of the Bonds, the Board shall cause to be deposited in the Bond Payment Account or if determined by the Board to be necessary or appropriate, in a separate escrow account to be established by the Board with the Trustee, moneys sufficient to pay when due the principal of, and premium, if any, and interest on, the Bonds to be redeemed on the applicable redemption date, which moneys shall be applied in accordance with the provisions hereof.

ARTICLE IV.

MODE CONVERSION

Section 4.1. Authority for and Conditions to Conversion to Short Mode or Index Mode.

(A) It is not necessary that all of the Bonds operate in the same Interest Mode at the same time other than in an Index Mode. The Board may designate a different Interest Mode with respect to any Bond during a Flexible Mode on any Rate Change Date, during a Daily Mode or Weekly Mode on any Business Day, during a Term Rate Mode on any Rate Change Date and during an Index Mode on any Adjustment Date, upon compliance with this Section. In the event the Bonds are divided into two or more Sub-series of Bonds in connection with the conversion of Bonds to another Interest Mode, the Board shall establish a separate Credit Facility Sub-Account for each Sub-series so created to be maintained as provided in Section 5.4(E) hereof. The Board may select such subsequent Interest Mode and, within a Flexible Mode, the Remarketing Agent may designate such Rate Periods from time to time, as will, in its judgment, result in the lowest aggregate cost being payable by the Board with respect to the Bonds, taking into account interest and any other determinable fees and expenses relating to such Bonds. The Board may establish different Interest Modes and, within a Flexible Mode or Term Rate Mode, the Remarketing Agent may from time to time, establish different Rate Periods, for Bonds on the same Adjustment Date in order to achieve an average duration of Rate Periods that, in the judgment of the Remarketing Agent, is most likely to achieve the lowest total aggregate cost being payable by the Board with respect to the Bonds, taking into account interest and any other determinable fees and expenses relating to such Bonds. The Remarketing Agent's determination shall be based upon the market for and the relative yields of the Bonds and other securities that bear interest at a variable rate or at fixed rates that, in the judgment of the Remarketing Agent, are otherwise comparable to the Bonds, or any fact or circumstance relating to the Bonds or affecting the market for the Bonds, or affecting such other comparable securities, in a manner that, in the

judgment of the Remarketing Agent, will affect the market for the Bonds. The Remarketing Agent, in its discretion, may consider such information and resources as it deems appropriate in making the determinations required by this Section, but the Remarketing Agent's determination shall be based solely upon the Remarketing Agent's judgment, and the Remarketing Agent's determination shall be conclusive and binding upon the Board, the Trustee, the Credit Provider and the Owners of the Bonds. The foregoing notwithstanding, the Board may select any Interest Mode and, within a Flexible Mode or Term Rate Mode, the Remarketing Agent may designate any Rate Period which does not meet the foregoing standards if the conditions of Section 4.1(F)(ii) hereof are satisfied. The Board shall select such a principal amount of Bonds for conversion from one Interest Mode to another as will allow Bonds after conversion to be sold in the minimum Authorized Denominations applicable to such Interest Mode. If the conversion is to the Index Mode, the Board shall designate the length of the Index Rate Period and the Applicable Spread and Applicable Factor (determined in accordance with Section 2.2(G)(i)(b)(2) hereof.

(B) The Board shall evidence each designation of a subsequent Interest Mode and Adjustment Date for Bonds pursuant to Section 4.1(A) hereof by giving written notice to the Trustee, the Trustee's Agent, the Remarketing Agent, the Credit Provider and each of the Rating Services, which written notice shall be received by each such party not less than twenty (20) days prior to the Adjustment Date with respect to the new Adjustment Period, specifying the Interest Mode or Modes in which such Bonds shall operate during such Adjustment Period and the commencement date of such Adjustment Period; provided, however, that (i) if such Adjustment Period is to a Flexible Mode, the first day following each Rate Period therein shall be a Business Day, and (ii) not later than the twentieth (20th) day prior to the Adjustment Date with respect to the new Adjustment Period, the Trustee must have received written evidence from each of the Rating Services that the then current rating on the Bonds will not be reduced or withdrawn due to the conversion of the Bonds to the Flexible Mode. In addition, the Credit Facility or Liquidity Facility then in effect must provide enough days of interest coverage after the Adjustment Date as may be required by any of the Rating Services to continue its rating, if any, unless no Credit Facility or Liquidity Facility is required pursuant to Section 6.1 or Section 6.2 hereof.

(C) No later than 10:00 a.m., Chicago time, on an Adjustment Date which is the first day of a Flexible Mode, the Remarketing Agent shall give telephonic notice (confirmed by telecopy) to the Board and the Trustee of (i) the initial Rate Period and initial Flexible Rate to be borne by each Bond designated to operate in a Flexible Mode, and (ii) the Rate Change Date which immediately succeeds such initial Rate Period. No later than 10:00 a.m., Chicago time, on any Adjustment Date which is the first day of a Term Rate Mode, the Remarketing Agent shall give telephonic notice (confirmed by telecopy) to the Board and the Trustee of (i) the initial Rate Period and initial Term Rate to be borne by each Bond designated to operate in a Term Rate Mode, and (ii) the Rate Change Date which immediately succeeds such initial Rate Period. No later than 10:00 a.m., Chicago time, on the Rate Determination Date preceding an Adjustment Date which is the first day of a Daily Mode or Weekly Mode, the Remarketing Agent shall give telephonic notice (confirmed by telecopy) to the Board and the Trustee of the initial Daily Rate or Weekly Rate to be borne by the Bonds designated to operate in a Daily Mode or Weekly Mode. No later than 10:00 a.m., Chicago time, on the Rate Determination Date preceding an

Adjustment Date which is the first day of an Index Rate Period, the Index Agent shall give telephonic notice (confirmed by telecopy) to the Board and the Trustee of the initial Index Rate.

(D) Except with respect to the Term Rate, which shall be governed by the procedures as provided in Section 2.2(E), in the event the Remarketing Agent does not determine the interest rate applicable to the initial Rate Period during a new Interest Mode with respect to any Bond as provided in Section 4.1(A) hereof, the immediately succeeding Interest Mode with respect to the Bonds in the Interest Mode then ending shall be a Weekly Mode with a Weekly Rate established by the Remarketing Agent, or if the Remarketing Agent fails to set such Weekly Rate, such Weekly Rate shall be equal to the SIFMA Municipal Index, provided however, if the preceding Interest Mode is an Index Mode, the Bonds shall constitute Unremarketed Bonds.

(E) Upon receipt of notice from the Board as provided in Section 4.1(B) hereof, the Trustee, at least fifteen (15) days prior to each succeeding Adjustment Date, shall give the Immediate Notice described in Section 3.5 hereof to each Owner of Bonds thereby affected bearing interest at a Daily Rate or a Weekly Rate of the mandatory tender for purchase of the affected Bonds on the Adjustment Date.

(F) Any designation pursuant to Section 4.1(A) of a subsequent Adjustment Period shall be accompanied by (i) a written statement from the Remarketing Agent, addressed to the Board, the Credit Provider and the Trustee, to the effect that the Remarketing Agent has determined in its reasonable judgment that such change satisfies the standards provided in Section 4.1(A) hereof, or (ii) an approval in writing of such change by a Designated Official or an Opinion of Bond Counsel to the effect that such approval is not required for the continued validity and enforceability of the Bonds in accordance with their terms.

(G) During such time as a Credit Facility or Liquidity Facility is required under Section 6.1 hereof, no conversion of Interest Modes shall be effective unless the Board has certified to the Trustee and the Trustee's Agent (as applicable) that the Reimbursement Agreement or Liquidity Agreement in effect on and after such Interest Mode change permits requests to be made and funds to be made available at such times and in such amounts to the Trustee or Trustee's Agent (as applicable) so the Trustee or Trustee's Agent (as applicable) can comply with Section 3.5 hereof.

(H) Notwithstanding anything to the contrary in this Section, (a) when converting Bonds to an Index Mode, all, not a portion of the Outstanding Bonds shall be so converted, and (b) when converting Bonds from an Index Mode to one or more other Interest Modes, all, not a portion, of the Bonds in an Index Mode shall be so converted.

Section 4.2. Designation of Substitute Adjustment Date.

(A) The Board may designate a Substitute Adjustment Date for any Credit Provider Bonds (provided that such Credit Provider Bonds shall continue to bear interest at the Credit Provider Rate as long as they remain Credit Provider Bonds), with Credit Provider Approval, on any Business Day. The Substitute Adjustment Date shall be the next succeeding Adjustment Date for such Bonds for all purposes of this Indenture.

(B) The Board shall evidence each such designation of a Substitute Adjustment Date by giving written notice to the Remarketing Agent, the Credit Provider and the Trustee, which written notice shall be received by the Remarketing Agent and the Trustee not less than one (1) day prior to each such Substitute Adjustment Date for Credit Provider Bonds, specifying the Interest Mode in which such Bonds shall operate commencing with such Substitute Adjustment Date; provided, however, that clauses (i) and (ii) of the proviso of Section 4.1(B) hereof shall apply to the designation by the Board of a Substitute Adjustment Date and the selection of the Rate Change Date or Dates applicable thereto. If the succeeding Adjustment Period is to be a Flexible Mode, the Remarketing Agent shall give telephonic notice (confirmed by telecopy) to the Trustee, no later than 10:00 a.m., Chicago time, on the Adjustment Date which is the first day of a Flexible Mode, of (i) the duration of the initial Rate Periods during such Flexible Mode and the initial Flexible Rates to be borne by the Bonds designated to operate in a Flexible Mode during such Rate Periods, and (ii) the Rate Change Dates upon which such Rate Periods shall terminate. If the succeeding Adjustment Period is to be a Term Rate Mode, the Remarketing Agent shall give telephonic notice (confirmed by telecopy) to the Board and the Trustee, no later than 10:00 a.m., Chicago time, on the Adjustment Date which is the first day of a Term Rate Mode, of (i) the duration of the initial Rate Periods during such Term Rate Mode and the initial Term Rates to be born by the Bonds designated to operate in a Term Rate Mode during such Rate Periods and (ii) the Rate Change Dates upon which such Rate Periods shall terminate. If the succeeding Adjustment Period is to be a Daily Mode or Weekly Mode, the Remarketing Agent shall give telephonic notice (confirmed by telecopy) to the Board and the Trustee, no later than 10:00 a.m., Chicago time, on the Business Day immediately preceding the Substitute Adjustment Date, specifying the interest rate which will be effective commencing on such Substitute Adjustment Date.

(C) If the Board shall designate a Substitute Adjustment Date for any Bonds, it shall cause to be delivered to the Trustee, the Remarketing Agent and the Credit Provider concurrently with the notice described in (B) above, and no such designation of a Substitute Adjustment Date shall take effect without, an Opinion of Bond Counsel to the effect that the designation of such Substitute Adjustment Date (i) is authorized or permitted by this Indenture, (ii) will not have an adverse effect on the exclusion from gross income for Federal income tax purposes of interest on the Bonds, and (iii) will not have an adverse effect on the validity or enforceability of any Bond. The Substitute Adjustment Date shall not be effective unless prior to 10:00 a.m., Chicago time, on the Substitute Adjustment Date, the Trustee shall have received an Opinion of Bond Counsel, dated such Adjustment Date, reaffirming the conclusions of the opinion accompanying the notice delivered as above required.

(D) Any designation by the Board pursuant to Section 4.2(A) of a Substitute Adjustment Date shall be accompanied by (i) a written statement from the Remarketing Agent, addressed to the Board and the Trustee, to the effect that the Remarketing Agent has determined that such change satisfies the standards provided in Section 4.1(A) hereof, or (ii) an Opinion of Bond Counsel to the effect that such approval is not required for the continued validity and enforceability of the Bonds in accordance with their terms.

Section 4.3. Authority for and Conditions to Conversion to Term Rate or Fixed Rate; Reductions in Credit Facility.

(A) On any Rate Change Date during a Flexible Mode, on any Business Day during a Daily Mode or Weekly Mode or on any Index Rate Purchase Date during an Index Mode, the interest rate to be borne by all or any portion of the Bonds (all of the Bonds in the case of an Index Rate Period) in such Interest Mode may be converted to a Term Rate or a Fixed Rate, and such Bonds so converted shall thereafter bear interest at such Term Rate or Fixed Rate until payment of the principal or Redemption Price thereof shall have been made or provided for in accordance with the provisions hereof, whether at the Maturity Date, upon redemption or otherwise, upon receipt by the Trustee of (i) a written direction from a Designated Official specifying a Term Rate Conversion Date or Fixed Rate Conversion Date, the principal amount of Bonds to be converted and the mandatory sinking fund requirements (determined by reference to, and consistent with, the schedule set forth in Section 3.10(B) hereof) applicable thereto, (ii) a firm underwriting or purchase contract from a recognized firm of bond underwriters or recognized institutional investors to underwrite or purchase all Bonds which are to be converted on such Term Rate Conversion Date or Fixed Rate Conversion Date at a price of 100 percent of the principal amount thereof, and (iii) an Opinion of Bond Counsel addressed to the Board, the Credit Provider and the Trustee to the effect that such conversion (1) is authorized or permitted by this Indenture, (2) will not have an adverse effect on the exclusion from gross income for Federal income tax purposes of the interest on the Bonds, and (3) will not have an adverse effect on the validity or enforceability of any Bond, all of which direction, certificates, contract and opinion shall be received not less than twenty-five (25) days prior to the Term Rate Conversion Date or Fixed Rate Conversion Date. The conversion of the interest rate borne by Bonds pursuant to this Section shall not become effective unless prior to 10:00 a.m., Chicago time, on the applicable Term Rate Conversion Date or Fixed Rate Conversion Date the Trustee shall have received an Opinion of Bond Counsel, dated the Term Rate Conversion Date or Fixed Rate Conversion Date, reaffirming the conclusions of the opinion accompanying the written direction of the Board delivered as above required.

(B) At least twenty (20) days prior to the Term Rate Conversion Date or Fixed Rate Conversion Date, the Trustee shall give or cause the Remarketing Agent to give written notice of such election by the Board to the Owners of all Bonds to be converted bearing interest at a Daily Rate or a Weekly Rate, which notice shall state (i) the Term Rate Conversion Date or Fixed Rate Conversion Date, and (ii) that such Bonds shall be subject to mandatory purchase on such Term Rate Conversion Date or Fixed Rate Conversion Date. The Trustee shall give written notice by first class mail to the Remarketing Agent and the Credit Provider of the foregoing information. All obligations owing to the Credit Provider under the Reimbursement Agreement shall, to the extent required thereby, be due and payable on each Term Rate Conversion Date or Fixed Rate Conversion Date.

(C) The Board, at the direction of the Trustee, shall deliver replacement Bonds bearing the Term Rate or Fixed Rate for converted Bonds surrendered or deemed surrendered by the Owner thereof. Any such replacement Bonds shall be executed and authenticated as provided in Section 2.7 hereof; provided, however, that, unless the form of the Bonds is revised pursuant to Section 2.1(C) hereof, the Board shall affix, or cause to be affixed, a legend on the face of each Bond authenticated on or after the Term Rate Conversion Date or Fixed Rate Conversion Date therefor in substantially the following form:

This Bond bears interest at the Term Rate or Fixed Rate, as applicable, as defined in this Bond, of _____ percent per annum from and after _____. This Bond is neither (i) subject to optional or mandatory tender for purchase nor (ii) secured by a Liquidity Facility. This Bond matures on _____ 1, _____.

(D) From the date notice of the proposed establishment of a Term Rate or Fixed Rate with respect to any Bond is received by the Trustee as provided in subsection (A) of this Section 4.3 through the Term Rate Conversion Date or Fixed Rate Conversion Date therefor, such Bond shall not be remarketed by the Remarketing Agent except to a buyer who is notified in writing of the mandatory purchase of such Bond on such Term Rate Conversion Date or Fixed Rate Conversion Date.

(E) After the Term Rate Conversion Date or Fixed Rate Conversion Date for any Bonds, interest on such Bonds shall be payable semiannually on each March 1 and September 1 until all of such Bonds shall have been paid or payment shall have been duly provided for. The interest payable on the March 1 or September 1, as the case may be, next following the Term Rate Conversion Date or Fixed Rate Conversion Date for such Bonds shall be for the period, which may be less than six months, commencing on such Term Rate Conversion Date or Fixed Rate Conversion Date until such March 1 or September 1. The determination of the Fixed Rate for any Bonds shall be conclusive and binding upon the Owners of such Bonds, the Board, the Credit Provider and the Trustee.

(F) If the conversion of the interest rate on any Bond does not occur for any reason, including in the event that any condition precedent to the conversion shall not occur, such Bonds shall bear interest from and after the proposed Term Rate Conversion Date or Fixed Rate Conversion Date in the same Interest Mode as the Interest Mode applicable to such Bond prior to the proposed Term Rate Conversion Date or Fixed Rate Conversion Date, at the interest rate calculated in the manner set forth in Section 2.2 hereof for such Interest Mode, provided however, if the preceding Interest Mode is an Index Mode, the Bonds shall constitute Unremarketed Bonds.

(G) No Credit Facility is required for Bonds bearing interest at a Fixed Rate or a Term Rate, so the amount of the Credit Facility, if any, may be (i) permanently reduced on or after the Term Rate Conversion Date with respect to Bonds bearing interest at a Term Rate or on or after the Fixed Rate Conversion Date with respect to Bonds bearing interest at the Fixed Rate and (ii) reduced, subject to Section 6.1 with respect to subsequent conversions to a Short Mode as provided in the Reimbursement Agreement.

Section 4.4. Selection of Bonds for Mandatory Redemption Upon Conversion to Fixed Rate. Not later than twenty (20) days prior to a proposed Term Rate Conversion Date or Fixed Rate Conversion Date, the Board may direct the Trustee in writing to select in advance of the dates on which the Trustee would otherwise do so the Bonds to be redeemed prior to maturity pursuant to Section 3.10(B) hereof on each subsequent mandatory redemption date specified in such direction. Thereafter, but not later than ten (10) days prior to the effective date of such conversion, the Trustee (or, at the Trustee's request, the Trustee's Agent) shall:

(A) Assign a distinctive number (a "Tentative Serial Bond Number") to each \$5,000 in principal amount of the Bonds then Outstanding;

(B) Treating each Tentative Serial Bond Number as a separate Bond, select by lot in such manner as the Trustee deems appropriate and fair the particular Bonds to be redeemed on each subsequent mandatory redemption date specified in the Board's direction, in such manner that the aggregate principal amount of Bonds required by Section 3.10(B) hereof to be redeemed on each such date shall be so redeemed;

(C) Assign to each Bond selected to be redeemed prior to maturity a distinctive number (a "*Permanent Serial Bond Number*") corresponding to its Tentative Serial Bond Number, whereupon the Tentative Serial Bond Numbers previously assigned to all such Bonds and to any Bonds not so selected shall lapse and shall no longer be effective; and

(D) Provide the Board and the Remarketing Agent with copies of a list of all Permanent Serial Bond Numbers assigned to the Bonds and the date on which each Bond bearing a Permanent Serial Bond Number is scheduled to be redeemed prior to its stated maturity.

The Trustee shall cause to be noted on each Bond thereafter authenticated the Permanent Serial Bond Number or Numbers, if any, assigned to such Bond and the date on which the Bond or a portion thereof in the principal amount of \$5,000 bearing such Permanent Serial Bond number is scheduled to be redeemed. In addition, the Trustee shall apply for and, if available, cause to be printed on each Bond scheduled to be redeemed on a particular date pursuant to the preceding provisions of this Section a separate CUSIP number that, either on its face or by reference to an index or directory or otherwise, identifies the date on which such Bond is scheduled to be redeemed prior to its stated maturity date.

Solely for the purpose of selecting the Bonds for redemption prior to maturity, whether at the option of the Board pursuant to Section 3.10(A) hereof, by operation of Section 3.10(B) hereof, or otherwise, all of the Bonds scheduled to be redeemed on a particular date pursuant to the preceding provisions of this Section shall be deemed to mature on that date.

If any condition to the conversion of the Bonds to a Term Rate Mode or a Fixed Mode shall not have been satisfied on the Term Rate Conversion Date or the Fixed Rate Conversion Date, as applicable, the mandatory redemption dates determined pursuant to this Section 4.4 shall be of no force and effect.

Section 4.5. Designated Officials. Any actions to be taken pursuant to this Article IV by the Board may be taken by a Designated Official unless the context requires otherwise or action is required to be taken by the Board in order to secure any opinion required by this Article IV.

Section 4.6. Effect of Notices. Any notice mailed as provided herein shall be conclusively presumed to have been given, whether or not the Owners of the Bonds receive the same.

ARTICLE V.

REVENUES AND ESTABLISHMENT OF FUND AND APPLICATIONS THEREOF

Section 5.1. The Pledge Effected by this Indenture.

(A) There are hereby pledged for the payment of the principal and Redemption Price of and interest on the Bonds and the payment of the Credit Provider Obligations in accordance with their respective terms and the provisions of this Indenture, and a lien is hereby granted for such purpose, for the purposes and on the terms and conditions set forth in this Indenture, on the Trust Estate as described in the Granting Clauses hereto. There are hereby further pledged for the payment of the Swap Payments, and a lien is hereby granted for such purpose on, amounts on deposit in the Swap Payment Account on the terms and conditions set forth in this Indenture; provided, however, that the pledge of and lien on any such amounts shall be subordinate to the lien of the Bonds, and, to the extent Pledged State Aid Revenues are on deposit in the Swap Payment Account, to the lien of any Additional Bonds.

(B) Pursuant to Section 13 of the Act, the moneys, securities and properties hereby pledged and received by the Board shall immediately be subject to the lien and pledge hereof without any physical delivery or further act, and the lien and pledge hereof shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the Board, irrespective of whether such parties have notice hereof.

(C) The Bonds and the Credit Provider Obligations do not represent or constitute a debt of the Board within the meaning of any constitutional or any statutory limitation unless the Pledged Taxes shall have been extended for collection, in which case the Outstanding Bonds and unpaid Credit Provider Obligations shall to the extent required by law be included in the computation of indebtedness of the Board for purposes of all statutory provisions or limitations until such time as an audit of the Board shows that the Bonds and the Credit Provider Obligations have been paid from the Pledged State Aid Revenues for a complete fiscal year of the Board.

Section 5.2. Establishment of Costs of Issuance Account.

(A) The Costs of Issuance Account is hereby established with the Trustee to be held and applied in accordance with the terms and provisions of this Indenture. There shall be paid into the Costs of Issuance Account (i) the amount required to be so paid by the provisions of Section 2.11 of this Indenture and (ii) any amounts paid by the Board to the Trustee from time to time with instructions for deposit into said Account.

(B) Moneys on deposit in the Costs of Issuance Account will be paid out from time to time by the Trustee to or upon the order of the Board in order to provide for the payment or to reimburse the Board for the payment of costs of issuing the Bonds upon receipt by the Trustee of a certificate of an Authorized Officer of the Board describing the costs of issuance to be paid or reimbursed with such moneys (including the identity of and method of payment for each payee). On June 1, 2012, the Costs of Issuance Account shall be closed and any moneys held therein shall be returned to the Board.

(C) Moneys in the Costs of Issuance Account shall be invested pursuant to the provisions of Section 7.1. The Board may, and to the extent required for payments from the Costs of Issuance Account shall, direct the Trustee in writing to disburse such payment from the Cost of Issuance Account. Earnings received on moneys or securities in the Costs of Issuance Account shall be retained therein and applied to the purposes for which moneys in the Costs of Issuance Account are otherwise held.

Section 5.3. Establishment of Debt Service Fund and Accounts. The Debt Service Fund and the following Accounts within the Debt Service Fund are hereby established with the Trustee to be held and applied in accordance with the provisions of this Indenture:

- (1) Pledged State Aid Revenues Account, consisting of the Deposit Sub-Account and the Payment Sub-Account, which Payment Sub-Account shall further consist of (i) the Interest Deposit Sub-Account and (ii) the Pledged State Aid Revenues Sub-Account;
- (2) Pledged Taxes Account;
- (3) Bond Payment Account, consisting of the Interest Sub-Account, the Principal Sub-Account and the Credit Provider Obligations Payment Sub-Account;
- (4) Swap Payment Account; and
- (5) Credit Facility Account.

The Debt Service Fund and all Accounts therein shall at all times be funds and accounts that are Eligible Accounts.

Section 5.4. Debt Service Fund.

(A) The Trustee shall deposit to the credit of the Interest Deposit Sub-Account (i) any amounts paid by the Board to the Trustee from time to time with instructions for deposit into such Sub-Account, including such portion of the Initial Board Funds deposited by the Board upon the delivery of the Bonds pursuant to Section 2.11(b) hereof, and (ii) any payments made by the Swap Providers under the Swap Agreements to the extent set forth in a certificate of a Designated Official filed with the Trustee. All or a portion of such amounts so deposited to the credit of the Interest Deposit Sub-Account shall be transferred no later than the next succeeding Interest Payment Date to the Interest Sub-Account and applied to pay up to the amount of interest then due on the Bonds on such Interest Payment Date as described in Section 5.4(C) hereof. All Funds and investment earnings related thereto remaining in the Interest Deposit Sub-Account on March 1, 2012 following the transfer(s) required to be made to the Interest Sub-Account on or prior to such date in accordance with the preceding sentence shall be transferred to the Deposit Sub-Account.

On or prior to each Deposit Date, the Board shall deposit to the credit of the Deposit Sub-Account such amounts derived from Pledged State Aid Revenues as shall be necessary and sufficient to cause the amount on deposit in said Sub-Account to equal the then-applicable

Pledged State Aid Revenues Account Requirement. Once such deposit has been made in full, (i) the Board shall, pursuant to Section 8.6(B) hereof, take such actions as are necessary to abate in full the Pledged Taxes levied for the calendar year next preceding the calendar year of such Deposit Date and (ii) on the March 2 following such Deposit Date, the Trustee shall transfer all amounts on deposit in the Deposit Sub-Account to the Pledged State Aid Revenues Sub-Account. The Board shall make the deposit required pursuant to this paragraph on such earlier date as may be necessary in the future to permit the Board to make the abatement of taxes described in the preceding sentence.

In the event that on any Deposit Date there has been deposited to the credit of the Deposit Sub-Account an insufficient amount to satisfy in full the then-applicable Pledged State Aid Revenues Account Requirement, (A) the Board shall, pursuant to Section 8.6(B) and 8.6(D) hereof, take such actions as are necessary to cause the extension of the Pledged Taxes levied for the calendar year next preceding the calendar year of such Deposit Date in an amount sufficient, when added to the amount then on deposit in the Deposit Sub-Account, to provide funds sufficient to satisfy such Pledged State Aid Revenues Account Requirement; and (B) on the March 2 following such Deposit Date, the Trustee shall transfer all amounts on deposit in the Deposit Sub-Account into the Pledged State Aid Revenues Sub-Account.

If at any time while the Bonds bear interest at a Short Rate, the Index Rate or the Credit Provider Rate or are Unremarketed Bonds the amount on deposit in the Pledged State Aid Revenues Sub-Account shall be insufficient to provide for the payment in full of (i) the principal of and interest on the Bonds and (ii) the Swap Payments to become due during the then-current Bond Year, the Board shall promptly deposit moneys derived from Pledged State Aid Revenues into the Pledged State Aid Revenues Sub-Account in such amounts as shall be necessary to cause the amount on deposit in the Pledged State Aid Revenues Sub-Account to be sufficient to pay (x) the interest to accrue on the Bonds for the remainder of the then-current Bond Year based on the aggregate principal amount of Bonds then Outstanding and an assumed interest rate equal to the average rate on the Bonds for the period commencing on March 2 of the then-current Bond Year and ending on the Business Day immediately preceding such date of calculation, (y) the principal amount of Bonds scheduled to become due at maturity or by mandatory sinking fund redemption on the last day of the then-current Bond Year and (z) the Swap Payments scheduled to become due during the then-current Bond Year.

All amounts on deposit in the Pledged State Aid Revenues Sub-Account on March 1 of each Year, following the transfers required to be made to the Bond Payment Account pursuant to subsection (C) below and the Swap Payment Account pursuant to subsection (D) below, shall be withdrawn from said Sub-Account and paid to the Board free and clear of the lien of this Indenture, which withdrawal shall be made prior to any deposit to the Pledged State Aid Revenues Sub-Account pursuant to this subsection (A).

(B) ***Pledged Taxes Account.*** As described in Section 8.6(A) hereof, the Board has directed the County Collectors to deposit all collections of the Pledged Taxes, if and when extended for collection, directly with the Trustee for application in accordance with the provisions of this Indenture. All Pledged Taxes received by the Trustee shall be deposited promptly upon receipt into the Pledged Taxes Account and applied to the payment of the interest on and principal of the Bonds, the Credit Provider Obligations and Swap Payments due during

the Bond Year in which said Pledged Taxes are collected. All amounts remaining in the Pledged Taxes Account on March 2 of any Year shall be transferred to the Board and the Board shall deposit such moneys into the Educational Fund of the Board and apply such moneys to the abatement of the first Educational Fund tax levy for which the County Clerks will accept an abatement.

(C) **Bond Payment Account.** There shall be transferred *first* from moneys on deposit in the Pledged Taxes Account, *second* from moneys on deposit in the Interest Deposit Sub-Account, and *last* from the Pledged State Aid Revenues Sub-Account (i) to the Interest Sub-Account on or before each Interest Payment Date for any of the Outstanding Bonds, the amount required for the interest payable on such date, less the amount then on deposit in the Interest Sub-Account and available for such payment; (ii) to the Principal Sub-Account on or before the Business Day next preceding each March 1, an amount equal to the principal amount of the Outstanding Bonds, if any, which mature on such date; (iii) to the Principal Sub-Account of the Bond Payment Account on or before the Business Day next preceding each March 1 on which Bonds are subject to mandatory sinking fund redemption pursuant to this Indenture, the amount required for the payment of the Redemption Price of such Outstanding Bonds then to be redeemed and (iv) to the Credit Provider Obligations Sub-Account on or before the date of any draw under the Credit Facility for the purposes of making the payments described in clauses (i), (ii) and (iii) above, the amount necessary to transfer to the Credit Provider to reimburse the Credit Provider for such draw as provided in Section 5.5(C) hereof. Subject to the provisions of Section 5.5 hereof, the Trustee shall pay to the respective Paying Agents in immediately available funds on or before each date on which interest or principal is due on the Bonds the respective amounts on deposit in the Interest Sub-Account and the Principal Sub-Account described in clauses (i), (ii) and (iii) above necessary to pay such debt service. Such amounts shall be paid to the Owners of the Outstanding Bonds by the Paying Agents for the aforesaid purposes on the due dates thereof.

(D) **Swap Payment Account.** After deducting the amount required to be transferred to the Principal Sub-Account on the next succeeding March 1 and provided the Board is not in default with respect to the payment of interest on the Bonds, there shall be transferred into the Swap Payment Account on each date specified in the relevant Swap Agreement which the Board shall identify in a written notice delivered to the Trustee (each, a "*Swap Payment Date*"), *first*, from moneys on deposit in the Pledged Taxes Account, *second* from moneys on deposit in the Interest Deposit Sub-Account, and *last* from the Pledged State Aid Revenues Sub-Account, an amount equal to the sum of the Swap Payment then owing under such Swap Agreement on such Swap Payment Date. The Trustee shall pay each Swap Provider on each Swap Payment Date from amounts then on deposit in the Swap Payment Account pursuant to payment instructions specified in the relevant Swap Agreement and provided to the Trustee and the Board by such Swap Provider. On or prior to March 1, 2012 and each March 1 thereafter, the Board shall provide the Trustee with written notice of the amount of each Swap Payment owing to such Swap Provider on each Swap Payment Date for the succeeding Bond Year. The Board shall promptly notify the Trustee in writing if the amount of any Swap Payments shall change from the amounts identified in such notice. Notwithstanding anything in this Indenture to the contrary, all payments of Swap Payments to be paid from Pledged Taxes shall be subordinate to the payment of principal of and interest on the Bonds and all payments of Swap Payments to be

paid from Pledged State Aid Revenues shall be subordinate to the payment of principal of and interest on the Bonds and any Additional Bonds.

The Trustee shall not draw on the Credit Facility or use moneys on deposit in the Credit Facility Account for the purpose of making any Swap Payment.

(E) ***Credit Facility Account.*** Any amounts drawn under the Credit Facility shall be held in the Credit Facility Account for application as provided herein and shall not be commingled with any moneys held by the Trustee. Amounts on deposit in the Credit Facility Account shall be applied as provided in Section 5.5 hereof. Credit Facility Sub-Accounts may also be established pursuant to Section 4.1(A) hereof, which Sub-Accounts shall be subject to all of the terms and provisions of this Section 5.4(E). All proceeds of any draw on a Credit Facility must be held in an Account or sub-account that constitutes an Eligible Account.

(F) ***Notice Regarding Sufficiency of Pledged State Aid Revenues.*** On or before February 16 of each year, whenever sufficient funds are on deposit in the Pledged State Aid Revenues Account equal to the Pledged State Aid Revenues Account Requirement, the Trustee shall deliver to the Board a Notice Regarding Sufficiency of Pledged State Aid Revenues substantially in the form attached hereto as *Exhibit B* evidencing the sufficiency of such deposit for said purpose and directing the Board to take such actions as are necessary to abate the Pledged Taxes.

Section 5.5. Use of Moneys in the Bond Payment Account; Draws on Credit Facility

(A) (i) Moneys on deposit in the Credit Facility Account and the Interest Sub-Account of the Bond Payment Account (in the order listed) shall be used by the Trustee to pay interest on the Bonds as it becomes due, (ii) moneys on deposit in the Credit Facility Account and the Principal Sub-Account of the Bond Payment Account (in the order listed) shall be used to pay principal on the Bonds when due (whether upon maturity or upon redemption) and (iii) moneys on deposit in the Credit Facility Account (if the Credit Facility secures premium) and the Principal Sub-Account of the Bond Payment Account (in the order listed) shall be used to pay premium on the Bonds secured by the Credit Facility when due as described in this Article V. Moneys on deposit in the Credit Facility Account shall only be applied to make payments with respect to Bonds bearing interest in an Interest Mode the payment of which is secured by such Credit Facility. Moneys drawn under the Credit Facility shall be used prior to any funds of the Board or any other money to pay principal of or interest on the Bonds. The Trustee shall not draw on the Credit Facility or use moneys on deposit in the Credit Facility Account for the purpose of paying any Credit Provider Obligation or Reimbursement Agreement Obligation.

(B) Prior to 2:00 p.m., Chicago time, (i) on the Business Day immediately preceding each Interest Payment Date, (ii) on the Business Day immediately preceding the last Business Day of each month with respect to any Bond in the Flexible Mode and (iii) on the Business Day immediately preceding the date upon which Bonds mature or are to be redeemed, with respect to Bonds secured by the Credit Facility, the Trustee shall draw under the Credit Facility an amount (a) which shall be sufficient for the purpose of paying the principal, premium (but only if such is

permitted by the terms of the Credit Facility) and interest coming due and payable on the Bonds on such Interest Payment Date or such date upon which Bonds mature or are to be redeemed (whether at maturity or upon redemption prior to maturity in accordance herewith) and (b) with respect to interest on any Bonds in the Flexible Mode equal to the amount of the interest that has accrued, or will accrue, on such Bonds during the then current month; provided, however, that the Trustee shall not draw under any Credit Facility with respect to the payment of any Credit Facility Bond, Bond owned by the Board or Bond bearing interest at a Term Rate or a Fixed Rate; and provided further, that no such drawing need be made to the extent that moneys are on deposit in the Credit Facility Account (representing moneys previously drawn under the Credit Facility) and are available to pay the principal, premium, if any (but only if such is permitted by the terms of the Credit Facility), and interest on such Bonds to the extent that the same is due and payable or has accrued, or will accrue, in accordance with the foregoing provisions of this Section 5.5, so long as such moneys have not been previously allocated to the payment of principal or interest on Bonds or credited against a prior Credit Facility drawing. The Credit Provider, upon compliance by the Trustee with the drawing requirements contained in the Credit Facility, shall cause funds so drawn to be wired to the Trustee not later than 11:00 a.m., Chicago time, on the Interest Payment Date, the last Business Day of each month (with respect to any Bond in the Flexible Mode), the maturity date or the redemption date, as appropriate. If the Trustee has not received such funds by 11:00 a.m., Chicago time, on the appropriate date, it shall immediately notify the Board of such event and the Board shall take the action required by Section 5.5(F) hereof. All amounts derived by the Trustee with respect to the Credit Facility shall be deposited in the Credit Facility Account of the Debt Service Fund upon receipt thereof by the Trustee.

(C) Moneys derived from the Credit Facility pursuant to this Section 5.5 shall be used solely for the payment of the principal of, premium, if any (but only if the Credit Facility secures premium payable upon an optional redemption of such Bonds), and interest on the Bonds (other than Credit Provider Bonds and Bonds owned by the Board). Immediately following the honoring of any draw under any Credit Facility, an amount equal to the amount of such draw shall be transferred (to the extent the Trustee has funds on deposit available for such purpose) by the Trustee from the Bond Payment Account of the Debt Service Fund in accordance with the priorities set forth in Section 5.4(A), to the Credit Provider as reimbursement for such draw; provided, however, that the amounts so transferred shall not exceed the amount necessary to fully reimburse the Credit Provider for such draw.

If at any time the amount on deposit in the Bond Payment Account of the Debt Service Fund shall be insufficient to provide for the reimbursement of the Credit Provider described in Section 5.5(C), the Board shall promptly deposit moneys derived from Pledged State Aid Revenues into the Bond Payment Account in such amount as shall be necessary to cause the amount on deposit in the Bond Payment Account to make such reimbursement.

(D) Notwithstanding the deposit of moneys into the Debt Service Fund and the subsequent reimbursement of the Credit Provider as described in this Section 5.5, the Board will have no right, title or interest in or to any moneys deposited into the Debt Service Fund for the benefit of the Owners and such moneys will be held in trust exclusively for the benefit of the Owners and will be paid over in accordance with the terms of this Indenture.

(E) In the event (i) the Credit Provider defaults on its obligation under the Credit Facility to provide funds for the payment of principal of and interest on the Bonds or (ii) if, following a draw on the Credit Facility insufficient funds are available to pay principal of and interest on the Bonds, the Trustee shall apply funds on deposit in the Debt Service Fund that would otherwise have been applied to the reimbursement of the Credit Provider directly to the payment of the principal of and interest on the Bonds that would have been paid from funds drawn under the Credit Facility.

(F) If at 11:00 a.m., Chicago time, on any Interest Payment Date, mandatory sinking fund redemption date or the Maturity Date, there are insufficient funds on deposit in the Debt Service Fund to provide for the payment of principal or interest due on the Bonds on any such date, the Trustee shall immediately demand payment from the Board of, and the Board covenants to deliver, funds in an amount sufficient to make any such payment in a timely manner.

Section 5.6. Purchase of Term Bonds for Cancellation. On or before the sixtieth (60th) day next preceding any mandatory sinking fund redemption date for the Bonds, at the written direction of the Chief Financial Officer of the Board, moneys held in the Pledged State Aid Revenues Account or the Pledged Taxes Account for the mandatory sinking fund redemption of Bonds on such date may be applied to the purchase of Bonds of the maturity subject to mandatory sinking fund redemption on such date in a principal amount not exceeding the principal amount of Bonds subject to mandatory redemption on such date. Bonds so purchased shall be delivered to the Trustee and canceled. Each such Bond or portion thereof so purchased, delivered and canceled shall be credited against the mandatory sinking fund redemption obligation of the Board on such date.

The purchase price paid by the Trustee (excluding accrued interest but including any brokerage or other charges) for any Bond shall not exceed the principal amount of the Bond and shall be paid first from the Pledged Taxes Account, to the extent of any amount then held therein, and then from the Pledged State Aid Revenues Account.

Subject to the limitations set forth in this Section, the provisions of any Forward Supply Contract relating to the investment of moneys in the Debt Service Fund, and to the further requirement that no Bond may be purchased during any period in which the aggregate sum held in the Debt Service Fund is less than the principal of and interest on the Bonds to become due on or prior to the next March 1, the Trustee shall purchase Bonds at such times, for such prices, in such amounts and in such manner (whether after advertisement for tenders or otherwise) as directed by the Chief Financial Officer of the Board.

Accrued interest on the Bonds purchased pursuant to this Section shall be paid first from the Pledged Taxes Account, to the extent of any amount then held therein, and then from the Pledged State Aid Revenues Account.

Section 5.7. Bond Purchase Fund. (A) The Trustee shall establish and maintain (but shall not have a lien on as part of the Trust Estate), as long as any Bonds are outstanding which have not been converted to a Term Rate or a Fixed Rate, a separate fund to be known as the "Bond Purchase Fund" (the "*Bond Purchase Fund*"). There shall be deposited into the Bond Purchase Fund from time to time the following:

(i) moneys received upon the remarketing of Tendered Bonds to any person pursuant to the Remarketing Agreement (other than Tendered Bonds sold to the Board for purchase and cancellation in pursuant to Section 3.9(C) hereof);

(ii) moneys received from the underwriter or purchaser of Tendered Bonds upon the conversion of the interest rate thereon to a Fixed Rate;

(iii) moneys obtained by the Trustee pursuant to the Credit Facility, if any, then in effect to be applied to pay the purchase price of Tendered Bonds; and

(iv) moneys received from the Board for the optional purchase, or the optional purchase and cancellation, of Tendered Bonds pursuant to Section 3.9(C) hereof.

(B) Moneys in the Bond Purchase Fund shall be held in trust exclusively for the payment of the purchase price of Tendered Bonds; provided, however, that under no circumstances shall proceeds of a loan or draw made pursuant to the Credit Facility be used to purchase Bonds which are already Credit Provider Bonds, Bonds held by the Board or Bonds which have been converted to an Interest Mode not covered by the Credit Facility. Notwithstanding the foregoing, moneys received by the Trustee of the types described in clauses (A)(i) and (A)(iii) above shall be held in an account that is an Eligible Account. Moneys obtained by the Trustee pursuant to the Credit Facility in excess of the amount needed for the payment of the purchase price of Tendered Bonds shall be promptly paid to the Credit Provider. The Trustee shall reimburse the Board for any interest costs incurred by the Board as a result of the failure of the Trustee to remit such funds to the Credit Provider. Moneys on deposit in the Bond Purchase Fund shall be uninvested. Amounts held to pay the purchase price shall be applied in the same manner as provided in Section 13.1(H) hereof with respect to unclaimed payments of principal and interest.

(C) If the Bonds are no longer held in a book-entry only system, the Bond Purchase Fund shall be closed by the Trustee and established by the Trustee's Agent, with the same designation as indicated in the preceding paragraph. The Trustee's Agent shall hold all moneys delivered to it for the purchase of Bonds in the Purchase Fund in trust and without investment, solely for the benefit of the persons delivering such moneys, until the Bonds purchased with such moneys have been delivered to or for the account of the persons purchasing such beneficial interests. The Trustee's Agent shall withdraw sufficient funds from the Bond Purchase Fund to pay the purchase price of Bonds tendered for purchase as the same becomes due and payable.

Section 5.8. Program Expense Fund. The Trustee shall establish and maintain (but shall not have a lien on as part of the Trust Estate) a separate fund to be known as the "Program Expense Fund" (the "*Program Expense Fund*"). The Board may, at its option, deposit moneys in the Program Expense Fund from time to time. Any moneys on deposit in the Program Expense Fund shall be paid out by the Trustee, at the direction of the Board, to pay the ongoing fees of the Credit Provider and the Fiduciaries as and when such fees come due. Notwithstanding the foregoing, the Board may at any time direct the Trustee to withdraw any or all amounts on deposit in the Program Expense Fund and the Trustee shall promptly pay such amounts to the Board.

ARTICLE VI.

CREDIT AND LIQUIDITY FACILITIES

Section 6.1. Credit Facility; Alternate Credit Facility.

(A) *Maintenance of Credit Facility.* So long as any Bonds (other than Credit Facility Bonds and Bonds owned by the Board) are outstanding which bear interest at a Short Rate, the Board will cause a Credit Facility or Liquidity Facility to be in effect at all times, except as otherwise provided in Section 6.1(K).

Not less than 45 days prior to the Stated Termination Date of the then-existing Credit Facility, the Board will deliver or cause to be delivered to the Trustee either (i) evidence in form satisfactory to the Trustee that the termination date of the then-existing Credit Facility has been extended and that the terms of the extended Credit Facility are substantially the same as the then-existing Credit Facility except as otherwise permitted by Section 6.1(H) hereof or (ii) notice to the effect that the then-existing Credit Facility will be replaced with an Alternate Credit Facility and identifying the issuer of such Alternate Credit Facility and the date such Alternate Credit Facility will be delivered, together with a proposed form of such Alternate Credit Facility. If the Board fails to deliver such evidence of an extension of the then-existing Credit Facility 45 days prior to the Stated Termination Date of the then-existing Credit Facility or upon the replacement of the then-existing Credit Facility with an Alternate Credit Facility, the Bonds shall be subject to mandatory tender in accordance with Section 3.4(A)(i) hereof on the last Interest Payment Date while the Bonds bear interest at a Short Rate preceding the Expiration of the Term of the Credit Facility.

(B) *Draws on Credit Facility.* During such time as a Credit Facility is in effect, the Trustee shall draw, or otherwise cause to be made available, moneys under the Credit Facility in accordance with Sections 3.7(D) and 5.5 hereof and in accordance with the terms of such Credit Facility to the extent necessary to pay to the Owners principal of, premium, if any (but only to the extent covered by the Credit Facility), interest on and purchase price for the Bonds when due. With respect to any draw made under the Credit Facility to pay the purchase price for the Bonds, following such draw the Trustee shall, as promptly as possible, give Immediate Notice to the Board that such a drawing or other action under the Credit Facility was made or taken.

The Trustee shall use its best efforts to return any moneys drawn or otherwise made available under the Credit Facility to the Credit Provider as soon as reasonably practicable on the date such moneys were so drawn or made available, to the extent such moneys exceed the amount necessary to pay principal of, premium, if any, interest on and purchase price for the Bonds after application of available remarketing proceeds and any other lawfully available funds of the Board on deposit with the Trustee.

(C) *Alternate Credit Facility.* The Board may arrange for the deposit with the Trustee of an Alternate Credit Facility to replace the then-existing Credit Facility. An Alternate Credit Facility shall be a letter of credit, standby bond purchase agreement, line of credit, revolving credit agreement, bond insurance policy, surety bond or similar credit and liquidity enhancement or support facility or combination thereof. The terms of the Alternate Credit

Facility shall in all respects material to the Owners be substantially the same (except for the length of term, the annual interest rate used to determine the interest portion of the stated amount of the Credit Facility, the number of days of interest coverage included within the stated amount of the Credit Facility and the stated amount provided for such Alternate Credit Facility) as the then-existing Credit Facility, except as would otherwise be permitted by Section 6.1(H) hereof. An Alternate Credit Facility shall expire no earlier than five days following an Interest Payment Date. An Alternate Credit Facility may be issued to provide only credit support or only liquidity support so long as a separate Alternate Credit Facility provides at the same time complementary liquidity support or credit support, as the case may be. As used in this Indenture, an Alternate Credit Facility does not include an extension of the then-existing Credit Facility or an amendment or supplement to the then-existing Credit Facility if amended or supplemented in accordance with Section 6.1(H) hereof.

At least 45 days prior to the effective date of an Alternate Credit Facility, the Board shall give notice of such replacement to the Trustee and the Credit Provider, to the effect that the Board is electing to replace the then-existing Credit Facility with an Alternate Credit Facility and identifying the issuer of such Alternate Credit Facility and the date such Alternate Credit Facility will be delivered, together with a proposed form of the Alternate Credit Facility. In connection with the execution and delivery of any proposed Alternate Credit Facility, the Bonds shall be subject to mandatory tender in accordance with Section 3.4(A)(ii). On or prior to the date that the Trustee gives notice of such mandatory tender, the Board shall deliver to the Trustee and the Credit Provider an opinion of Bond Counsel stating that the execution and delivery of the proposed Alternate Credit Facility will not adversely affect the validity or enforceability of the Bonds in accordance with their terms or any exemption from federal income taxation to which interest on the Bonds would otherwise be entitled (which opinion shall be confirmed on the effective date of such Alternate Credit Facility).

In addition to the above requirements, any Alternate Credit Facility delivered to the Trustee must be accompanied by (i) written evidence from the Credit Provider being replaced, in form and substance satisfactory to the Trustee, to the effect that the obligations due and owing to such Credit Provider from the Board under the related Reimbursement Agreement have been paid or provision for the payment thereof satisfactory to such Credit Provider has been made, (ii) a Counsel's Opinion, subject to customary exceptions and addressed to the Board and the Trustee, stating that such Alternate Credit Facility is a legal, valid and binding obligation of such issuer and enforceable against such issuer in accordance with its terms and (iii) written evidence (or such other evidence as is satisfactory to the Trustee) from each Rating Service then rating the Bonds to the effect that such Rating Service has reviewed the proposed Alternate Credit Facility and stating what rating the Bonds will bear after the execution and delivery of the proposed Alternate Credit Facility.

(D) ***Surrender of Credit Facility.*** If at any time there shall have been issued and delivered to the Trustee, either an effective Alternate Credit Facility meeting all the requirements of this Section 6.1 or an effective extension or restatement of the Credit Facility then in effect, then the Trustee shall accept such Alternate Credit Facility, extension, amendment or restatement and, promptly following the effective date of such Alternate Credit Facility or such restatement, shall surrender the Credit Facility then in effect to the Credit Provider that issued such Credit Facility in accordance with its terms for cancellation; provided, however, the Trustee shall not

surrender the Credit Facility until all draws made in accordance with the terms of the Credit Facility have been honored. In the case of an extension of the Credit Facility then in effect, if said extension consists of an amendment or supplement to the then-existing Credit Facility, the Trustee shall retain the Credit Facility then in effect together with any such amendment or supplement. For purposes of this paragraph an "effective" Alternate Credit Facility shall mean an Alternate Credit Facility that may be drawn on to pay principal of, premium, if any (but only to the extent covered by such Alternate Credit Facility), interest on and purchase price for the Bonds (other than Credit Provider Bonds and Bonds owned by the Board) in accordance with this Indenture.

The Trustee shall also promptly surrender any Credit Facility to the related Credit Provider after it expires or terminates in accordance with its terms.

(E) ***Transfer of Credit Facility.*** The Trustee shall not sell, assign or otherwise transfer the Credit Facility except to a successor Trustee hereunder and in accordance with the terms of the Credit Facility.

(F) ***[Reserved].***

(G) ***Terms Applicable to Credit Facilities.*** So long as a Credit Facility is in effect, the number of days of interest coverage included in the stated amount of such Credit Facility shall be no less than the sum of (i) [34] days plus (ii) the maximum number of days the Credit Provider is allowed pursuant to the Credit Facility to reinstate such Credit Facility after a drawing for interest, plus (iii) if such Credit Facility does not automatically reinstate its interest component following a drawing thereunder, the maximum number of days the Trustee is required pursuant to Section 3.2 to call the Bonds for mandatory tender (or, as long as the Bonds are in the book-entry system, such lesser number of days as DTC shall require to call the Bonds for mandatory tender) and (iv) any additional number of days then required by any Rating Service then maintaining a rating on the Bonds. The interest component of each Credit Facility shall be calculated using an annual interest rate no less than the greater of (i) the actual interest rate on any Bond to the expiration of such Credit Facility or (ii) the Maximum Interest Rate. The terms of any Credit Facility shall provide that (i) any notice of nonreinstatement of the Credit Facility following a drawing thereunder for the payment of interest on the Bonds shall be given by the Credit Provider to the Trustee in writing no later than the close of business on the fourth (4th) calendar day following such drawing, (ii) the Stated Termination Date of the Credit Facility shall occur no earlier than 5 days following an Interest Payment Date and (iii) the Credit Facility may not be terminated by the Credit Provider upon the occurrence of an event of default under the related Reimbursement Agreement until at least 15 days following receipt by the Trustee from the Credit Provider of written notice to the effect that such an event of default has occurred and the Credit Provider is terminating the Credit Facility.

(H) ***Amendment of Credit Facility.*** The Credit Facility may not be amended or modified without the prior written consent of the Board, the Trustee and the Owners of a majority in aggregate principal amount of the Bonds then Outstanding secured by the Credit Facility other than to (i) effect transfers thereof permitted by this Indenture, (ii) effect extensions thereof, (iii) effect an increase in the annual interest rate or the number of days of interest coverage used to determine the interest portion of the stated amount of the Credit Facility, (iv)

effect an increase in the stated amount of the Credit Facility, (v) effect a change in the stated amount of the Credit Facility to include an amount sufficient to pay premium on the Bonds, (vi) effect a change in the number of days of interest coverage included in the stated amount of the Credit Facility so long as such change otherwise complies with Section 6.1(G) hereof, (vii) effect reductions and reinstatements thereof in accordance with its terms, (viii) replace such Credit Facility with a Liquidity Facility pursuant to Section 6.2 hereof, all in accordance with the terms hereof and of the Credit Facility as then in effect, (ix) cure any ambiguity, formal defect or omission in the Credit Facility and (x) make any other change in the Credit Facility (a) which is required by any Rating Service to maintain its then-current rating on the Bonds at or above the current level or (b) which does not adversely affect any ratings on the Bonds.

(I) ***Notices to Owners.*** The Trustee shall promptly notify the Owners by first class mail, postage prepaid, or by facsimile followed by first class mail, postage prepaid, of an extension of any then-existing Credit Facility or of any amendment to any then-existing Credit Facility. The Trustee shall notify the Owners of the proposed delivery of any Alternate Credit Facility by first class mail, postage prepaid, at least 20 days prior to the effective date of any Alternate Credit Facility that an Alternate Credit Facility will secure the Bonds and shall identify the new Credit Provider.

(J) ***Delivery of Notice to Board of Expiration of Credit Facility.*** Twelve months prior to the Stated Termination Date of the Credit Facility then in effect and six months prior to such Stated Termination Date, the Trustee shall deliver written notice to the Board, the Credit Provider and the Remarketing Agent of such Stated Termination Date.

(K) ***Credit Facility or Liquidity Facility Not Required in Certain Circumstances.*** Notwithstanding the provisions of Section 6.1(A), the Board need not cause a Credit Facility or Liquidity Facility to be in effect at all times with respect to Bonds bearing interest at a Short Rate if, prior to the expiration or termination of the Credit Facility or Liquidity Facility then in effect, there is delivered to the Board, the Remarketing Agent, the Trustee and the Trustee's Agent (i) an Opinion of Bond Counsel to the effect that the expiration or termination of the Credit Facility or Liquidity Facility then in effect will not adversely affect the validity of the Bonds or any exclusion from gross income for federal income tax purposes of interest on the Bonds and (ii) written evidence from each Rating Service that the ratings on the Bonds bearing interest at a Short Rate following the expiration or termination of the Credit Facility or Liquidity Facility, as appropriate, will not be reduced or withdrawn from the ratings on the Bonds immediately prior to such expiration or termination.

Upon satisfaction of the requirements described in the preceding paragraph and any requirements of the applicable Reimbursement Agreement, (i) the Trustee, upon receipt of a written request of the Board, shall direct or send appropriate notice to the Credit Provider requesting or directing the cancellation of the Credit Facility then in effect on the date (the "*Credit Facility Cancellation Date*") requested by the Board in such written request, which date may not be less than thirty (30) days, or such longer period as is required by the Reimbursement Agreement for its termination at the request of the Board, from the date the Trustee receives such written request, and (ii) following the date of such cancellation, all Bonds tendered for purchase by the Owners thereof may be remarketed by the Remarketing Agent pursuant to the Remarketing Agreement without the benefit of a Credit Facility until such time, if any, as the

Bonds are thereafter entitled to the benefits of a Credit Facility or a Liquidity Facility pursuant to the provisions of Sections 6.1 and 6.2 hereof (the "*Subsequent Facility*"), but only if there is delivered to the Board, the Trustee, the Trustee's Agent and the Remarketing Agent an Opinion of Bond Counsel to the effect that the execution and delivery of the Subsequent Facility will not adversely affect the validity of the Bonds or any exclusion from gross income for Federal income tax purposes of interest on the Bonds. In the event of a Credit Facility Cancellation Date, the Bonds bearing interest at a Short Rate shall be subject to mandatory tender pursuant to Section 3.4 hereof. If at any time no Credit Facility is required for the Bonds, the Trustee shall affix a legend on the face of each Bond bearing interest at a Short Rate authenticated on or after the date on which a Credit Facility is no longer required in substantially the following form:

"A Credit Facility is not required with respect to this Bond. If a Credit Facility is currently provided, it may be discontinued at any time without prior notice to, or a right to tender by, the Owner."

Section 6.2. Liquidity Facility.

(A) The Board may (i) elect to replace any then-existing Credit Facility with a Liquidity Facility or (ii) execute and deliver a Liquidity Facility to provide liquidity support for the Bonds when there is no Credit Facility then in effect by delivery of such Liquidity Facility to the Trustee; provided that the Board also delivers, or causes to be delivered, to the Trustee (a) an Opinion of Bond Counsel stating that such delivery will not adversely affect the validity and enforceability of the Bonds in accordance with their terms or any exclusion from gross income for purposes of federal income taxation of interest on the Bonds and (b) written evidence from each Rating Service stating that such Rating Service has reviewed the proposed Liquidity Facility and identifying the rating(s) that will be assigned by such Rating Service to Bonds supported by such Liquidity Facility. If the above conditions and any requirements of the applicable Reimbursement Agreement are satisfied, upon the delivery of an effective Liquidity Facility to the Trustee, payment of principal of, premium, if any, and interest on the affected Bonds will not be secured by any Credit Facility but payment of the purchase price of such Bonds will be supported by such Liquidity Facility. Any Liquidity Facility so delivered may take the form of an amendment to an existing Credit Facility.

(B) When the Bonds are in a Short Mode, liquidity support may be provided by either the same facility, agreement or instrument or may be provided by two or more separate facilities, agreements or instruments.

(C) If the Board elects to support all or a portion of the Bonds with a Liquidity Facility, this Indenture shall be amended in accordance with Section 11.1(11) hereof as is necessary to provide for the implementation of such a Liquidity Facility, including without limitation any amendments necessary to provide for draws on such Liquidity Facility in order to ensure timely payment of the purchase price of Bonds entitled to the benefit of such Liquidity Facility.

Section 6.3. Rights of Credit Provider. Anything in this Indenture or the Bonds to the contrary notwithstanding, the Credit Provider may exercise any option, vote, right, power or the like granted to the Owners of the Bonds hereunder, with respect to any Credit Provider

Bonds held by it at any time. No consent of or notice to the Credit Provider shall be required under any provision of this Indenture, nor shall the Credit Provider have any right to receive notice of, consent to, direct or control any actions, restrictions, rights, remedies, waivers or accelerations pursuant to any provision of this Indenture, during any time which:

(i) the Credit Provider has failed to honor a properly presented and conforming draw under the Credit Facility;

(ii) the Credit Facility for any reason ceases to be valid and binding on the Credit Provider or is declared to be null and void by any governmental or regulatory agency or authority with jurisdiction over the Credit Provider, or the validity or enforceability of any provision of the Credit Facility is denied by any governmental agency or authority with jurisdiction over the Credit Provider, in all of the above cases contrary to the terms of the Credit Facility;

(iii) a petition has been filed and is pending against the Credit Provider under any bankruptcy, reorganization, arrangement, insolvency, readjustment of debt, dissolution or liquidation law of any jurisdiction, whether now or hereafter in effect, and has not been dismissed within sixty (60) days after such filing;

(iv) the Credit Provider has filed a petition, which is pending, under any bankruptcy, reorganization, arrangement, insolvency, readjustment of debt, dissolution or liquidation law, of any jurisdiction, whether now or hereafter in effect, or has consented to the filing of any petition against it under such law; or

(v) the Credit Provider is dissolved or confiscated by action of government due to war or peacetime emergency or the United States government declares a moratorium on the Credit Provider's activities.

Section 6.4. Additional Notices. The Trustee agrees to give notices to the Credit Provider in accordance with the Reimbursement Agreement.

ARTICLE VII.

INVESTMENTS OF FUNDS AND SWAP AGREEMENTS

Section 7.1. Investment of Moneys.

(A) Moneys held in the Accounts and Sub-Accounts of the Costs of Issuance Account, the Program Expense Fund and the Debt Service Fund (but excluding any moneys in the Bond Purchase Fund) shall be invested and reinvested by the Trustee at the written direction of a Designated Official in Investment Securities within the parameters of the Investment Policy which mature no later than necessary to provide moneys when needed for payments to be made from such Fund or Account; provided, however, that moneys held in the Credit Facility Account representing proceeds of the Credit Facility shall only be invested in Government Obligations of the type described in clause (i) of the definition of such term maturing within 30 days from the date of investment or, if sooner, at such time or times as needed to provide for the payment of principal and interest for which drawn and provided further, that moneys in the Bond Purchase

Fund shall be held uninvested. The Trustee may conclusively rely upon such instructions as to both the suitability and legality of the directed investments. Nothing contained in this Indenture shall be construed to prevent such Designated Official from directing the Trustee to make any such investments or reinvestments through the use of a Forward Supply Contract, to the extent permitted by Illinois law and the Investment Policy, and the Trustee shall comply with the terms and provisions of any such Forward Supply Contract or Repurchase Agreement. The Trustee may make any and all such investments through its trust department or the bond department of any bank or trust company under common control with the Trustee. The Board has provided a certified copy of the Investment Policy to the Trustee in connection with the initial delivery of the Bonds and the Board covenants and agrees to provide to the Trustee in a timely fashion any amendments to or revisions of such Investment Policy. The Trustee shall be entitled to conclusively rely on the Investment Policy provided to it by the Board as the Investment Policy in effect at the time any investment is made. All investment income shall be retained in the Fund or Account to which the investment is created from which such income is derived and all losses thereon shall be charged against such Fund or Account.

(B) Notwithstanding any other provisions of this Indenture to the contrary, all investments made under this Indenture shall be consistent with the expectations expressed in the Tax Agreement.

(C) The Trustee may make any and all such investments through its own investment department or that of its affiliates or subsidiaries, and may charge its ordinary and customary fees for such trades, including cash sweep account fees. In the absence of investment instructions from the Board, the Trustee shall not be responsible or liable for keeping the moneys held by it hereunder fully invested in Investment Securities. The Trustee shall notify the Board in the event any moneys are being held uninvested pursuant hereto. The Trustee shall not be liable or responsible for the performance or adverse tax consequences of any investment made pursuant to this Section. Although the Board recognizes that they may obtain a broker confirmation or written statement containing comparable information at no additional cost, the Board hereby agrees that confirmations of Investment Securities are not required to be issued by the Trustee for each month in which a monthly statement is rendered. No statement need be rendered for any fund or account if no activity occurred in such fund or account during such month.

Section 7.2. Valuation and Sale of Investments.

(A) Investment Securities in any Fund, Account or Sub-Account created under the provisions of this Indenture shall be deemed at all times to be part of such Fund, Account or Sub-Account and any profit realized from the liquidation of such investment shall be credited to such Fund, Account or Sub-Account and any loss resulting from liquidation of such investment shall be charged to such Fund, Account or Sub-Account.

(B) Valuations of Investment Securities held in the Funds, Accounts and Sub-Accounts established hereunder shall be made by the Trustee as often as may be necessary or requested by the Board to determine the amounts held therein. In computing the amounts in such Funds, Accounts and Sub-Accounts, Investment Securities therein shall be valued as provided in paragraph (C) of this Section 7.2.

(C) The value of Investment Securities shall mean the fair market value thereof, provided, however, that all SLG's shall be valued at par and those obligations which are redeemable at the option of the holder shall be valued at the price at which such obligations are then redeemable.

(D) Except as otherwise provided in this Indenture, the Trustee shall sell at fair market value, or present for redemption, any Investment Securities held in any Fund, Account or Sub-Account held by the Trustee whenever it shall be necessary to provide moneys to meet any payment or transfer from such Fund, Account or Sub-Account as the case may be.

Section 7.3. Swap Agreement. With respect to the Bonds, the Board may enter into one or more of the agreements authorized by Section 7 of the Bond Authorization Act. The Board may designate any such agreement as a Swap Agreement by filing with the Trustee (i) an executed counterpart of such agreement and (ii) a written notice that such agreement has been designated as a Swap Agreement for the purposes of this Indenture.

Each Swap Payment under a Swap Agreement shall be payable from the Swap Payment Account. The Trustee shall not draw on the Credit Facility or use moneys on deposit in the Credit Facility Account for the purpose of making any Swap Payment. The stated notional amount (net of offsetting transactions) under all such Swap Agreements shall not in the aggregate exceed the then outstanding principal amount of the Bonds. For purposes of the immediately preceding sentence, "offsetting transactions" shall include any transaction authorized by the Bond Authorization Act which is intended to hedge, modify or otherwise affect another outstanding transaction or its economic results. If so authorized, the offsetting transaction need not be based on the same index or rate option as the related Bonds or the transaction being offset and need not be with the same counterparty as the transaction being offset. Examples of offsetting transactions include, without limitation, a floating-to-fixed rate interest rate swap being offset by a fixed-to-floating rate interest rate swap, and a fixed-to-floating rate interest rate swap being offset by a floating-to-fixed rate interest rate swap or an interest rate cap or floor or a floating-to-floating interest rate swap. Each Swap Agreement shall satisfy the following conditions precedent: (i) each Rating Service (if such Rating Service also rates the unsecured obligations of the proposed Swap Provider or any person who guarantees the obligations of the Swap Provider under the Swap Agreement) shall have assigned the unsecured obligations of the Swap Provider or such guarantor, as of the date the Swap Agreement is entered into, a rating that is equal or higher than the rating then assigned to the Outstanding Bonds by such Rating Service, and (ii) the Board shall have notified each Rating Service (whether or not such Rating Service also rates the unsecured obligations of the Swap Provider or its guarantor, if any, under the Swap Agreement) in writing, at least fifteen days prior to executing and delivering the Swap Agreement of its intention to enter into the Swap Agreement.

ARTICLE VIII.

PARTICULAR COVENANTS AND REPRESENTATIONS OF THE BOARD

Section 8.1. Payment of Bonds.

(A) The Board covenants and agrees that it will pay or cause payment to be made of the principal and Redemption Price, if any, of every Outstanding Bond, Purchaser Obligation and Credit Provider Obligation, whether due at maturity or upon mandatory sinking fund redemption, and the interest thereon, at the places, on the dates and in the manner provided in this Indenture and in the Bonds.

(B) Once issued, the Bonds and the Credit Provider Obligations shall be at all times Outstanding the general obligation of the Board, for the payment of which its full faith and credit are pledged, and shall be payable from, in addition to the Pledged State Aid Revenues, the Pledged Taxes, as described herein.

(C) If the maturity of any Bond or installment of interest shall be extended pursuant to the written consent of the Owner thereof, such Bond or installment of interest shall not be entitled, in case of any default under this Indenture, to the benefit of this Indenture or to payment out of the Trust Estate (except moneys held in trust for the payment of such Bond or installment of interest) until the prior payment of the principal of all Bonds Outstanding the maturity of which has not been extended and of such portion of the accrued interest on the Bonds as shall not be represented by such extended claims for interest.

Section 8.2. Further Assurance. At any and all times the Board shall, as far as it may be authorized by law, pass, make, do, execute, acknowledge and deliver, all and every such further indentures, acts, deeds, conveyances, assignments, transfers and assurances as may be necessary or desirable for the better assuring, conveying, granting, pledging, assigning and confirming, all and singular, the rights, and the Pledged Revenues, Pledged Taxes and other moneys, securities and funds hereby pledged or assigned, or which the Board may become bound to pledge or assign.

Section 8.3. Power to Issue Bonds and Pledge Trust Estate. The Board is duly authorized under all applicable laws to issue the Bonds, to incur the Purchaser Obligations and the Credit Provider Obligations, to execute and deliver this Indenture, to pledge the Pledged State Aid Revenues, the Pledged Taxes and other moneys, securities and funds pledged by this Indenture and to grant the lien granted by this Indenture thereon in the manner and to the extent provided in this Indenture. Except (i) for the parity claim on the Pledged State Aid Revenues of outstanding Alternate Bonds of the Board payable from Pledged State Aid Revenues and issued pursuant to the 2009 Authorization, including, but not limited to, the Prior Authorization Bonds and the Bonds, and (ii) as provided in Section 8.4(B) hereof with respect to future parity pledges of the Pledged State Aid Revenues, the Pledged State Aid Revenues, Pledged Taxes and other moneys, securities and funds so pledged, and subject to such liens, are and will be free and clear of any pledge, lien, charge or encumbrance thereon or with respect thereto prior to, or of equal rank with, the pledge and lien created by this Indenture, and all action on the part of the Board to that end has been and will be duly and validly taken. The Bonds, the Credit Provider Obligations and the provisions of this Indenture are and will be valid and legally enforceable obligations of the Board in accordance with their terms and the terms of this Indenture, except to the extent enforceability may be limited by bankruptcy, insolvency and other laws affecting conditions, rights or remedies and the availability of equitable remedies generally. The Board covenants that upon the date of issuance of any of the Bonds, all conditions, acts and things required by the Constitution and laws of the State of Illinois and this Indenture to exist, to have happened and to

have been performed precedent to or in the issuance of such Bonds shall exist, have happened and have been performed. The Board shall at all times, to the extent permitted by law, defend, preserve and protect the pledge of and lien on the Pledged State Aid Revenues, the Pledged Taxes and other moneys, securities and funds pledged under this Indenture and all the rights of the Owners in and to such the Pledged State Aid Revenues, Pledged Taxes and other moneys, securities and funds pledged under this Indenture against all claims and demands.

Section 8.4. Indebtedness and Liens; Obligations Payable from Pledged State Aid Revenues.

(A) Except as provided in paragraphs (B) and (C) of this Section 8.4, the Board shall not hereafter issue any bonds or other evidences of indebtedness, other than the Bonds and Credit Provider Obligations, which are secured by a pledge of or lien on the Pledged State Aid Revenues, the Pledged Taxes or the moneys, securities or funds held or set aside by the Board or by the Trustee under this Indenture, and shall not, except as expressly authorized in this Indenture, create or cause to be created any lien or charge on the Pledged State Aid Revenues, the Pledged Taxes or such moneys, securities or funds.

(B) The Board reserves the right to issue Additional Bonds from time to time payable from all or any portion of the Pledged State Aid Revenues available under the 2009 Authorization or any other source of payment which may be pledged under the Act, and any such Additional Bonds shall share ratably and equally in the Pledged State Aid Revenues available under the 2009 Authorization with the Bonds; provided, however, that no Additional Bonds shall be issued except in accordance with the provisions of the Act as in existence on the date of issuance of the Additional Bonds.

(C) The Board also reserves the right to issue bonds or other evidences of indebtedness payable from Pledged State Aid Revenues available under the 2009 Authorization subordinate to the Bonds. Such subordinate obligations will be paid from Pledged State Aid Revenues available under the 2009 Authorization available to the Board in each year in excess of those required to be deposited in the Pledged State Aid Revenues Account hereunder during such year.

Section 8.5. Covenants Regarding Pledged State Aid Revenues. Pursuant to the Act, the Board hereby covenants, so long as there are any Outstanding Bonds, to provide for, collect and apply the Pledged State Aid Revenues to the payment of the Bonds and the Swap Payments and the provision of not less than an additional .10 times debt service on the Prior Authorization Bonds and the Bonds. The Board and its officers will comply with all present and future applicable laws, including the provisions of Article 18 of the School Code as the same currently exist or may be from time to time amended, in order to assure that the Pledged State Aid Revenues may be allocated and paid to the Board for application as herein provided.

Section 8.6. Covenants Regarding Pledged Taxes.

(A) The Board has directed the County Collectors to deposit all collections of the Pledged Taxes, if and when extended for collection, directly with the Trustee for application in accordance with the provisions of this Indenture. As long as any of the Bonds remain Outstanding, the Board will not modify or amend such direction, except for such modifications or amendments as may be necessitated by changes in State law, procedures, rules or regulations thereunder with respect to the collection and distribution of *ad valorem* property taxes; provided, that no such modification or amendment shall provide for the deposit with the Trustee of less than all of the Pledged Taxes to be collected in any Year. The Board shall notify the Credit Provider of any such modification or amendment.

(B) As described in Section 5.4 hereof, the Board shall direct such abatement of the Pledged Taxes in whole or in part as may be required by said Section, and proper notification of any such abatement shall be filed with (i) the County Clerks, in a timely manner to effect such abatement, and (ii) the County Collectors, so as to advise such officers of the amount of the Pledged Taxes to be extended for the relevant levy year.

(C) As long as there are any Outstanding Bonds, the Board and its officers will comply with all present and future applicable laws in order to assure that the Pledged Taxes may be levied and extended and collected and deposited to the Pledged Taxes Account as described herein.

(D) In furtherance of the general obligation, full faith and credit promise of the Board to pay the principal and Redemption Price of and interest on the Bonds and to pay the Credit Provider Obligations, as described in Section 8.1(B) hereof, and in furtherance of the covenant of the Board to pay the Swap Payments, the Board will take all actions necessary to (i) cause the levy and extension of Pledged Taxes, including any Pledged Taxes required to be levied in excess of those levied pursuant to Section 3 of the Bond Resolution, for collection on a timely basis to make all such payments and (ii) to cause such Pledged Taxes when extended for collection to be deposited directly with the Trustee for application pursuant to this Indenture.

Section 8.7. Accounts and Reports. The Board shall keep proper books of record and account (separate from all other records and accounts) in which complete and correct entries shall be made of its transactions relating to the Pledged State Aid Revenues, the Pledged Taxes and the Funds, Accounts and Sub-Accounts established by this Indenture, and which, together with all other books and financial records of the Board, shall at all reasonable times be available for the inspection of the Trustee and the Owners of not less than twenty-five percent (25%) in aggregate principal amount of Outstanding Bonds or their representatives duly authorized in writing.

Section 8.8. Arbitrage. The Board shall not at any time permit any of the proceeds of the Bonds or any other funds of the Board to be used directly or indirectly to acquire any securities or obligations the acquisition of which would cause any Bond to be an "arbitrage bond" as defined in Section 148 of the Internal Revenue Code of 1986, as amended.

ARTICLE IX.

DEFAULTS AND REMEDIES

Section 9.1. Events of Default. Each of the following events is hereby declared to be an "Event of Default":

- (1) if a default shall occur in the due and punctual payment of interest on any Bond when and as such interest shall become due and payable;
- (2) if a default shall occur in the due and punctual payment of the principal or Redemption Price of any Bond when and as the same shall become due and payable, whether at maturity or by call for redemption;
- (3) if a default shall occur in the performance or observance by the Board of any other of the covenants, agreements or conditions in this Indenture or in the Bonds contained, and such default shall continue for a period of sixty (60) days after written notice thereof to the Board by the Trustee or the Credit Provider or after written notice thereof to the Board and to the Trustee by the Owners of not less than a majority in aggregate principal amount of the Outstanding Bonds, provided that if the nature of the default is such that it cannot be cured within the initial 60-day cure period but can be cured within an additional period of not to exceed 60 days from the end of the initial 60-day cure period, no event of default shall occur if the Board institutes corrective action within the initial 60-day cure period and diligently pursues such action until the default is corrected (provided such default is corrected within the additional 60-day period described above);
- (4) if the Board shall file a petition seeking a composition of indebtedness under the federal bankruptcy laws or under any other applicable law or statute of the United States of America or of the State of Illinois; or
- (5) if a Credit Facility is then held by the Trustee, receipt by the Trustee of a written notice from the applicable Credit Provider, within the time period set forth in the applicable Credit Facility, that an event of the type described in clause (i) or (ii) of Section 3.2(A) hereof has occurred and directing the Trustee to cause a mandatory tender of the Bonds pursuant to Section 3.2(A) hereof; or
- (6) during any Index Rate Period or Delayed Remarketing Period, receipt by the Trustee of written notice from the Purchaser that an event of default has occurred under the Continuing Covenant Agreement.

Section 9.2. Proceedings Brought by Trustee.

(A) If an Event of Default shall occur and shall not have been remedied, then and in every such case, the Trustee, by its agents and attorneys, may proceed, and upon identical written request of the Owners of not less than a majority in aggregate principal amount of the Bonds

Outstanding and upon being indemnified to its satisfaction shall proceed, to protect and enforce its rights and the rights of the Owners of the Bonds under the Bonds or this Indenture forthwith by a suit or suits in equity or at law, whether for the specific performance of any covenant herein contained, or in aid of the execution of any power herein granted, or for an accounting against the Board as if the Board were the trustee of an express trust, or in the enforcement of any other legal or equitable right as the Trustee, being advised by counsel, shall deem most effectual to enforce any of its rights or to perform any of its duties under this Indenture or enforce any of the rights or interests of the Owners of the Bonds under the Bonds or this Indenture.

(B) All rights of action (including without limitation, the right to file proof of claims) under this Indenture may be enforced by the Trustee without the possession of any of the Bonds or the production thereof in any suit or other proceeding, and any such suit or other proceeding instituted by the Trustee shall be brought in its name.

(C) All actions against the Board under this Indenture shall be brought in a state or federal court located in the State.

(D) The Owners of not less than a majority in aggregate principal amount of the Bonds at the time Outstanding, including Credit Provider Bonds, may direct the time, method and place of conducting any proceedings to be taken in connection with the enforcement of the terms and conditions of this Indenture or for the enforcement of any remedy available to the Trustee, or for the exercise any trust or power conferred upon the Trustee; *provided* that the Trustee shall have the right to decline to follow any such direction if the Trustee shall be advised by counsel that the action or proceeding so directed may not lawfully be taken, or if the Trustee in good faith shall determine that the action or proceeding so directed would involve the Trustee in personal liability or be unjustly prejudicial to the Owners not parties to such direction; and *provided, further*, that, if the Credit Provider has not failed to honor a properly presented and conforming drawing under the Credit Facility, (a) no such direction shall be followed by the Trustee without the prior written consent of the Credit Provider and (b) the Credit Provider may direct proceedings without any action by the Owners of any Bonds.

(E) Upon commencing any suit at law or in equity or upon commencement of other judicial proceedings by the Trustee to enforce any right under this Indenture, the Trustee shall be entitled to exercise any and all rights and powers conferred in this Indenture and provided to be exercised by the Trustee upon the occurrence of any Event of Default.

(F) Regardless of the happening of an Event of Default, the Trustee shall have power, but unless requested in writing by the Owners of a majority in aggregate principal amount of the Bonds then Outstanding and furnished with reasonable security and indemnity, shall be under no obligation to institute and maintain such suits and proceedings as may be necessary or expedient to prevent any impairment of the security under this Indenture and to preserve or protect its interests and the interest of the Owners and the Credit Provider.

(G) During the continuance of an Event of Default, the Trustee shall apply all moneys, securities, funds, Pledged State Aid Revenues and Pledged Taxes and the income therefrom as follows and in the following order:

- (1) to the payment of the reasonable and proper charges and expenses of the Trustee, including the reasonable fees and expenses of counsel employed by it; it being understood that payment of such charges and expenses shall not be made from the proceeds of any draw under the Credit Facility or any moneys already held for the payments of the principal of, interest on and or purchase price of Bonds that were not presented for payment when due.
- (2) to the payment of the principal of, Redemption Price and interest on the Bonds (including Credit Provider Bonds and Unremarketed Bonds) and Credit Provider Obligations then due, as follows:

FIRST: to the payment to the persons entitled thereto of all installments of interest then due on the Bonds and the portions of Credit Provider Obligations representing moneys drawn under the Credit Facility for the payment of interest, the order of the maturity of such installments, together with accrued and unpaid interest on the Bonds theretofore called for redemption, and, if the amount available shall not be sufficient to pay in full any installment or installments of interest maturing on the same date, then to the payment thereof ratably, according to the amounts due thereon, to the persons entitled thereto, without any discrimination or preference (provided, however, that no payment shall be made with respect to Bonds owned by the Board);

SECOND: to the payment to the persons entitled thereto of the unpaid principal or Redemption Price of any Bonds which shall have become due, whether at maturity or by call for redemption, in the order of their due dates and the portions of Credit Provider Obligations representing moneys drawn under the Credit Facility for the payment of principal, and, if the amount available shall not be sufficient to pay in full all the Bonds due on any date, then to the payment thereof ratably, according to the amounts of principal or Redemption Price due on such date, to the persons entitled thereto, without any discrimination or preference; and

- (3) THIRD: to the payment of Swap Payments.

(H) If and whenever all overdue installments of principal and Redemption Price of and interest on, Bonds, together with the reasonable and proper charges and expenses of the Trustee, and all other overdue sums payable by the Board under this Indenture, including the overdue principal and Redemption Price of and accrued unpaid interest on, all Bonds held by or for the account of the Board, any and all Credit Provider Obligations and any and all unpaid Swap Payments, or provision satisfactory to the Trustee shall be made for such payments, all defaults under this Indenture or the Bonds shall be made good or secured to the satisfaction of the Trustee or provision deemed by the Trustee to be adequate shall be made therefor, all amounts owed to the Credit Provider are paid in full and the Credit Facility shall be reinstated in full, the Trustee shall pay over to the Board all moneys, securities and funds then remaining unexpended in the hands of the Trustee (except moneys, securities and funds deposited or

pledged, or required by the terms of this Indenture to be deposited or pledged, with the Trustee), and thereupon the Board, the Trustee and the Owners shall be restored, respectively, to their former positions and rights under this Indenture. No such payment to the Board by the Trustee nor such restoration of the Board and the Trustee to their former positions and rights shall extend to or affect any subsequent default under this Indenture or impair any right consequent thereon.

(I) Whenever moneys are to be applied pursuant to the provisions of this Section, the Trustee may, in its discretion, establish and maintain a reserve for future fees and expenses, and may apply moneys to be distributed 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 funds, it shall fix a date upon which such application is to be made and upon such date interest on the amounts of principal to be paid on such dates, and for which moneys are available, shall cease to accrue. The Trustee shall also select a Record Date for such payment date. The Trustee shall give such notice as it may deem appropriate of the deposit with it of any moneys and of the fixing of any such Record Date and payment date, and shall not be required to make payment to the Owner of any Bond until such Bond shall be presented to the Trustee for appropriate endorsement or for cancellation if fully paid.

(J) Under no circumstance may the Trustee declare the principal of or interest on the Bonds or the Credit Provider Obligations to be due and payable prior to the Maturity Date following the occurrence of an Event of Default under this Indenture.

Notwithstanding anything in this Indenture to the contrary, the Trustee on behalf of the Owners of Bonds shall have the absolute right at all times to enforce the provisions of the Credit Facility without any requirement of consent from the Credit Provider.

Section 9.3. Restriction on Owners' Actions.

(A) No Owner of any Bond shall have any right to institute any suit or proceeding at law or in equity for the enforcement or violation of any provision of this Indenture or the execution of any trust under this Indenture or for any remedy under this Indenture, unless such Owner shall have previously given to the Trustee written notice of the happening of an Event of Default, as provided in this Article, and the Owners of at least a majority in aggregate principal amount of the Bonds then Outstanding shall have filed a written request with the Trustee, and shall have offered it reasonable opportunity either to exercise the powers granted in this Indenture or by the laws of Illinois or to institute such suit or proceeding in its own name, and unless such Owners shall have offered to the Trustee adequate security and indemnity against the costs, expenses and liabilities to be incurred therein or thereby, and the Trustee shall have refused or failed to comply with such request within sixty (60) days after receipt by it of such notice, request and offer of indemnity, it being understood and intended that no one or more Owners of Bonds shall have any right in any manner whatever by its or their action to affect, disturb or prejudice the pledge created by this Indenture or to enforce any right under this Indenture, except in the manner herein provided; and that all proceedings at law or in equity to enforce any provision of this Indenture shall be instituted, had and maintained in the manner provided in this Indenture and for the equal benefit of all Owners of the Outstanding Bonds.

(B) Nothing in this Indenture or in the Bonds contained shall affect or impair the general obligation, full faith and credit promise of the Board to pay at the respective dates of maturity and places therein expressed the principal of and interest on the Bonds to the respective Owners thereof, or affect or impair the right of action of any Owner to enforce such payment of its Bond from the sources provided herein.

Section 9.4. Remedies Conferred By The Act. The Board and the Trustee each acknowledge that Section 15(e) of the Act provides that all covenants of the Board relating to the issuance of the Bonds as alternate bonds pursuant to Section 15 of the Act and the conditions and obligations imposed by said Section 15 are enforceable by any Owner of the Bonds, any taxpayer of the Board and the people of the State of Illinois acting through the Attorney General of the State or any designee, and in the event that any such action results in an order finding that the Board has not properly collected and applied the Pledged State Aid Revenues as required by the Act, the plaintiff in any such action shall be awarded reasonable attorney's fees.

Section 9.5. Remedies Not Exclusive. No remedy by the terms of this Indenture conferred upon or reserved to the Trustee or the Owners is intended to be exclusive of any other remedy, but each remedy shall be cumulative and shall be in addition to every other remedy given under this Indenture or existing at law or in equity or by statute on or after the date of the execution and delivery of this Indenture.

Section 9.6. Effect of Waiver and Other Circumstances.

(A) No delay or omission of the Trustee or any Owner to exercise any right or power arising upon the happening of an Event of Default shall impair any right or power or shall be construed to be a waiver of any such Event of Default or be an acquiescence therein.

(B) The Owners of not less than two-thirds in aggregate principal amount of the Bonds at the time Outstanding, or their attorneys-in-fact duly authorized may on behalf of the Owners of all of the Bonds waive any past default under this Indenture and its consequences, except a default in the payment of interest on or principal or Redemption Price of any of the Bonds when due. No such waiver shall be effective unless all Credit Provider Obligations have been paid in full and the Credit Facility has been reinstated to its full applicable amount. No such waiver shall extend to any subsequent or other default or impair any right consequent thereon.

(C) Neither the Trustee nor the Owners of less than all of the Bonds then Outstanding shall waive, rescind or annul any Event of Default or its consequences if a Credit Facility is then in effect to which such Event of Default relates or Credit Provider Obligations remain outstanding with respect thereto unless the Trustee has received written confirmation from the applicable Credit Provider that (i) such Event of Default has been rescinded, (ii) the Credit Facility will not be terminated as a result of such Event of Default and (iii) such Credit Facility has been reinstated in full.

ARTICLE X.

REGARDING THE FIDUCIARIES AND REMARKETING AGENT

Section 10.1. Trustee and Trustee's Agent; Appointment and Acceptance of Duties.

(A) The Trustee hereby accepts and agrees to the trusts hereby created, but only upon the additional terms set forth in this Article, to all of which the Board agrees and the respective Owners of the Bonds, by their purchase and acceptance thereof, agree. Except during the continuance of an Event of Default, the Trustee undertakes such duties and only such duties as are specifically set forth in this Indenture. The Trustee and the Trustee's Agent shall have no lien or security interest in and to the proceeds of the Credit Facility, or the proceeds of remarketed Bonds, for the purpose of paying the fees or expenses of the Trustee and the Trustee's Agent and shall not use such amounts for such purpose. The Trustee shall draw on the Credit Facility, when required, whether or not its fees and expenses have been fully paid in order to provide for the payment of interest on and principal of the Bonds when due (whether at maturity or upon mandatory sinking fund redemption) or the payment of the purchase price of Bonds tendered for purchase hereunder. Notwithstanding any provision of this Indenture to the contrary, including Sections 10.10 and 10.11 hereof, the Trustee may not resign or be removed until a successor Trustee shall have been appointed as herein provided, and the Credit Facility duly and effectively transferred to such successor Trustee.

(B) The Trustee may, and, if the Bonds bear interest at an Index Rate or a Short Rate or are Unremarketed Bonds and are no longer registered in the name of a nominee of a Securities Depository, shall, appoint a Trustee's Agent with power to act on its behalf and subject to its direction (i) in the authentication, registration and delivery of Bonds in connection with transfers and exchanges hereunder, as fully to all intents and purposes as though such Trustee's Agent had been expressly authorized by this Indenture to authenticate, register and deliver Bonds, (ii) for effecting purchases and sales of Bonds pursuant hereto and accepting deliveries of Bonds, making deliveries of Bonds and holding Bonds pursuant hereto, and (iii) in the making of draws and accepting notice of reinstatements under the Credit Facility, including in the case of clauses (ii) and (iii) the establishment of required trust accounts in the name and on behalf of the Trustee. The foregoing notwithstanding, the Trustee need not appoint a Trustee's Agent for as long as (a) Bonds are in an Index Mode or during a Delayed Remarketing Period or (ii) the Trustee or an affiliate shall have an office in New York, New York capable of handling the duties of Trustee's Agent hereunder. Any Trustee's Agent appointed pursuant to this Section shall evidence its acceptance by a certificate filed with the Trustee and the Board. Any Trustee's Agent may resign or be replaced in accordance with the terms of the written agreement between the Trustee and the Trustee's Agent setting forth the duties and obligations of the Trustee's Agent. For all purposes of this Indenture, the authentication, registration and delivery of Bonds by or to any Trustee's Agent pursuant to this Section shall be deemed to be the authentication, registration and delivery of Bonds "by or to the Trustee." Such Trustee's Agent shall at all times be a bank having an office in New York, New York (unless the Bonds are in an Index Mode or are Unremarketed Bonds), and shall at all times be a corporation organized and doing business under the laws of the United States or of any state with combined capital and surplus of at least \$15,000,000 and authorized under such laws to exercise corporate trust powers and subject to supervision or examination by Federal or state authority. If such corporation publishes reports of condition at least annually pursuant to law or the requirements of such authority, then for the purposes of this Section the combined capital and surplus of such corporation shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so

published. Any Trustee's Agent appointed hereunder shall also be a Paying Agent for purposes of this Indenture and, as such, is subject to the provisions of Section 10.16 of this Indenture relating to the resignation and removal of Paying Agents and the appointment of successors.

Section 10.2. Paying Agents; Appointment and Acceptance of Duties.

(A) The Trustee is hereby appointed Paying Agent for the Bonds. The Board may at any time or from time to time appoint one or more other Paying Agents having the qualifications set forth in Section 10.16 for a successor Paying Agent.

(B) The Trustee hereby accepts the duties and obligations imposed upon it as Paying Agent by this Indenture. Each other Paying Agent shall signify its acceptance of the duties and obligations imposed upon it by this Indenture by executing and delivering to the Board and to the Trustee a written acceptance thereof.

Section 10.3. Registrar; Appointment and Acceptance of Duties.

(A) The Trustee is hereby appointed Registrar for the Bonds. The Board may at any time or from time to time appoint one or more other Registrars having the qualifications set forth in Section 10.17 for a successor Registrar.

(B) The Trustee hereby accepts the duties and obligations imposed upon it as Registrar by this Indenture. Each other Registrar shall signify its acceptance of the duties and obligations imposed upon it by this Indenture by executing and delivering to the Board and to the Trustee a written acceptance thereof.

Section 10.4. Remarketing Agent. The Board shall designate one or more Remarketing Agents for the purposes of determining the interest rate on the Bonds in a Short Mode and the Applicable Factor and Applicable Spread on the Bonds in an Index Mode, subject to the conditions set forth in Section 10.5 and 2.2(G) hereof, and for the purpose of remarketing the Bonds as provided herein. Each Remarketing Agent shall designate to the Trustee its Delivery Office and signify its acceptance of the duties and obligations imposed upon it hereunder by execution and delivery of a Remarketing Agreement or other written instruments of acceptance delivered to the Board and the Trustee.

Section 10.5. Qualifications of Remarketing Agent. Each Remarketing Agent shall be (i) a member of the Financial Industry Regulatory Authority, having a capitalization or access to capital of at least \$15,000,000 and (ii) authorized by law to perform all the duties imposed upon it by this Indenture and any Remarketing Agreement. Notwithstanding the foregoing, a Remarketing Agent acting solely to reset the Index Rate for a new Index Rate Period at an Index Rate Purchase Date need not meet such requirements and need only be a municipal advisor, investment bank or commercial bank.

The Board may remove the Remarketing Agent upon 30 days written notice. The Remarketing Agent may resign upon 30 days' notice, but such resignation shall not be effective unless the Board has appointed a replacement. In the event of the resignation or removal of a Remarketing Agent, such Remarketing Agent shall pay over, assign and deliver any moneys and Bonds held by it in such capacity to its successor or, if there be no successor, to the Trustee.

Section 10.6. Responsibilities of Fiduciaries.

(A) The recitals of fact herein and in the Bonds contained shall be taken as the statements of the Board and no Fiduciary assumes any responsibility for the correctness of the same. No Fiduciary makes any representations as to the validity or sufficiency of this Indenture or of any Bonds issued hereunder or as to the security afforded by this Indenture, and no Fiduciary shall incur any liability in respect thereof. The Trustee shall, however, be responsible for any representation contained in its certificate on the Bonds. No Fiduciary shall be under any responsibility or duty with respect to the application of any moneys paid to the Board or to any other Fiduciary. No Fiduciary shall be under any obligation or duty to perform any act which would involve it in expense or liability or to institute or defend any suit in respect hereof, or to advance any of its own moneys, unless properly indemnified to its reasonable satisfaction. Subject to the provisions of paragraph (B) of this Section, no Fiduciary shall be liable in connection with the performance of its duties hereunder except for its own negligence or willful misconduct.

(B) In case an Event of Default has occurred and has not been remedied, the Trustee shall exercise such of the rights and powers vested in it by this Indenture, and shall use the same degree of care and skill in their exercise as a prudent person would exercise or use under the circumstances in the conduct of his or her own affairs. Any provision of this Indenture relating to action taken or to be taken by the Trustee, any other capacity the Trustee may serve hereunder or to evidence upon which the Trustee may rely shall be subject to the provisions of this Section.

(C) The Trustee is under no obligation to exercise any of the rights or powers vested in it by this Indenture at the request or direction of any of the Owners of the Bonds unless such Owners have offered to the Trustee security or indemnity satisfactory to the Trustee as to its terms, coverage, duration, amount and otherwise with respect to the costs, expenses and liabilities which may be incurred by it in compliance with such request or direction, and the provision of such indemnity shall be mandatory for any remedy taken upon direction of the Owners of 25% in aggregate principal amount of the Bonds.

(D) The Trustee is not required to make any inquiry or investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, approval, bond, debenture or other paper or document but the Trustee, in its discretion, may make such further inquiry or investigation into such facts or matters as it may see fit and, if the Trustee determines to make such further inquiry or investigation, it is entitled to examine the books, records and premises of the Board, in person or by agent or attorney.

(E) The Trustee may execute any of its trusts or powers or perform any duties under this Indenture either directly or by or through agents or attorneys, and may in all cases pay, subject to reimbursement as provided in this Indenture, such reasonable compensation as it deems proper to all such agents and attorneys reasonably employed or retained by it.

(F) Notwithstanding the effective date of this Indenture or anything to the contrary in this Indenture, the Trustee shall have no liability or responsibility for any act or event relating to

this Indenture which occurs prior to the date the Trustee formally executes this Indenture and commences acting as Trustee hereunder.

(G) The Trustee shall have no responsibility with respect to any information, statement or recital in any official statement, offering memorandum or any other disclosure material prepared or distributed with respect to the Bonds, except for any information provided by the Trustee, and shall have no responsibility for compliance with any state or federal securities laws in connection with the Bonds.

(H) Notwithstanding anything contained herein to the contrary, the Trustee may not require indemnity as a condition (i) to drawing on the Credit Facility or the Liquidity Facility then in effect, (ii) to cause and give notices of the mandatory tender of Bonds, (iii) to call Bonds for mandatory sinking fund redemption or (iv) to pay purchase price, principal of or interest on the Bonds as the same shall become due.

Section 10.7. Evidence on Which Fiduciaries May Act.

(A) Each Fiduciary shall be protected in acting or refraining from acting upon any notice, resolution, request, consent, order, certificate, report, opinion (including a Counsel's Opinion), bond or other paper or document furnished to it pursuant to and conforming to the requirements of this Indenture, and believed by it to be genuine and to have been signed or presented by the proper party or parties.

(B) Whenever any Fiduciary shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action under this Indenture, such matter (unless this Indenture specifically requires other evidence thereof) may be deemed to be conclusively proved and established by a certificate of a Designated Official, but in its discretion the Fiduciary may in lieu thereof accept other evidence of such fact or matter or may require such further or additional evidence as it may deem reasonable.

(C) Except as otherwise expressly provided in this Indenture, any request, order, notice or other direction required or permitted to be furnished by the Board to any Fiduciary shall be sufficiently executed if signed by a Designated Official.

(D) The Trustee may consult with counsel and the written advice of such counsel or an Opinion of Counsel shall be full and complete authorization and protection for any action taken, suffered or omitted by it in good faith and in accordance with such advice or opinion.

(E) In the event the Trustee receives inconsistent or conflicting requests and indemnity from two or more groups of Owners of Bonds, each representing less than a majority in aggregate principal amount of the Bonds Outstanding, pursuant to the provision of this Indenture, the Trustee, in its sole discretion, may determine what actions, if any, shall be taken.

(F) The Trustee shall have the right to accept and act upon instructions or directions pursuant to this Indenture sent by unsecured e-mail, facsimile transmission or other similar unsecured electronic methods, provided, however, that the Board shall provide to the Trustee an incumbency certificate listing designated persons with the authority to provide such instructions and containing specimen signatures of such designated persons, which incumbency certificate

shall be amended whenever a person is to be added or deleted from the listing. The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee's reliance upon and compliance with such instructions notwithstanding such instructions conflict or are inconsistent with a subsequent written instruction. The Board agrees to assume all risks arising out of the use of such electronic methods to submit instructions and directions to the Trustee, including without limitation the risk of the Trustee acting on unauthorized instructions, and the risk of interception and misuse by third parties.

Section 10.8. Compensation. Unless otherwise determined by contract between the Board and each Fiduciary, the Board shall pay to each Fiduciary from time to time reasonable compensation as may be mutually agreed upon by the Board and the Fiduciary for all services rendered under this Indenture. The Board shall pay each Fiduciary for any extraordinary services or expenses performed or incurred by the Trustee in connection with its duties under this Indenture if notified in writing prior to the performance of those services or the incurring of those expenses so as to allow the Board to appropriate sufficient funds for their payment.

Section 10.9. Certain Permitted Acts. Any Fiduciary or Remarketing Agent may become the Owner of any Bonds, with the same rights it would have if it did not act in any capacity hereunder. To the extent permitted by law, any Fiduciary may act as depositary for, and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of Owners or to effect or aid in any reorganization growing out of the enforcement of the Bonds or this Indenture, whether or not any such committee shall represent the Owners of a majority in aggregate principal amount of the Bonds then Outstanding.

Section 10.10. Resignation of Trustee. The Trustee may at any time resign and be discharged of the duties and obligations imposed upon it by this Indenture by giving not less than sixty (60) days' written notice to the Board, all Owners of the Bonds, the other Fiduciaries, the Remarketing Agent and the Credit Provider, and such resignation shall take effect upon the day specified in such notice but only if a successor shall have been appointed by the Board or the Owners as provided in Section 10.12 and shall have accepted such appointment, in which event such resignation shall take effect immediately on the acceptance of such appointment by such successor whether or not the date specified for such resignation to take effect has arrived. If a successor Trustee shall not have been appointed and accepted such appointment within a period of sixty (60) days following the giving of notice, then the Trustee, at the expense of the Board, shall be authorized to petition any court of competent jurisdiction to appoint a successor Trustee as provided in Section 10.12 hereof.

Section 10.11. Removal of Trustee; Consent of Owners. The Trustee may be removed at any time, with the approval of the Credit Provider, by an instrument in writing approved by and executed in the name of the Board and delivered to the Trustee; provided, however, that if an Event of Default shall have occurred and be continuing, the Trustee may be so removed by the Board only with the written concurrence of the Owners of a majority in aggregate principal amount of Bonds then Outstanding (excluding Bonds held by or for the account of the Board). The Trustee may be removed at any time by the Owners of a majority in aggregate principal amount of the Bonds then Outstanding, excluding any Bonds held by or for the account of the Board, by an instrument or concurrent instruments in writing signed and duly

acknowledged by such Owners or their attorneys-in-fact duly authorized, and delivered to the Board. Copies of each such instrument shall be delivered by the Board to each Fiduciary, the Remarketing Agent and the Credit Provider.

Section 10.12. Appointment of Successor Trustee.

(A) In case at any time the Trustee shall resign, be removed or become incapable of acting, or shall be adjudged a bankrupt or insolvent, or if a receiver, liquidator or conservator of the Trustee, or of its property, shall be appointed, or if any public officer or court shall take charge or control of the Trustee, or of its property or affairs, the Board, with the approval of the Purchaser during an Index Mode or Delayed Remarketing Period and the Credit Provider, if applicable, shall appoint a successor Trustee. The Board shall cause notice of any such appointment made by it to be mailed to all Owners of the Bonds and the Credit Provider.

(B) If no appointment of a Trustee shall be made by the Board within sixty (60) days following such resignation or removal pursuant to the foregoing provisions of this Section 10.12, the Trustee or the Owner of any Bond Outstanding hereunder may apply to any court of competent jurisdiction to appoint a successor Trustee. Such court may thereupon, after such notice, if any, as such court may deem proper and prescribe, appoint a successor Trustee.

(C) Any Trustee appointed under the provisions of this Section in succession to the Trustee shall be a bank or trust company or national bank association, doing business and having a corporate trust office in the State of Illinois, and having capital stock and surplus aggregating at least \$15,000,000, or shall be a wholly-owned subsidiary of such an entity, if there be such a bank, trust company, national banking association or subsidiary willing and able to accept the office on reasonable and customary terms and authorized by law to perform all the duties imposed upon it by this Indenture.

(D) Notwithstanding any of the provisions of this Article X to the contrary concerning the resignation or removal of the Trustee or the appointment of a successor Trustee, no such resignation, removal or appointment shall be effective until the successor Trustee accepts its appointment pursuant to the terms of Section 10.13 hereof. Concurrently with such acceptance of appointment by the successor Trustee, the Credit Provider shall issue and deliver to the successor Trustee (i) a substitute Credit Facility in substantially the same form as the existing Credit Facility, but in favor of the successor Trustee, whereupon the retiring Trustee shall simultaneously return the Credit Facility then held by it to the Credit Provider for cancellation, or (ii) an amendment to the existing Credit Facility, evidencing transfer thereof in all respects to the successor Trustee, to the extent permitted by law and by the terms of the Credit Facility.

Section 10.13. Transfer of Rights and Property to Successor Trustee. Any successor Trustee appointed under this Indenture shall execute, acknowledge and deliver to its predecessor Trustee, the Credit Provider and also to the Board, an instrument accepting such appointment, and thereupon such successor Trustee, without any further act, deed or conveyance, shall become fully vested with all moneys, estates, properties, rights, powers, duties and obligations of such predecessor Trustee; but the predecessor Trustee shall nevertheless, on the written request of the Board or of the successor Trustee, execute, acknowledge and deliver such instruments of conveyance and further assurances and do such other things as may reasonably be

required for more fully and certainly vesting and confirming in such successor Trustee all its right, title and interest in and to any property held by it under this Indenture, and shall pay over, assign and deliver to the successor Trustee any money or other property subject to the trusts and conditions herein set forth. Should any deed, conveyance or instrument from the Board be required by such successor Trustee for more fully and certainly vesting in and confirming to such successor Trustee any such moneys, estates, properties, rights, powers and duties, such deed, conveyance or instrument shall be executed, acknowledged and delivered by the Board. Any such successor Trustee shall promptly notify any other Paying Agent or Registrar of its appointment as Trustee.

Section 10.14. Merger or Consolidation. Any company into which any Fiduciary may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which all or substantially all of the corporate trust business of any Fiduciary may be sold or transferred, shall be the successor to such Fiduciary and be bound to the obligations and duties of such Fiduciary hereunder without the execution or filing of any paper or the performance of any further act, unless such successor delivers written notice of its resignation pursuant to the provisions of this Article; provided, however, that such company shall be a bank or trust company organized under the laws of any state of the United States or a national banking association and shall be authorized by law to perform all the duties imposed upon it by this Indenture.

Section 10.15. Adoption of Authentication. In case any of the Bonds shall have been authenticated but not delivered, any successor Trustee may adopt the certificate of authentication of any predecessor Trustee so authenticating such Bonds and deliver such Bonds so authenticated; and in case any of the said Bonds shall not have been authenticated, any successor Trustee may authenticate such Bonds in the name of the predecessor Trustee or in its own name.

Section 10.16. Resignation or Removal of Paying Agent and Appointment of Successor.

(A) Any Paying Agent may at any time resign and be discharged of the duties and obligations imposed upon it by this Indenture by giving at least sixty (60) days' written notice to the Board, the other Fiduciaries, the Remarketing Agent and the Credit Provider, and such resignation shall take effect upon the day specified in such notice but only if a successor shall have been appointed as provided herein. Any Paying Agent appointed by the Board may be removed at any time by an instrument signed by a Designated Official and filed with such Paying Agent and the Trustee. The Trustee may at any time terminate the agency of any Paying Agent appointed by it pursuant to Section 10.1(B) by giving written notice of such termination to such Paying Agent, the Remarketing Agent, the Credit Provider and the Board. Upon receiving such a notice of resignation or upon such a termination, or in case at any time such Paying Agent shall cease to be eligible under this Section, the Trustee shall promptly appoint a successor Paying Agent, shall give written notice of such appointment to the Board, the Remarketing Agent and the Credit Provider, and shall mail notice of such appointment to all Owners of Bonds. Any successor Paying Agent shall be appointed by the Board and shall be a bank with trust powers or a trust company organized under the laws of any state of the United States or a national banking association, having capital stock and surplus aggregating at least \$15,000,000, or shall be a wholly-owned subsidiary of such an entity, willing and able to accept the office on reasonable

and customary terms and authorized by law to perform all the duties imposed upon it by this Indenture.

(B) In the event of the resignation or removal of any Paying Agent, such Paying Agent shall pay over, assign and deliver any moneys held by it as Paying Agent to its successor, or if there be no successor, to the Trustee and shall be subject to audit of all of its books, records and accounts with respect to the Bonds. In the event that for any reason there shall be a vacancy in the office of any Paying Agent, the Trustee shall act as such Paying Agent.

Section 10.17. Resignation or Removal of Registrar and Appointment of Successor.

(A) Any Registrar may at any time resign and be discharged of the duties and obligations imposed upon it by this Indenture by giving at least sixty (60) days' written notice to the Board, the other Fiduciaries, the Remarketing Agent and the Credit Provider, and such resignation shall take effect upon the day specified in such notice but only if a successor shall have been appointed as provided herein. Any Registrar may be removed at any time by an instrument signed by a Designated Official and filed with such Registrar and the Trustee. Any successor Registrar shall be appointed by the Board and shall be a bank, trust company or national banking association doing business and having an office in the State of Illinois or in the Borough of Manhattan, in the City and State of New York, if there be such a bank, trust company or national banking association willing and able to accept the office on reasonable and customary terms and authorized by law to perform all the duties imposed upon it by this Indenture.

(B) In the event of the resignation or removal of any Registrar, such Registrar shall deliver all books, records and other property including the bond register of the Board to its successor, or if there be no successor, to the Trustee. In the event that for any reason there shall be a vacancy in the office of any Registrar, the Trustee shall act as such Registrar.

Section 10.18. Trustee Not Deemed to Have Notice of Default. The Trustee shall not be deemed to have notice of any default hereunder except a default under Section 9.1(1), (2) or (3) hereof unless any officer in its corporate trust office shall have actual knowledge thereof or the Trustee shall be specifically notified in writing of such default by the Board, the Credit Provider, the Purchaser or by the Owners of not less than a majority in principal amount of the Bonds Outstanding; and all notices or other instruments required by this Indenture to be delivered to the Trustee must, in order to be effective, be delivered at the corporate trust office of the Trustee.

Section 10.19. Monthly Report by Trustee. Within twenty (20) days after the end of each calendar month, the Trustee shall prepare a written report for each Fund, Account and Sub-Account held by it pursuant to the provisions of this Indenture. Such report shall set out the receipts and disbursements, both principal and income, and shall list the Investment Securities held by the Trustee at the end of the month. A copy of each such report shall be furnished to the Board and any persons designated by the Board.

In addition, the Trustee shall, at any time when requested, furnish to the Board and any persons designated by the Board a report of the amount of moneys, including Investment

Securities, held in each Fund, Account or Sub-Account by the Trustee. For purposes of this certification, the Investment Securities in each such Fund, Account and Sub-Account shall be treated as having a value equal to their aggregate market value as of the date of the request.

Section 10.20. Notice to Rating Services. The Trustee hereby agrees that if at any time (i) the Board redeems any portion of the Bonds outstanding hereunder prior to their Maturity Date, including, without limitation, pursuant to Section 3.10(D), (ii) the Board provides for the payment of any portion of the Bonds pursuant to Section 13.1 hereof, (iii) a successor Trustee or Paying Agent is appointed, (iv) any supplement to this Indenture, the Reimbursement Agreement, the Credit Facility or the Custody Agreement, if any, shall become effective, or any party thereto shall waive any provision of this Indenture, (v) any change in the Remarketing Agent occurs, (vi) any Fixed Rate Conversion Date occurs, (vii) a Flexible Mode or Term Rate Mode is established, (viii) the Credit Facility then in effect expires or terminates or an Alternate Credit Facility is delivered, (ix) the Stated Termination Date of the Credit Facility is changed, (x) the Interest Mode for any Bonds is changed or (x) any mandatory tender of the Bonds, then, in each case, the Trustee shall give notice thereof to each of the Rating Services having applied its ratings to the Bonds.

In addition to all other notices required to be given to the Rating Agencies hereunder, the Board shall provide to the Ratings Services any information reasonably requested by the Ratings Services in order to maintain the then current ratings, if any, on the Bonds.

ARTICLE XI.

SUPPLEMENTAL INDENTURES

Section 11.1. Supplemental Indentures Not Requiring Consent of Owners. The Board and the Trustee may without the consent of, or notice to, any of the Owners (other than notice to and consent of the Purchaser when the Bonds are in an Index Mode or during a Delayed Remarketing Period), enter into a Supplemental Indenture or Supplemental Indentures as shall not be inconsistent with the terms and provisions hereof for any one or more of the following purposes:

- (1) to impose additional covenants or agreements to be observed by the Board;
- (2) to impose other limitations or restrictions upon the Board;
- (3) to surrender any right, power or privilege reserved to or conferred upon the Board by this Indenture;
- (4) to confirm, as further assurance, any pledge of or lien upon the Pledged State Aid Revenues, the Pledged Taxes or any other moneys, securities or funds;
- (5) to make any necessary amendments to or to supplement this Indenture in connection with the issuance of Additional Bonds as authorized herein;

- (6) to cure any ambiguity, omission or defect in this Indenture;
- (7) to provide for the appointment of a successor Securities Depository;
- (8) to provide for the appointment of any successor Fiduciary;
- (9) to provide for certificated Bonds;
- (10) to implement a conversion of the interest rate on all or any portion of the Bonds to a Fixed Rate or a different Short Rate, all as provided herein, including, but not limited to, modifying, amending or supplementing the form of Bond to reflect, among other things, a change in the designated title of the Bonds, the fixing of an annual rate of interest, the termination of the rights of any Owner of Bonds to tender such Bonds for purchase, and the fact that the purchase price of, or interest on, the Bonds is no longer payable out of moneys drawn under the Credit Facility;
- (11) to evidence or give effect to, or facilitate, the delivery and administration under this Indenture of an Alternate Credit Facility or a Liquidity Facility;
- (12) to evidence or give effect to or facilitate the delivery and administration under this Indenture of a letter of credit, a line of credit, a bond purchase agreement, an insurance policy or any other credit or liquidity device to secure the Bonds;
- (13) to secure or maintain ratings from any Rating Service in the highest short-term or commercial paper debt rating category, and the highest long-term debt rating category (each without giving effect to numeric or other qualifiers), of such Rating Service which are available for the Bonds, whether or not a Liquidity Facility secures the Bonds, which changes will not restrict, limit or reduce the obligation of the Board to pay the principal of, premium, if any, and interest on the Bonds as provided in this Indenture or otherwise adversely affect the Owners of the Bonds under this Indenture;
- (14) to effect a change in the optional redemption schedule for Bonds in a Fixed Mode pursuant to Section 3.10(A)(ii) hereof, or to effect a change in Redemption Price in accordance with Section 3.10(D) hereof; and
- (15) to make any other change which, in the judgment of the Trustee, does not materially adversely affect the rights of the Trustee or the Owners.

Section 11.2. Supplemental Indentures Effective Upon Consent of Owners. Any Supplemental Indenture not effective in accordance with Section 11.1 shall take effect only if permitted and approved and in the manner prescribed by Article XII.

Section 11.3. Filing of Counsel's Opinion. Each Supplemental Indenture described in Section 11.1 shall be accompanied, when filed with the Trustee, by a Counsel's Opinion to the

effect that such Supplemental Indenture has been duly authorized by the Board in accordance with the provisions of this Indenture, is authorized or permitted by this Indenture and, when executed and delivered, will be valid and binding upon the Board, the Owners and the Trustee.

Section 11.4. Consent of Credit Provider Required.

As long as (i) a Credit Facility is in effect or any Credit Provider Bonds are outstanding, or (ii) the Credit Provider Obligations remain unsatisfied, any Supplemental Indenture not effective in accordance with Section 11.1 shall not become effective unless and until the Trustee shall have received written approval of the Credit Provider. In this regard, the Trustee, at the Board's direction, shall cause notice of the proposed execution of any such Supplemental Indenture, together with a copy of the proposed Supplemental Indenture, to be mailed to the Credit Provider at least fifteen (15) Business Days prior to the proposed date of execution and delivery of such Supplemental Indenture. In addition, the Board shall provide the Credit Provider with notice of any Supplemental Indenture effective in accordance with Section 11.1 promptly upon its execution and delivery.

ARTICLE XII.

AMENDMENTS

Section 12.1. Mailing. Any provision in this Article for the mailing of a notice or other information to Owners shall be fully complied with if it is mailed by first class mail, postage prepaid or delivered, or with respect to Bonds in the Short Mode, facsimile transmission, to each Owner of Bonds then Outstanding at its address, if any, appearing upon the registration books of the Board kept by the Trustee.

Section 12.2. Powers of Amendment. Exclusive of Supplemental Indentures covered by Section 11.1 hereof and subject to the terms and provisions contained in Section 11.4 hereof and in this Section 12.2, and not otherwise, the Owners of not less than a majority in aggregate principal amount of the Bonds then Outstanding and the Credit Provider shall each have the right, from time to time, to (i) consent to and approve the execution by the Board and the Trustee of such other indenture or indentures supplemental hereto as shall be deemed necessary and desirable by the Board for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in this Indenture or in any supplemental indenture, or (ii) waive or consent to the taking by the Board of any action prohibited, or the omission by the Board of the taking of any action required, by any of the provisions of this Indenture or of any indenture supplemental hereto; provided, however, that nothing in this Section 12.2 or in Section 11.1 hereof contained shall permit or be construed as permitting, (a) an extension of the stated maturity or reduction in the principal amount or reduction in the rate or extension of the time of paying of interest on, or reduction of any premium payable on the payment or redemption of any Bond, or a change in the required date of purchase or purchase price of any Tendered Bond, without the consent of the Owner of such Bond, (b) a reduction in the amount of, or extension of the time of, any payment required by any sinking fund applicable to any Bonds without the consent of the Owners of all the Bonds which would be affected by the action to be taken, (c) except for the pledge of the Pledged State Aid Revenues in connection with the issuance of Additional Bonds, the creation of any lien prior to

or on a parity with the lien of this Indenture, without the consent of the Owners of all the Bonds at the time Outstanding, (d) a reduction in the aforesaid aggregate principal amount of Bonds, the Owners of which are required to consent to any such waiver or Supplemental Indenture, without the consent of the Owners of all the Bonds at the time Outstanding which would be affected by the action to be taken, or (e) a modification of the rights, duties or immunities of the Trustee, without the written consent of the Trustee, or (f) the loss of the exclusion from federal gross income of the Owners of the interest paid on the Bonds held by a non-consenting Owner to the extent otherwise afforded under the Code and Regulations.

Section 12.3. Consent of Owners. The Board may at any time authorize the execution and delivery of a Supplemental Indenture making a modification or amendment permitted by the provisions of Section 12.2, to take effect when and as provided in this Section. Upon the authorization of such Supplemental Indenture, a copy thereof shall be delivered to and held by the Trustee for the inspection of the Owners. A copy of such Supplemental Indenture (or summary thereof or reference thereto in form approved by the Trustee) together with a request to Owners and the Credit Provider for their consent thereto in form satisfactory to the Trustee, shall be mailed to the Owners and to the Credit Provider, but failure to mail such copy and request shall not affect the validity of such Supplemental Indenture when consented to as in this Section provided. Such Supplemental Indenture shall not be effective unless and until, and shall take effect in accordance with its terms when (a) there shall have been filed with the Trustee (i) the written consents of the (A) Owners of the required aggregate principal amount of Outstanding Bonds and (B) the Credit Provider, and (ii) a Counsel's Opinion stating that the execution and delivery of such Supplemental Indenture has been duly authorized by the Board in accordance with the provisions of this Indenture, is authorized or permitted by this Indenture and, when effective, will be valid and binding upon the Board and the Trustee, and (b) a notice shall have been mailed as hereinafter in this Section provided. A certificate or certificates by the Trustee delivered to the Board that consents have been given by the Owners of the Bonds described in such certificate or certificates of the Trustee shall be conclusive. Any such consent shall be binding upon the Owner of the Bonds giving such consent and upon any subsequent Owner of such Bonds and of any Bonds issued in exchange therefor or replacement thereto whether or not such subsequent Owner has notice thereof; provided, however, that any consent may be revoked by any Owner of such Bonds by filing with the Trustee, prior to the time when the Trustee's written statement hereafter in this Section referred to is filed, a written revocation, with proof that such Bonds are held by the signer of such revocation. The fact that a consent has not been revoked may be proved by a certificate of the Trustee to the effect that no revocation thereof is on file with it. Any consent, or revocation thereof, may be delivered or filed prior to any mailing or publication required by this Article and shall not be deemed ineffective by reason of such prior delivery or filing. Within thirty (30) days of any date on which the consents on file with the Trustee and not theretofore revoked shall be sufficient under this Section, the Trustee shall make and deliver to the Board a written statement that the consents of the Owners of the required aggregate principal amount of Outstanding Bonds have been filed with the Trustee. Such written statement shall be conclusive that such consents have been so filed. Any time thereafter notice, stating in substance that the Supplemental Indenture has been consented to by the Owners of the required principal amount of Outstanding Bonds and will be effective as provided in this Section, shall be given by mailing to the Owners (but failure to mail such notice or any defect therein shall not prevent such Supplemental Indenture from becoming effective and binding). The Trustee shall deliver to the Board proof of the mailing of such notice. A record, consisting of the

information required or permitted by this Section to be delivered by or to the Trustee, shall be proof of the matters therein stated.

Section 12.4. Modifications by Unanimous Action. This Indenture and the rights and obligations of the Board and of the Owners of the Bonds may be modified or amended in any respect by a Supplemental Indenture effecting such modification or amendment and with the consents of the Owners of all the Bonds then Outstanding and the Credit Provider, each such consent to be accompanied by proof of the holding at the date of such consent of the Bonds with respect to which such consent is given. Such Supplemental Indenture shall take effect upon the filing (a) with the Trustee of (i) a copy thereof, (ii) such consents and accompanying proofs and (iii) the Counsel's Opinion referred to in Section 12.3 and (b) with the Board of the Trustee's written statement that the consents of the Owners of all Outstanding Bonds have been filed with it. No mailing or publication of any Supplemental Indenture (or reference thereto or summary thereof) or of any request or notice shall be required. No such modification or amendment, however, shall change or modify any of the rights or obligations of any Fiduciary without its written consent thereto.

Section 12.5. Exclusion of Bonds. Unless all Bonds are owned or held by or for the account of the Board, Bonds owned or held by or for the account of the Board shall not be deemed Outstanding and shall be excluded for the purpose of any calculation required by this Article. At the time of any consent or other action taken under this Article, the Board shall furnish the Trustee a certificate of a Designated Official, upon which the Trustee may rely, identifying all Bonds so to be excluded.

Section 12.6. Notation on Bonds. Bonds authenticated and delivered after the effective date of any action taken as in Article XI or this Article provided may, and if the Trustee so determines shall, bear a notation by endorsement or otherwise in form approved by the Board and the Trustee as to such action, and upon demand of the Owner of any Bond Outstanding at such effective date and presentation of its Bond to the Trustee, suitable notation shall be made on such Bond by the Trustee as to any such action. If the Board or the Trustee shall so determine, new Bonds so modified which, in the opinion of the Trustee and the Board, conform to such action may be prepared, authenticated and delivered, and upon demand of the Owner of any Bond then Outstanding shall be exchanged, without cost to such Owner, for such Bond then Outstanding.

ARTICLE XIII.

MISCELLANEOUS

Section 13.1. Defeasance.

(A) If the Board shall pay or cause to be paid or there shall otherwise be paid to the Owners of all Bonds the principal or Redemption Price, if applicable, and interest due or to become due thereon, at the times and in the manner stipulated therein and in this Indenture, and satisfy in full the Credit Provider Obligations and the Reimbursement Agreement Obligations, then the pledge of the Trust Estate under this Indenture and all covenants, agreements and other obligations of the Board to the Owners and the Credit Provider shall thereupon be discharged

and satisfied. In such event, the Trustee, upon request of the Board, shall provide an accounting of the assets managed by the Trustee to be prepared and filed with the Board for any year or part thereof requested, and shall execute and deliver to the Board all such instruments as may be desirable to evidence such discharge and satisfaction, and the Paying Agent shall pay over or deliver to the Board all moneys and securities held by it pursuant to this Indenture which are not required for the payment of Bonds not previously surrendered for such payment or redemption or the satisfaction of Credit Provider Obligations. If the Board shall pay or cause to be paid, or there shall otherwise be paid, to the Owners of all Outstanding Bonds of a particular maturity or portion of any maturity (which portion shall be selected by lot by the Trustee in the manner provided in Section 3.13 hereof for the selection of Bonds to be redeemed in part), the principal or Redemption Price, if applicable, thereof and interest due or to become due thereon, at the times and in the manner stipulated therein and in this Indenture and satisfy in full the Credit Provider Obligations and the Reimbursement Agreement Obligations specifically related thereto, such Bonds and Credit Provider Obligations shall cease to be entitled to any lien, benefit or security under this Indenture, and all covenants, agreements and obligations of the Board to the Owners of such Bonds and the Credit Provider and to the Trustee shall thereupon be discharged and satisfied.

(B) Bonds or interest installments for the payment or redemption of which moneys shall have been set aside and held in trust by the Trustee at or prior to their maturity or redemption date shall be deemed to have been paid within the meaning of and with the effect expressed in this Section 13.1 if the Board shall have delivered to or deposited with the Trustee (a) irrevocable instructions to pay or redeem all of said Bonds in specified amounts no less than the respective amounts of, and on specified dates no later than the respective due dates of, their principal, (b) irrevocable instructions to mail the required notice of redemption of any Bonds so to be redeemed, (c) either moneys in an amount which shall be sufficient, or Defeasance Obligations the principal of and the interest on which when due will provide moneys which shall be sufficient, in the opinion of a nationally recognized firm of independent public accountants, without further reinvestment, to pay when due the principal, Redemption Price, if applicable, and interest due and to become due on said Bonds on and prior to each specified redemption date or maturity date thereof, as the case may be (in the case of Bonds bearing interest at a Short Rate, (i) such opinion as to sufficiency may be based on amounts sufficient to pay interest on the Bonds for such Rate Period as then may be in effect for which the interest rate or rates are then known and thereafter at the then applicable Maximum Interest Rate and (ii) such specified redemption date will be the earlier of the first possible date upon which such Bonds may be tendered or redeemed under this Indenture), and (d) if any of said Bonds are not to be redeemed within the next succeeding sixty (60) days, irrevocable instructions to mail to all Owners of said Bonds a notice that such deposit has been made with the Trustee and that said Bonds are deemed to have been paid in accordance with this Section and stating the maturity or redemption date upon which moneys are to be available for the payment of the principal or Redemption Price, if applicable, of said Bonds. The Defeasance Obligations and moneys deposited with the Trustee pursuant to this Section shall be held in trust for the payment of the principal or Redemption Price, if applicable, and interest on said Bonds. No payments of principal of any such Defeasance Obligations or interest thereon shall be withdrawn or used for any purpose other than the payment of such principal or Redemption Price of, or interest on, unless after such withdrawal the amount held by the Trustee and interest to accrue on Defeasance Obligations so

held shall be sufficient to provide fully for the payment of the principal of or Redemption Price and interest on said Bonds, at maturity or upon redemption, as the case may be.

(C) The Defeasance Obligations (or any portion thereof) held for the payment of the principal and Redemption Price of and interest on said Bonds pursuant to paragraph (B) of this Section may not be sold, redeemed, invested, reinvested or removed from the lien of this Indenture in any manner or other Defeasance Obligations substituted therefor (any such direction to sell, redeem, invest, reinvest, remove or substitute to be referred to as a "Subsequent Action") unless prior to the taking of such Subsequent Action, the Trustee shall have received the following: (i) either (a) a certified copy of the proceedings of the Board authorizing the Subsequent Action, or (b) an opinion of counsel for the Board to the effect that such Subsequent Action has been duly authorized by all necessary action on the part of the Board; (ii) an opinion from a nationally recognized firm of independent public accountants to the effect that the Defeasance Obligations and cash available or to be available for payment of the Bonds after the taking of the Subsequent Action will remain sufficient to pay, without any further reinvestment thereof, the principal and Redemption Price of and interest on said Bonds, the Bonds at or prior to their maturity in the manner provided in paragraph (B) of this Section; (iii) an Opinion of Bond Counsel to the effect that the Subsequent Action will not adversely affect any exemption from federal income tax of the interest paid on the Bonds to which such Bonds are otherwise entitled; and (iv) such other documents and showings as the Trustee may reasonably require.

If after any such Subsequent Action there are any funds on deposit in the escrow account which are not needed by the Trustee for the payment when due of the principal of and interest on said Bonds, in accordance with the terms of this Indenture as demonstrated by the sufficiency opinion or certificate delivered pursuant to clause (ii) of the preceding paragraph, the Trustee shall transfer such funds to the Credit Provider to the extent necessary to pay any outstanding Credit Provider Obligations and then to the Board free and clear of the lien of this Indenture, to be applied to any lawful purpose in such manner that, in the Opinion of Bond Counsel, will not adversely affect any exemption from federal income tax of the interest paid on the Bonds to which such Bonds are otherwise entitled.

(D) Amounts deposited with the Trustee for the payment of the principal of and interest on any Bonds deemed to be paid pursuant to this Section 13.1, if so directed by the Board, shall be applied by the Trustee to the purchase of such Bonds in accordance with this subsection. Bonds for which a redemption date has been established may be purchased on or prior to the 45th day preceding the redemption date. The principal amount of Bonds to be redeemed shall be reduced by the principal amount of Bonds so purchased. Bonds which mature on a single future date may be purchased at any time prior to the maturity date. All such purchases shall be made at prices not exceeding the applicable principal amount or Redemption Price established pursuant to paragraph (B) of this Section 13.1, plus accrued interest, and such purchases shall be made in such manner as the Trustee shall determine. No purchase shall be made by the Trustee pursuant to this subsection if such purchase would result in the Trustee holding less than the moneys and Defeasance Obligations required to be held for the payment of all other Bonds deemed to be paid pursuant to this Section 13.1.

(E) The Board may purchase with any available funds any Bonds deemed to be paid pursuant to this Section 13.1 in accordance with this subsection. Bonds for which a redemption

date has been established may be purchased by the Board on or prior to the 45th day preceding the redemption date. On or prior to the 45th day preceding the redemption date the Board shall give written notice to the Trustee of its intention to surrender such Bonds on the redemption date. The Trustee shall proceed to call for redemption the remainder of the Bonds due on the redemption date and shall pay to the Board on the redemption date the Redemption Price of and interest on such Bonds upon surrender of such Bonds to the Trustee. Bonds which mature on a single future date may be purchased at any time prior to the maturity date. The Trustee shall pay to the Board the principal amount of and interest on, such Bonds upon surrender of such Bonds on the maturity date.

(F) Any time after any Bonds are deemed to be paid pursuant to this Section 13.1, the Board shall not at any time permit any of the proceeds of the Bonds or any other funds of the Board to be used directly or indirectly to acquire any securities or obligations the acquisition of which would cause any Bond to be an "arbitrage bond" as defined in the Code and Regulations.

(G) Each Fiduciary shall continue to be entitled to reasonable compensation for all services rendered under this Indenture, notwithstanding that any Bonds are deemed to be paid pursuant to this Section 13.1. Such compensation shall be paid by the Board from lawfully available funds and no Fiduciary shall have a claim against the Trust Estate for such compensation except as may be expressly provided herein.

(H) Anything in this Indenture to the contrary notwithstanding, any moneys held by the Trustee or any Paying Agent in trust for the payment and discharge of any of the Bonds which remain unclaimed for two years after the date when such Bonds have become due and payable, either at their stated maturity dates or by call for earlier redemption, if such moneys were held by the Trustee or such Paying Agent at such date, or for two years after the date of deposit of such moneys if deposited with the Trustee or such Paying Agent after the said date when such Bonds become due and payable, shall, at the written request of the Board, be repaid by the Trustee or such Paying Agent to the Credit Provider to the extent necessary to pay any outstanding Credit Provider Obligations and then to Board, as its absolute property and free from trust, and the Trustee or such Paying Agent shall thereupon be released and discharged with respect thereto and the Owners of such Bonds shall look only to the Board for the payment of such Bonds.

Section 13.2. Evidence of Signatures of Owners and Ownership of Bonds.

(A) Any request, consent, revocation of consent or other instrument which this Indenture may require or permit to be signed and executed by the Owners may be in one or more instruments of similar tenor, and shall be signed or executed by such Owners in person or by their attorneys appointed in writing. Proof of (i) the execution of any such instrument, or of an instrument appointing any such attorney, or (ii) the holding by any Person of the Bonds shall be sufficient for any purpose of this Indenture (except as otherwise herein expressly provided) if made in the following manner, or in any other manner satisfactory to the Trustee, which may nevertheless in its discretion require further or other proof in cases where it deems the same desirable:

- (1) The fact and date of the execution by any Owner or its attorney of such instruments may be proved by a guarantee of the signature thereon by a Credit Provider, national banking association or trust company or by the certificate of any notary public or other officer authorized to take acknowledgments of deeds, that, the Person signing such request or other instruments acknowledged to that person the execution thereof, or by an affidavit of witness of such execution, duly sworn to before such notary public or other officer. Where such execution is by an officer of a Board or association or a member of a partnership, on behalf of such Board, association or partnership, such signature guarantee, certificate or affidavit shall also constitute sufficient proof of authority.
- (2) The ownership of Bonds and the amount, numbers and other identification and date of holding the same shall be proved by the registration book maintained by the Trustee or any Registrar.

(B) Any request or consent by the Owner of any Bond shall bind all future Owners of such Bond in respect of anything done or suffered to be done by the Board or any Fiduciary in accordance therewith.

Section 13.3. Moneys Held for Particular Bonds. The amounts held by the Trustee or any Paying Agent for the payment of interest, principal or Redemption Price due on any date with respect to particular Bonds shall, on and after such date and pending such payment, be set aside on its books and held in trust by it for the Owners of the Bonds entitled thereto.

Section 13.4. Preservation and Inspection of Documents. All documents received by any Fiduciary under the provisions of this Indenture, shall be retained in its possession and shall be subject at all reasonable times to the inspection of the Board, any other Fiduciary, and any Owner and their agents and their representatives, any of whom may make copies thereof.

Section 13.5. Cancellation and Destruction of Bonds. All Bonds paid or redeemed, either at or before maturity, and all mutilated Bonds surrendered pursuant to Section 2.6, shall be delivered to the Trustee when such payment or redemption is made or upon surrender, as the case may be, and such Bonds, together with all Bonds purchased by the Trustee, shall thereupon be promptly canceled. Bonds so canceled may at any time be destroyed by the Trustee, who shall execute a certificate of destruction in duplicate by the signature of one of its authorized officers describing the Bonds so destroyed, and one executed certificate shall be delivered to the Board and the other retained by the Trustee.

Section 13.6. Parties' Interest Herein. Nothing in this Indenture expressed or implied is intended or shall be construed to confer upon, or to give to, any Person, other than the Board, the Fiduciaries, the Credit Provider and the Owners of the Bonds, any right, remedy or claim under or by reason of this Indenture or any covenant, condition or stipulation thereof; and all the covenants, stipulations, promises and agreements in this Indenture contained by and on behalf of the Board shall be for the sole and exclusive benefit of the Board, the Fiduciaries, the Credit Provider and the Owners of the Bonds.

Section 13.7. No Recourse on the Bonds.

(A) No recourse shall be had for the payment of the principal or Redemption Price of or interest on the Bonds or the payment of the Credit Provider Obligations or for any claim based thereon or on this Indenture against any past, present or future member, director, officer, employee or agent of the Board, or any successor, public body or any person executing the Bonds, either directly or through the Board, under any rule of law or equity, statute or constitution 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 the Bonds.

(B) No member, officer, director, agent or employee of the Board shall be individually or personally liable for the payment of the principal or Redemption Price of or interest on the Bonds or payment of the Credit Provider Obligations; but nothing herein contained shall relieve any such member, officer, director, agent or employee from the performance of any official duty provided by law.

(C) All covenants, stipulations, obligations and agreements of the Board contained in this Indenture shall be deemed to be covenants, stipulations, obligations and agreements of the Board to the full extent authorized and permitted by the Constitution and laws of the State of Illinois, and no covenants, stipulations, obligations or agreements contained herein shall be deemed to be a covenant, stipulation, obligation or agreement of any present or future member, officer, director, agent or employee of the Board in his or her individual capacity, and no officer executing the Bonds shall be liable personally on the Bonds or be subject to any personal liability or accountability by reason of the issue thereof. No member, officer, director, agent or employee of the Board shall incur any personal liability in acting or proceeding or in not acting or not proceeding in accordance with the terms of this Indenture.

Section 13.8. Successors and Assigns. Whenever in this Indenture the Board is named or referred to, it shall be deemed to include its successors and assigns and all the covenants and agreements in this Indenture contained by or on behalf of the Board shall bind and inure to the benefit of its successors and assigns whether or not so expressed.

Section 13.9. Severability of Invalid Provisions. If any one or more of the covenants or agreements provided in this Indenture on the part of the Board or any Fiduciary to be performed should be contrary to law, then such covenant or covenants or agreement or agreements shall be deemed severable from the remaining covenants and agreements, and shall in no way affect the validity of the other provisions of this Indenture.

Section 13.10. Notices. Any notice, demand, direction, request or other instruments authorized or required by this Indenture to be given to, delivered to or filed with the Board, the Trustee or the initial Purchaser shall be deemed to have been sufficiently given, delivered or filed for all purposes of this Indenture if and when sent by registered mail, postage prepaid, return-receipt requested:

To the Board, if addressed to:

Board of Education of the City of Chicago
125 South Clark Street

Fourteenth Floor
Chicago, Illinois 60601
Attention: Chief Financial Officer

or at such other address as may be designated in writing by the Board to the Trustee; and

To the Trustee, if addressed to: Amalgamated Bank of Chicago
One West Monroe Street
Chicago, Illinois 60606
Attention: Corporate Trust Department
Telephone: (312) 822-8340
Facsimile: (312) 541-6043

or at such other address as may be designated in writing by the Trustee to the Board.

To the initial Purchaser, if addressed to:

PNC Bank, National Association
One North Franklin Street, Suite 2800
Chicago, Illinois 60606
Attention: Jeffrey Warner
Facsimile: (312) 338-5233
Telephone: (312) 338-2235

or at such other address as may be designated in writing by the initial Purchaser to the Board.

To the Rating Services, if addressed to:

Moody's Investors Service
Municipal Structured Products Group, 23rd Floor
7 World Trade Center
New York, NY 10007
Telephone: (212) 553-1658
Fax: (212) 553-1066
Email: MSPGSureveillance@moodys.com

Fitch, Inc.
One State Street Plaza
New York, NY 10004
Attention: Public Finance – Municipal
Structured Finance
Telephone: (212) 908-0500
Fax: (212) 480-4421

Standard & Poor's Ratings Services
55 Water Street, 38th Floor
New York, NY 10041

Attention: Muni Structured Finance
Telephone: (212) 438-2000
Fax: (212) 438-2157
Email: pubfin_structured@sandp.com

Section 13.11. Notices to Credit Provider. Any notice that is required to be given hereunder to the Credit Provider shall be sent to such addresses as specified in the then-current Reimbursement Agreement, respectively.

Section 13.12. Notices to Rating Services. The Board will promptly notify in writing each Rating Service in the event that Illinois law is changed to authorize municipalities to file a petition in bankruptcy under Chapter 9 of the federal bankruptcy code, provided that a failure on the part of the Board to comply with the foregoing requirement shall not constitute an Event of Default under this Indenture, and the sole remedy in the event of the failure of the Board of comply with the foregoing requirement shall be an action to compel performance.

Section 13.13. Construction. This Indenture and all Supplemental Indentures shall be construed in accordance with the provisions of Illinois law.

Section 13.14. Headings Not a Part of This Indenture. Any headings preceding the texts of the several Articles and Sections hereof, and any Table of Contents appended to copies hereof, are solely for convenience of reference and do not constitute a part of this Indenture, nor do they affect its meaning, construction or effect.

Section 13.15. Multiple Counterparts. This Indenture may be executed in multiple counterparts, each of which shall be regarded for all purposes as an original; and all such counterparts shall constitute but one and the same instrument.

[Remainder of page intentionally left blank. Signature page follows.]

IN WITNESS WHEREOF, the Board of Education of the City of Chicago, has caused this Indenture to be executed in its name and its behalf by its Vice President and attested by its Secretary and Amalgamated Bank of Chicago has caused this Indenture to be executed in its behalf by an Authorized Officer and its corporate seal to be impressed hereon and attested by an Authorized Officer, all as of the day and year first above written.

BOARD OF EDUCATION OF THE CITY OF CHICAGO

By: David J. Vitale
President, Board of Education of the
City of Chicago

Attest:

Etila S. Belhar
Secretary, Board of Education
of the City of Chicago

AMALGAMATED BANK OF CHICAGO,
as trustee

By: _____
Authorized Officer

[Seal]

Attest:

Authorized Officer

IN WITNESS WHEREOF, the Board of Education of the City of Chicago, has caused this Indenture to be executed in its name and its behalf by its Vice President and attested by its Secretary and Amalgamated Bank of Chicago has caused this Indenture to be executed in its behalf by an Authorized Officer and its corporate seal to be impressed hereon and attested by an Authorized Officer, all as of the day and year first above written.

BOARD OF EDUCATION OF THE CITY OF
CHICAGO

By: _____
Vice President, Board of Education of the
City of Chicago

Attest:

Secretary, Board of Education
of the City of Chicago

AMALGAMATED BANK OF CHICAGO,
as trustee

By: Michelle Martell
Authorized Officer

[Seal]

Attest:

Laura Ryan
Authorized Officer

SERIES 2011D TRUST INDENTURE

EXHIBIT A
FORM OF BOND

No. R-_____

\$_____

UNITED STATES OF AMERICA

STATE OF ILLINOIS

BOARD OF EDUCATION OF THE CITY OF CHICAGO

Unlimited Tax General Obligation Refunding Bond
(Dedicated Revenues), Series 2011D

Maturity Date

Original Issue Date

CUSIP

March 1, 2032

_____, 2011

Current Mode:_____

(If the current Interest Mode is a Flexible Mode, additional information is set forth in the Notice of Rate Period attached hereto.)

Registered Owner: CEDE & CO.

Principal Amount:

AS HEREINAFTER DESCRIBED, UNDER CERTAIN CIRCUMSTANCES ON CERTAIN DATES THIS BOND IS PERMITTED TO BE, OR IS REQUIRED TO BE, TENDERED FOR PURCHASE TO THE TRUSTEE OR THE TRUSTEE'S AGENT AT THE PURCHASE PRICE SPECIFIED HEREIN. THE REGISTERED OWNER HEREOF WHO ELECTS TO TENDER THIS BOND, OR IS REQUIRED TO TENDER THIS BOND, FOR PURCHASE SHALL BE ENTITLED SOLELY TO THE PAYMENT OF SUCH PURCHASE PRICE ON THE APPLICABLE PURCHASE DATE, AND SHALL NOT BE ENTITLED TO THE PAYMENT OF ANY PRINCIPAL HEREOF OR ANY INTEREST ACCRUED HEREON ON OR AFTER SUCH DATE.

The BOARD OF EDUCATION OF THE CITY OF CHICAGO (the "*Board*"), a school district organized and existing under the laws of the State of Illinois, for value received, hereby promises to pay (but only out of the sources hereinafter provided) to the registered owner identified above, or registered assigns, on the maturity date specified above, unless this Bond shall have been called for redemption and payment of the redemption price shall have been duly made or provided for, upon presentation and surrender hereof, the principal sum specified above, and to pay (but only out of the sources hereinafter provided) interest on the balance of said principal sum from time to time remaining unpaid from and including the original issue date specified above, or from and including the most recent Interest Payment Date (as defined in the

hereinafter-defined Indenture) with respect to which interest has been paid or duly provided for, until payment of said principal sum has been made or duly provided for.

Reference is hereby made to the further provisions of this Bond set forth below, and such further provisions shall for all purposes have the same effect as if set forth at this place.

It is hereby certified, recited and declared that all acts and conditions required to be performed precedent to and in the execution and delivery of the Indenture and the issuance of this Bond have been performed in due time, form and manner as required by law; that the indebtedness of the Board, including the issue of Bonds of which this is one, does not exceed any limitation imposed by law; and that provision has been made for the collection of the Pledged State Aid Revenues and the Pledged Taxes to pay the interest hereon as it falls due and also to pay and discharge the principal hereof at maturity.

This Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Indenture until the Certificate of Authentication hereon shall have been duly executed by the Trustee.

IN WITNESS WHEREOF, the Board of Education of the City of Chicago has caused this Bond to be signed in its name and on its behalf by the manual or duly authorized facsimile signature of its President and attested by the manual or duly authorized facsimile signature of its Secretary, all as of the Dated Date identified above.

BOARD OF EDUCATION OF THE CITY OF
CHICAGO

By: _____
President, Board of Education of the City of
Chicago

Attest:

Secretary, Board of Education of the
City of Chicago

[Form of Certificate of Authentication]

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds described in the within-mentioned Indenture.

Date of Authentication and Delivery:

_____,
as Trustee

_____, 20____

By: _____
Authorized Signatory

DTC LEGEND

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

Payments. The principal of and premium, if any, on Bonds bearing interest at a Bank Rate or a Short Rate shall be payable at the principal corporate trust office of the Trustee, upon presentation and surrender of such Bonds. The principal of and premium, if any, on Bonds bearing interest at a Term Rate or Fixed Rate shall be payable at the payment office of the Trustee or, at the option of the registered owner, at the payment office of any Paying Agent, if any, named in any such Bond, upon presentation and surrender of such Bonds. Any payment of the purchase price of a Tendered Bond shall be payable at the principal corporate trust office of the Trustee's Agent (or at such other office as may be designated by the Trustee), upon presentation and surrender of such Tendered Bond as hereinafter described.

Interest on Bonds bearing interest at a Daily Rate, Weekly Rate, a Term Rate or a Fixed Rate shall be paid by check mailed on the Interest Payment Date to the persons appearing on the Bond Register as the registered owners thereof as of the close of business of the Trustee on the Record Date at the address of such registered owners as they appear on the Bond Register or at such other addresses as are furnished to the Trustee in writing by such registered owners not later than the Record Date. Payment of interest on Bonds bearing interest at a Flexible Rate shall be made to the persons appearing on the Bond Register as the registered owners thereof as of the close of business of the Trustee on the Record Date, upon presentation and surrender of such Bonds at the principal corporate trust office of the Trustee on the applicable Interest Payment Date. Payment of interest on any Bond shall be made to the registered owners of \$1,000,000 or more in aggregate principal amount of Bonds as of the close of business of the Trustee on the Record Date for a particular Interest Payment Date by wire transfer to such registered owner on such Interest Payment Date upon written notice from such registered owner containing the wire transfer address within the United States to which such registered owner wishes to have such wire directed, which written notice is received not later than the Business Day next preceding the Record Date; provided that such wire transfer shall only be made for Bonds bearing interest at a Flexible Rate upon presentation and surrender of such Bonds at the principal corporate trust office of the Trustee on the applicable Interest Payment Date. Payment of interest on Credit Provider Bonds shall be made to the Bank by wire transfer on each Interest Payment Date at the wire transfer address specified in the applicable Reimbursement Agreement (or such other wire transfer address as is specified by the Bank in writing from time to time).

Interest accrued on the Bonds during each Rate Period shall be paid in arrears on each Interest Payment Date. Interest on the Bonds shall be computed (i) during any Short Mode upon the basis of a 365- or 366-day year, as applicable, for the number of days actually elapsed, (ii) during any Term Rate Mode or Fixed Mode, upon the basis of a 360-day year consisting of twelve 30-day months and (iii) with respect to Credit Provider Bonds, upon the basis of a 360-day year and the actual number of days elapsed.

General. This Bond is one of a duly authorized issue of \$95,000,000 aggregate principal amount Unlimited Tax General Obligation Refunding Bonds (Dedicated Revenues), Series 2011D, of the Board (the "*Bonds*"). The Bonds are issued pursuant to, under authority of and in full compliance with the Constitution and laws of the State of Illinois, including the Local Government Debt Reform Act of the State of Illinois, as amended (the "*Act*") and a Trust Indenture dated as of December 1, 2011 (the "*Indenture*"), by and between the Board and the Trustee. The Bonds are being issued for the purpose of paying the costs of the refunding and

redemption of all outstanding \$95,000,000 Unlimited Tax General Obligation Bonds (Dedicated Revenues), Series 2000C (the "*Series 2000C Bonds*").

The Bonds are payable ratably and equally from (i) "*Pledged State Aid Revenues*," as defined in the Indenture, provided that the pledge of State Aid Revenues to the Bonds is on a parity with the pledge of such revenues to the Series 2011C Bonds, the Series 2011D Bonds and the outstanding Unlimited Tax General Obligation Refunding Bonds (Dedicated Revenues), Series 2010A, Unlimited Tax General Obligation Refunding Bonds (Dedicated Revenues), Series 2010B, Unlimited Tax General Obligation Bonds (Dedicated Revenues), Series 2010C (Taxable Qualified School Construction Bonds - Direct Payment), Unlimited Tax General Obligation Bonds (Dedicated Revenues), Series 2010D (Taxable Build America Bonds - Direct Payment), Tax-Exempt Unlimited Tax General Obligation Refunding Bonds, Series 2011F and Taxable Tax General Obligation Refunding Bonds, Series 2011G (collectively, the "*Prior Authorization Bonds*"), of the Board and (ii) "*Pledged Taxes*," being the ad valorem taxes levied against all of the taxable property in the school district governed by the Board without limitation as to rate or amount for the payment of the Bonds. The Bonds are further secured by the other moneys, securities and funds pledged under the Indenture. For the prompt payment of this Bond, both principal and interest at maturity, the full faith, credit and resources of the Board are hereby irrevocably pledged. The Indenture provides that Additional Bonds may be issued from time to time in the future on a parity with this Bond, the Series 2011C Bonds, the Series 2011D Bonds and the Prior Authorization Bonds to share ratably and equally in all or any portion of the Pledged State Aid Revenues upon compliance with certain requirements contained in the Indenture and the Act.

Copies of the Indenture are on file at the designated office of the Trustee, and reference to the Indenture and any and all supplements thereto and modifications and amendments thereof is made for a description of the pledge and covenants securing the Bonds, the nature, extent and manner of enforcement of such pledge, the rights and remedies of the registered owners of the Bonds, and the limitations on such rights and remedies.

Definitions. Terms used in this Bond shall have the same meanings as set forth in the Indenture.

Interest Rates. The Bonds shall bear interest at a Daily Rate as provided in the Indenture until and unless any portion thereof is converted to a different Interest Mode as provided in the Indenture.

Daily Mode. The Remarketing Agent will determine, and is required to give telephonic notice (confirmed by telecopy) to the Trustee of, the Daily Rate in the manner set forth in the Indenture. Except on an Adjustment Date, in the event that the Daily Rate for any Rate Period is not determined by the Remarketing Agent on a Rate Determination Date, the rate of interest borne by the Bonds bearing interest at a Daily Rate shall remain the same until the Remarketing Agent next determines the Daily Rate as required under the Indenture.

Weekly Mode. The Remarketing Agent will determine, and is required to give telephonic notice (confirmed by telecopy) to the Trustee of, the Weekly Rate in the manner set forth in the Indenture. Except on an Adjustment Date, in the event that the Weekly Rate for any Rate Period

is not determined by the Remarketing Agent on a Rate Determination Date, the rate of interest borne by the Bonds bearing interest at a Weekly Rate shall be equal to the SIFMA Municipal Index until the Remarketing Agent next determines the Weekly Rate as required under the Indenture.

Flexible Mode. The Remarketing Agent will determine, and is required to give telephonic notice (confirmed by telecopy) to the Trustee of, the duration of the Rate Period and the Flexible Rate in the manner set forth in the Indenture. Except on an Adjustment Date, in the event that the Flexible Rate for any Bond is not determined by the Remarketing Agent on any Rate Determination Date, such Bond shall bear interest at a Flexible Rate equal to the SIFMA Municipal Index for a Rate Period of the shortest possible duration.

Term Rate Mode. The Remarketing Agent will determine, and is required to give telephone notice (confirmed by telecopy) to the Trustee of, the duration of the Rate Period and the Term Rate in the manner set forth in the Indenture. Except on an Adjustment Date, in the event that the Term Rate for any Bond is not determined by the Remarketing Agent on any Rate Determination Date, such Bond shall bear interest at a Term Rate equal to the Term Rate for the immediately preceding Rate Period. No Rate Period in the Term Rate Mode may extend beyond the Maturity Date.

Fixed Mode. From and after the Fixed Rate Conversion Date for a Bond, such Bond shall bear interest at the Fixed Rate with respect thereto established as provided below under "Conversion to a Fixed Rate."

Credit Provider Rate. Each Credit Provider Bond shall bear interest at the Credit Provider Rate.

Maximum Interest Rate. At no time shall the Bonds (including Credit Provider Bonds) bear interest at a rate higher than the Maximum Interest Rate, and at no time shall Bonds entitled to the benefit of a Credit Facility bear interest at a rate higher than the Interest Coverage Rate.

Purchase on Demand Date. (a) While a Bond (other than a Credit Provider Bond) bears interest at a Daily Rate, such Bond (or portion thereof in an Authorized Denomination) shall be purchased on a Demand Date therefor upon the demand of the registered owner thereof, at a purchase price equal to 100 percent of the principal amount thereof plus accrued interest, if any, to such Demand Date, upon irrevocable written notice (which may be given by telecopy) to the Trustee's Agent and the Remarketing Agent, which notice must be received by the Trustee's Agent and the Remarketing Agent not later than 10:00 a.m., Chicago time, on a Business Day in order to be effective on that day (any notice received after 10:00 a.m., Chicago time, on a Business Day shall be deemed given on the next succeeding Business Day). Such notice must specify (i) the principal amount and number of such Bond, the name and the address of such registered owner and the taxpayer identification number, if any, of such registered owner, and (ii) the Demand Date on which such Bond is to be purchased.

(b) While a Bond (other than a Credit Provider Bond) bears interest at a Weekly Rate, such Bond (or portion thereof in an Authorized Denomination) shall be purchased on a Demand Date therefor upon, the demand of the registered owner thereof, at a purchase price equal to 100

percent of the principal amount thereof plus accrued interest, if any, to such Demand Date, upon irrevocable written notice (which may be given by telecopy) to the Trustee's Agent and the Remarketing Agent, which notice must be received by the Trustee's Agent and the Remarketing Agent not later than 3:00 p.m., Chicago time, on a Business Day in order to be effective on that day (any notice received after 3:00 p.m., Chicago time, on a Business Day shall be deemed given on the next succeeding Business Day). Such notice must specify (i) the principal amount and number of such Bond, the name and the address of such registered owner and the taxpayer identification number, if any, of such registered owner, and (ii) the Demand Date on which such Bond is to be purchased.

Purchase on Notice of Certain Events of Default Under Reimbursement Agreement While Credit Facility is Required; Notice of Nonreinstatement of Credit Facility. During the period a Credit Facility is in effect, the Bonds are subject to mandatory tender by the Owners thereof for purchase at a purchase price equal to 100 percent of the principal amount thereof plus accrued interest, if any by the Owners thereof to the Trustee (i) on the Business Day preceding the date on which the Credit Facility then in effect will terminate after receipt by the Trustee from the Credit Provider of written notice from the Credit Provider to the effect that an event of default under the Reimbursement Agreement has occurred, the Credit Provider is directing a mandatory tender of the Bonds and as a consequence thereof the Credit Provider is terminating the Credit Facility, and (ii) on the sixth calendar day (or if such day is not a Business Day on the immediately preceding Business Day) succeeding receipt by the Trustee of notice from the Credit Provider that it will not reinstate the amount available under the Credit Facility attributable to interest on the Bonds. The Owner of such Bond may not elect to retain its Bond and by acceptance of such Bond shall be deemed to have agreed to deliver such Bond to the Trustee on the date required.

Purchase While Bonds Bear Flexible Rate. While any Bond bears interest at a Flexible Rate, such Bond will be purchased at a purchase price equal to 100 percent of the principal amount thereof plus accrued interest, if any pursuant on each Rate Change Date for such Bond, other than the Rate Change Date which is the first day of a Flexible Mode applicable to such Bond, and on the Adjustment Date immediately following the last day of the Flexible Mode. The Owner of such Bond may not elect to retain its Bond and by acceptance of such Bond shall be deemed to have agreed to deliver such Bond to the Trustee on the date required.

Purchase Prior to Expiration of the Term of the Credit Facility; Purchase Prior to the Effective Date of a Liquidity Facility or an Alternate Credit Facility; Purchase Prior to Credit Facility Cancellation Date. Each Bond (or beneficial interest therein) is subject to mandatory tender for purchase at a purchase price equal to 100 percent of the principal amount thereof plus accrued interest, if any (i) in the case of Bonds bearing interest at a Short Rate, on the last Interest Payment Date occurring not later than two Business Days prior to the Expiration of the Term of the Credit Facility, (ii) on the Business Day preceding the effective date of any Liquidity Facility or any Alternate Credit Facility or (iii) on the Business Day prior to the Credit Facility Cancellation Date if a Credit Facility is no longer required as described in the Indenture. The Owner of such Bond may not elect to retain its Bond and by acceptance of such Bond shall be deemed to have agreed to deliver such Bond to the Trustee on the date required.

Purchase on Adjustment Date. On each Adjustment Date with respect to a Bond (other than a Credit Provider Bond or a Bond owned by the Board), including, without limitation, a proposed Fixed Rate Conversion Date or a Substitute Adjustment Date, such Bond shall be purchased pursuant to this Section at a purchase price equal to 100 percent of the principal amount thereof, except that a Bond which is to be purchased on an Adjustment Date which immediately follows the last day of a Flexible Mode shall be purchased pursuant to the applicable provisions of the Indenture. The Owner of such Bond may not elect to retain its Bond and by acceptance of such Bond shall be deemed to have agreed to deliver such Bond to the Trustee on the date specified in this Section.

Provisions Applicable to Mandatory Tenders. All Bonds subject to mandatory tender for purchase will be purchased at a purchase price of 100% of the principal amount thereof plus accrued interest, if any. The Owner of a Bond subject to mandatory tender for purchase as described above may not elect to retain its Bond and by acceptance of such Bond shall be deemed to have agreed to deliver such Bond to the Trustee on the date specified in the applicable notice.

The Owner of any Bond who has not tendered its Bond for purchase on the mandatory tender date will be deemed to have tendered its Bond for purchase on such date and to the extent there has been irrevocably deposited in trust with the Trustee or the Trustee's Agent on or prior to the mandatory tender date an amount of money sufficient to pay the purchase price of such Bond on the mandatory tender date, such Bond shall be deemed to have been so purchased at the price of par plus accrued interest as of such date, and such Bond shall no longer be considered to be outstanding for purposes of the Indenture and shall no longer be entitled to the benefits of the Indenture, except for the payment of the purchase price thereof (and no interest shall accrue thereon subsequent to the mandatory tender date).

Payment of Purchase Price. Bonds remarketed by the Remarketing Agent shall be delivered by the Trustee or the Trustee's Agent as directed by the Remarketing Agent by 2:30 p.m., Chicago time, on the date of purchase against payment therefor. The proceeds of sale by the Remarketing Agent shall be delivered to the Trustee by 11:00 a.m., Chicago time, on the date of purchase. The Trustee's Agent shall pay the purchase price of each Tendered Bond from the sources specified in the Indenture, to the registered owner thereof by 2:00 p.m., Chicago time, on the purchase date; provided that the Trustee's Agent shall have confirmed that such registered owner has delivered such Tendered Bond (with any necessary endorsements) to the Principal Office of the Trustee's Agent no later than 12:00 noon, Chicago time, on such date.

In the event that sufficient moneys are on deposit with the Trustee to pay the applicable purchase price of any Tendered Bond, such Tendered Bond will be deemed to have been purchased whether or not delivered by the registered owner thereof on the date such Tendered Bond is to be purchased. In the event any such purchased Tendered Bond is not so delivered, the Board will execute and the Trustee will authenticate and deliver a replacement Bond of like date, Maturity Date and denomination as the Tendered Bond and bearing a number not contemporaneously outstanding.

Purchase Price of Credit Provider Bonds. The purchase price of remarketed Credit Provider Bonds shall be 100 percent of the principal amount thereof plus accrued interest, if any.

No Remarketing After Certain Defaults. There shall be no obligation of the Remarketing Agent to remarket Bonds (or beneficial interests therein) (i) if there shall have occurred and be continuing an Event of Default under the Indenture or (ii) if there is no Credit Facility in effect that secures the Bonds (other than as provided in Section 6.1 of the Indenture).

Conversions. The Board may designate a different Interest Mode with respect to any Bond (a) during a Flexible Mode or Term Rate Mode on any Rate Change Date and (b) during a Daily Mode or Weekly Mode on any Business Day, upon compliance with the Indenture.

In the event that the Remarketing Agent does not determine the interest rate applicable to the initial Rate Period during a new Interest Mode with respect to any Bond or if any relevant opinion required is not delivered, the immediately succeeding Interest Mode with respect to the Bonds in the Interest Mode then ending shall be determined as provided in the Indenture.

Designation of Substitute Adjustment Date. The Board may designate a Substitute Adjustment Date for any Credit Provider Bonds (provided that such Credit Provider Bonds shall continue to bear interest at the Credit Provider Rate as long as they remain Credit Provider Bonds), with Credit Provider Approval, on any Business Day. The Substitute Adjustment Date shall be the next succeeding Adjustment Date for such Bonds for all purposes of the Indenture.

Term Rate Conversion or Fixed Rate Conversion. On any Rate Change Date during a Flexible Mode, on any Business Day during a Daily Mode or Weekly Mode, the interest rate to be borne by all or any portion of the Bonds in such Interest Mode shall be converted to a Term Rate or a Fixed Rate, and such Bonds so converted shall thereafter bear interest at such Term Rate or Fixed Rate until payment of the principal or redemption price thereof shall have been made or provided for in accordance with the provisions of the Indenture.

If the conversion of the interest rate of any Bond does not occur for any reason, including in the event that any condition precedent to the Term Rate Conversion or Fixed Rate Conversion shall not occur, such Bonds shall bear interest from and after the proposed Term Rate Conversion Date or Fixed Rate Conversion Date as provided in the Indenture.

Effect of Notices. Any notice mailed as provided herein shall be conclusively presumed to have been given, whether or not the registered owner of Bonds receives the notice.

Redemption. The Bonds shall be subject to redemption prior to their Maturity Date in the amounts, at the times and in the manner provided below.

(a) *Optional Redemption.*

(i) Bonds in a Daily Mode or Weekly Mode shall be subject to redemption prior to their Maturity Date at the option of the Board (with the consent of the Credit Provider if so required by the applicable Credit Facility), in whole or in part (and, if in part, in an Authorized Denomination) on any Business Day during such Daily Mode or Weekly Mode, as applicable, at a redemption price equal to 100 percent of the principal amount thereof plus accrued interest, if any, to the redemption date.

(ii) Bonds in the Term Rate Mode or Fixed Mode shall be subject to redemption prior to their Maturity Date at the option of the Board (with the consent of the Credit Provider if so required by the applicable Credit Facility), in whole or in part (and, if in part, in an Authorized Denomination) on any Business Day commencing on the Interest Payment Date next following the tenth anniversary of the change to the Term Rate Mode or Fixed Mode at a redemption price of 100 percent of the principal amount of Bonds being redeemed, together with accrued interest, if any, to the redemption date. If the length of the Rate Period is less than ten (10) years, then the Bonds shall not be subject to redemption during such Rate Period.

The Board may deliver to the Trustee an alternative redemption schedule to the schedule shown above, if the Board delivers to the Bank and the Trustee an Opinion of Bond Counsel to the effect that the alternative schedule of redemption will not adversely affect the validity and enforceability of the Bonds in accordance with their terms, and will not have an adverse effect on any exclusion from gross income of the interest thereon for Federal income tax purposes. Bonds which commence bearing interest at a Fixed Rate on or after the delivery of such alternative schedule and Opinion of Bond Counsel shall be subject to redemption in accordance with the provisions of such alternative schedule.

(iii) Bonds bearing interest at a Flexible Rate shall be subject to optional redemption prior to their Maturity Date at the option of the Board, in whole or in part (and, if in part, in an Authorized Denomination) on any Rate Change Date therefor, at a redemption price equal to 100 percent of the principal amount thereof plus accrued interest, if any, to the redemption date.

(b) *Mandatory Sinking Fund Redemption.* Bonds shall be subject to redemption prior to their Maturity Date at a redemption price equal to 100 percent of the principal amount thereof, plus accrued interest, if any, by application by the Trustee of funds on deposit to the credit of the Principal Sub-Account created under the Indenture on the dates and in the amounts specified in the Indenture.

(c) *Redemption of Credit Provider Bonds.* Credit Provider Bonds shall be subject to redemption prior to their Maturity Date at the option of the Board, in whole or in part (and, if in part, in an Authorized Denomination) on any Business Day at a redemption price equal to 100 percent of the principal amount thereof plus accrued interest, if any, to the redemption date. Credit Provider Bonds shall not be subject to mandatory redemption on an accelerated basis.

General Provisions Regarding Redemptions. No redemption of less than all of the Bonds outstanding shall be made pursuant to (a) or (c) above unless (i) if such redemption is of Bonds bearing interest at a Short Rate, the aggregate principal amount of Bonds to be redeemed is equal to \$100,000 or integral multiples thereof or (ii) if such redemption is with respect to Bonds bearing interest at a Term Rate or a Fixed Rate, the aggregate principal amount of Bonds to be redeemed is equal to \$100,000 or \$5,000 multiples in excess thereof. Any redemption of less

than all of the Bonds outstanding shall be made in such a manner that all Bonds outstanding after such redemption are in Authorized Denominations.

(i) Bonds may be called for redemption by the Trustee pursuant to (a) above (A) in the case of Bonds bearing interest at a Short Rate, upon receipt by the Trustee at least thirty-five (35) days prior to the redemption date of a written request of the Board requesting such redemption, or (B) in the case of Bonds bearing interest at a Term Rate or Fixed Rate, upon receipt by the Trustee at least forty-five (45) days prior to the redemption date (or such shorter period as shall be acceptable to the Trustee) of a written request of the Board requesting such redemption.

(ii) Bonds may be called for redemption by the Trustee pursuant to (c) above upon receipt by the Trustee at least two Business Days prior to the redemption date of a written request of the Board requesting such redemption. The Trustee or the Trustee's Agent shall give notice to the Bank one Business Day prior to any redemption of Credit Provider Bonds pursuant to (c) above.

Notice of Redemption. Except as otherwise provided with respect to Credit Provider Bonds in the Indenture, notice of the call for any redemption identifying the Bonds to be redeemed shall be given by first class mail, postage prepaid, with respect to Bonds bearing interest at a Short Rate, not less than thirty (30) days prior to the date fixed for redemption, and shall be given by first class mail, postage prepaid, with respect to Bonds bearing interest at a Term Rate or Fixed Rate, not less than thirty (30) or more than sixty (60) days prior to the date fixed for redemption, to the registered owners of Bonds to be redeemed at their addresses as shown on the Bond Register. Failure to give notice in the manner prescribed with respect to any Bond, or any defect in such notice, shall not affect the validity of the proceedings for redemption for any Bond with respect to which notice was properly given. Such notice shall state whether the redemption is conditioned upon sufficient moneys being available on the redemption date, or any other conditions. Upon the happening of the above conditions and if sufficient moneys are on deposit with the Trustee on the applicable redemption date to redeem the Bonds to be redeemed and to pay interest due thereon and premium, if any, the Bonds thus called shall not after the applicable redemption date bear interest, be protected by the Indenture or be deemed to be outstanding under the provisions of the Indenture.

Selection of Bonds to be Redeemed. If less than all the Bonds shall be called for redemption under any provision of the Indenture permitting such partial redemption, the particular Bonds or portions thereof to be redeemed shall be selected by the Board and designated to the Trustee; provided, however, that (i) in the case of the redemption of less than all Bonds which bear interest in the same Interest Mode at the same rates for the same Rate Periods and which in the case of Bonds bearing interest at a Fixed Rate were converted on the same date, such redemption shall be by lot in such manner as the Trustee may determine among such Bonds, (ii) in the case of the redemption of less than all Bonds which bear interest at the same rates for the same Rate Periods, such redemption shall be by lot in such manner as the Trustee may determine among such Bonds, and (iii) subject to other applicable provisions of the Indenture, the portion of any Bond to be redeemed shall be in a principal amount equal to an

Authorized Denomination. Any redemption of less than all of the Bonds outstanding shall be made first from Credit Provider Bonds.

Credit Facility. The Board covenants and agrees that at all times while any Bonds are outstanding which bear interest at a Short Rate, the Board will maintain a Credit Facility in full force and effect with respect to all Bonds bearing interest at a Short Rate except as otherwise provided in the Indenture.

Liquidity Facility Not Required in Certain Circumstances. The Board need not cause a Credit Facility or Liquidity Facility to be in effect at all times with respect to Bonds bearing interest at a Short Rate if, prior to the expiration or termination of the Credit Facility or Liquidity Facility then in effect, there is delivered to the Board, the Remarketing Agent, the Trustee and the Trustee's Agent (i) an Opinion of Bond Counsel to the effect that the expiration or termination of the Credit Facility or Liquidity Facility then in effect will not adversely affect the validity of the Bonds or any exclusion from gross income for Federal income tax purposes of interest on the Bonds and (ii) written evidence from each Rating Service that the ratings on the Bonds bearing interest at a Short Rate following the expiration or termination of the Credit Facility or Liquidity Facility, as appropriate, will not be reduced or withdrawn from the ratings on the Bonds immediately prior to such expiration or termination.

Registration. This Bond is transferable by the registered owner hereof in person or by such registered owner's attorney duly authorized in writing at the principal corporate trust office of the Trustee, but only in the manner and subject to the limitations provided in the Indenture.

Defeasance. Provision for payment of all or any portion of the Bonds may be made, and the Indenture may be discharged, prior to payment of the Bonds in the manner provided in the Indenture.

Miscellaneous. The registered 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 proceedings with respect thereto, except as provided in the Indenture.

ASSIGNMENT

The following abbreviations, when used in the inscription on the face of this certificate, shall be construed as though they were written out in full according to applicable laws or regulations:

UNIF GIFT MIN ACT--

TEN	as tenants in common		Custodian
COM			
TENANT	_____ as tenants by the entireties	_____ (Cust)	_____ (Minor)
JT TEN	_____ as joint tenants with right of survivorship and not as tenants in common	_____ under Uniform Gifts to Minors Act	
		_____ (State)	

Additional abbreviations may also be used
though not in the above list.

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto

(Name and Address of Assignee)

this Bond of the Board of Education of the City of Chicago and does hereby irrevocably constitute and appoint _____
_____ to transfer said Bond on the books kept for
registration thereof with full power of substitution in the premises.

Dated: _____

Signature: _____

Signature Guaranteed: _____

NOTICE: The signature to this assignment must correspond with the name as it appears upon the face of this Bond in every particular, without alteration or enlargement or any change whatever.

NOTICE OF RATE PERIOD

Rate Change Date on which Current Rate Period Commences:

Next Rate Change Date:

Applicable Interest Rate during Current Rate Period:

_____,
as trustee

By: _____
Authorized Officer

EXHIBIT B

NOTICE REGARDING SUFFICIENCY OF PLEDGED STATE AID REVENUES

Board of Education of the City of Chicago
Bureau of Treasury
125 South Clark Street, 13th Floor
Chicago, IL 60603
Attention: Treasurer

RE: Board of Education of the City of Chicago
Unlimited Tax General Obligation Refunding Bonds
(Dedicated Tax Revenues), Series 2011D

Ladies and Gentlemen:

_____, as trustee (the "*Trustee*") under that certain Trust Indenture, dated as of December 1, 2011 (the "*Indenture*"), between you and the undersigned, providing for the issuance of the above-referenced Bonds (the "*Bonds*"), hereby notifies you pursuant to Section 5.4(F) of the Indenture that there has been deposited to the credit of the Pledged State Aid Revenues Account established under the Indenture an amount equal to the Pledged State Aid Revenues Account Requirement for the Bond Year (as each term is defined in the Indenture) beginning on [March 2, 20____ to and including March 1, 20____]. As described in Sections 5.4(A) and 8.6(B) of the Indenture, you are asked to take such actions as are necessary to abate the Pledged Taxes (as defined in the Indenture) levied in the year 20____.

Pursuant to the directions contained in Section 5.4(C) of the Indenture, the undersigned will on or before each interest payment date or principal payment date transfer all amounts on deposit in the Pledged State Aid Revenues Account into the Interest Sub-Account, the Swap Payment Account and the Principal Sub-Account, respectively, of the Bond Payment Account.

IN WITNESS WHEREOF, the Trustee has caused this Notice to be executed by its duly authorized officer, this ____ day of _____, 20____.

as trustee

By: _____
Its: _____

EXHIBIT C

FORM OF BOND - INDEX RATE AND UNREMARKETED BONDS

LIMITATIONS ON TRANSFER

**THIS BOND MAY NOT BE TRANSFERRED TO A NEW OWNER UNLESS THE PROVISIONS OF THE
INDENTURE ARE COMPLIED WITH**

No. R-_____

\$_____

UNITED STATES OF AMERICA

STATE OF ILLINOIS

BOARD OF EDUCATION OF THE CITY OF CHICAGO

Unlimited Tax General Obligation Refunding Bond
(Dedicated Revenues), Series 2011D

Maturity Date	Original Issue Date	Index Rate Purchase Date	CUSIP
March 1, 2032	_____, 2011		

Registered Owner:

Principal Amount:

AS HEREINAFTER DESCRIBED, UNDER CERTAIN CIRCUMSTANCES ON CERTAIN DATES THIS BOND IS REQUIRED TO BE TENDERED FOR PURCHASE TO THE TRUSTEE OR THE TRUSTEE'S AGENT AT THE PURCHASE PRICE SPECIFIED HEREIN. THE REGISTERED OWNER HEREOF WHO IS REQUIRED TO TENDER THIS BOND, FOR PURCHASE SHALL BE ENTITLED SOLELY TO THE PAYMENT OF SUCH PURCHASE PRICE ON THE APPLICABLE PURCHASE DATE, AND SHALL NOT BE ENTITLED TO THE PAYMENT OF ANY PRINCIPAL HEREOF OR ANY INTEREST ACCRUED HEREON ON OR AFTER SUCH DATE.

The BOARD OF EDUCATION OF THE CITY OF CHICAGO (the "*Board*"), a school district organized and existing under the laws of the State of Illinois, for value received, hereby promises to pay (but only out of the sources hereinafter provided) to the registered owner identified above, or registered assigns, on the maturity date specified above, unless this Bond shall have been called for redemption and payment of the redemption price shall have been duly made or provided for, upon presentation and surrender hereof, the principal sum specified above, and to

pay (but only out of the sources hereinafter provided) interest on the balance of said principal sum from time to time remaining unpaid from and including the original issue date specified above, or from and including the most recent Interest Payment Date (as defined in the hereinafter-defined Indenture) with respect to which interest has been paid or duly provided for, until payment of said principal sum has been made or duly provided for.

Reference is hereby made to the further provisions of this Bond set forth below, and such further provisions shall for all purposes have the same effect as if set forth at this place.

It is hereby certified, recited and declared that all acts and conditions required to be performed precedent to and in the execution and delivery of the Indenture and the issuance of this Bond have been performed in due time, form and manner as required by law; that the indebtedness of the Board, including the issue of Bonds of which this is one, does not exceed any limitation imposed by law; and that provision has been made for the collection of the Pledged State Aid Revenues and the Pledged Taxes to pay the interest hereon as it falls due and also to pay and discharge the principal hereof at maturity.

This Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Indenture until the Certificate of Authentication hereon shall have been duly executed by the Trustee.

IN WITNESS WHEREOF, the Board of Education of the City of Chicago has caused this Bond to be signed in its name and on its behalf by the manual or duly authorized facsimile signature of its President and attested by the manual or duly authorized facsimile signature of its Secretary, all as of the Dated Date identified above.

BOARD OF EDUCATION OF THE CITY OF
CHICAGO

By: _____
President, Board of Education of the City of
Chicago

Attest:

Secretary, Board of Education of the
City of Chicago

[Form of Certificate of Authentication]

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds described in the within-mentioned Indenture.

Date of Authentication and Delivery:

as Trustee

_____, 20____

By: _____
Authorized Signatory

Payments. The principal of and premium, if any, on Bonds bearing interest at an Index Rate shall be payable at the payment office of the Trustee, upon presentation and surrender of such Bonds. Any payment of the purchase price of a Tendered Bond shall be payable at the principal corporate trust office of the Trustee's Agent (or at such other office as may be designated by the Trustee), upon presentation and surrender of such Tendered Bond as hereinafter described.

Interest on Bonds bearing interest at an Index Rate and Unremarketed Bonds shall be made to the Purchaser by wire transfer on each Interest Payment Date at the wire transfer address specified by the Purchaser in written notice to the Trustee received not later than the Business Day next preceding the Record Date (or such other wire transfer address as is specified by the Purchaser in writing from time to time).

Interest accrued on the Bonds during each Rate Period shall be paid in arrears on each Interest Payment Date. Interest on the Bonds shall be computed during an Index Mode and for Unremarketed Bonds upon the basis of a 365 or 366-day year, as appropriate, and the actual number of days elapsed.

General. This Bond is one of a duly authorized issue of \$95,000,000 aggregate principal amount Unlimited Tax General Obligation Refunding Bonds (Dedicated Revenues), Series 2011D, of the Board (the "*Bonds*"). The Bonds are issued pursuant to, under authority of and in full compliance with the Constitution and laws of the State of Illinois, including the Local Government Debt Reform Act of the State of Illinois, as amended (the "*Act*") and a Trust Indenture dated as of December 1, 2011 (the "*Indenture*"), by and between the Board and the Trustee. The Bonds are being issued for the purpose of paying the costs of the refunding and redemption of all outstanding \$95,000,000 Unlimited Tax General Obligation Bonds (Dedicated Revenues), Series 2000C (the "*Series 2000C Bonds*").

The Bonds are payable ratably and equally from (i) "*Pledged State Aid Revenues*," as defined in the Indenture, provided that the pledge of State Aid Revenues to the Bonds is on a parity with the pledge of such revenues to the outstanding Unlimited Tax General Obligation Refunding Bonds (Dedicated Revenues), Series 2010A, Unlimited Tax General Obligation Refunding Bonds (Dedicated Revenues), Series 2010B, Unlimited Tax General Obligation Bonds (Dedicated Revenues), Series 2010C (Taxable Qualified School Construction Bonds - Direct Payment), Unlimited Tax General Obligation Bonds (Dedicated Revenues), Series 2010D (Taxable Build America Bonds - Direct Payment), Tax-Exempt Unlimited Tax General Obligation Refunding Bonds, Series 2010F, Taxable Unlimited Tax General Obligation Refunding Bonds, Series 2010G, and Unlimited Tax General Obligation Bonds (Dedicated Revenues), Series 2011A (collectively, the "*Prior Authorization Bonds*"), of the Board and any bonds issued on a parity therewith under the terms of the Indenture and (ii) "*Pledged Taxes*," being the ad valorem taxes levied against all of the taxable property in the school district governed by the Board without limitation as to rate or amount for the payment of the Bonds. The Bonds are further secured by

the other moneys, securities and funds pledged under the Indenture. For the prompt payment of this Bond, both principal and interest at maturity, the full faith, credit and resources of the Board are hereby irrevocably pledged. The Indenture provides that Additional Bonds may be issued from time to time in the future on a parity with this Bond and the Prior Authorization Bonds to share ratably and equally in all or any portion of the Pledged State Aid Revenues upon compliance with certain requirements contained in the Indenture and the Act.

Copies of the Indenture are on file at the designated office of the Trustee, and reference to the Indenture and any and all supplements thereto and modifications and amendments thereof is made for a description of the pledge and covenants securing the Bonds, the nature, extent and manner of enforcement of such pledge, the rights and remedies of the registered owners of the Bonds, and the limitations on such rights and remedies.

Definitions. Terms used in this Bond shall have the same meanings as set forth in the Indenture.

Interest Rates. The Bonds in an Index Mode shall bear interest at an Index Rate as provided in the Indenture until and unless converted to a different Interest Mode as provided in the Indenture. Unremarketed Bonds shall bear interest at the Purchaser Rate. Following an Event of Default or a Determination of Taxability, the Bonds shall bear interest as provided in the Indenture.

Index Mode. The Index Agent (the Remarketing Agent in the case of the first Rate Period during an Index Rate Period other than the Initial Index Rate Period) will determine, and is required to give prompt notice to the Trustee of, the Index Rate in the manner set forth in the Indenture. Except on an Adjustment Date, in the event that the Index Rate for any Rate Period is not determined by the Index Agent on a Rate Determination Date, the rate of interest borne by the Bonds shall remain the same until the Index Agent next determines the Index Rate as required under the Indenture.

Maximum Interest Rate. At no time shall interest on the Bonds be payable at a rate higher than the Maximum Interest Rate.

Purchase on Index Rate Purchase Date or Adjustment Date. On each Index Rate Purchase Date or Adjustment Date with respect to a Bond, including, without limitation, a proposed Fixed Rate Conversion Date or a Substitute Adjustment Date, such Bond shall be purchased pursuant to the Indenture at a purchase price equal to 100 percent of the principal amount thereof plus accrued interest thereon. The Owner of such Bond may not elect to retain its Bond and by acceptance of such Bond shall be deemed to have agreed to deliver such Bond to the Trustee on the date specified in the applicable notice.

Provisions Applicable to Mandatory Tenders. All Bonds subject to mandatory tender for purchase will be purchased at a purchase price of 100% of the principal amount thereof plus accrued interest, if any. The Owner of a Bond subject to mandatory tender for purchase as described above may not elect to retain its Bond and by acceptance of such Bond shall be deemed to have agreed to deliver such Bond to the Trustee on the date specified in the applicable notice.

The Owner of any Bond who has not tendered its Bond for purchase on the mandatory tender date will be deemed to have tendered its Bond for purchase on such date and to the extent there has been irrevocably deposited in trust with the Trustee or the Trustee's Agent on or prior to the mandatory tender date an amount of money sufficient to pay the purchase price of such Bond on the mandatory tender date, such Bond shall be deemed to have been so purchased at the price of

par plus accrued interest as of such date, and such Bond shall no longer be considered to be outstanding for purposes of the Indenture and shall no longer be entitled to the benefits of the Indenture, except for the payment of the purchase price thereof (and no interest shall accrue thereon subsequent to the mandatory tender date).

Payment of Purchase Price. Bonds remarketed by the Remarketing Agent shall be delivered by the Trustee or the Trustee's Agent as directed by the Remarketing Agent by 2:30 p.m., Chicago time, on the date of purchase against payment therefor. The proceeds of sale by the Remarketing Agent shall be delivered to the Trustee by 11:00 a.m., Chicago time, on the date of purchase. The Trustee's Agent shall pay the purchase price of each Tendered Bond from the sources specified in the Indenture, to the registered owner thereof by 2:00 p.m., Chicago time, on the purchase date; provided that the Trustee's Agent shall have confirmed that such registered owner has delivered such Tendered Bond (with any necessary endorsements) to the Principal Office of the Trustee's Agent no later than 12:00 noon, Chicago time, on such date.

In the event that sufficient moneys are on deposit with the Trustee to pay the applicable purchase price of any Tendered Bond, such Tendered Bond will be deemed to have been purchased whether or not delivered by the registered owner thereof on the date such Tendered Bond is to be purchased. In the event any such purchased Tendered Bond is not so delivered, the Board will execute and the Trustee will authenticate and deliver a replacement Bond of like date, Maturity Date and denomination as the Tendered Bond and bearing a number not contemporaneously outstanding.

In the event that sufficient moneys are not on deposit with the Trustee to pay the applicable purchase price, the Bond shall be an Unremarketed Bond and shall bear interest as set forth in the Indenture.

No Remarketing After Certain Defaults. There shall be no obligation of the Remarketing Agent to remarket Bonds (or beneficial interests therein) if there shall have occurred and be continuing an Event of Default under the Indenture.

Conversions. The Board may designate a different Interest Mode with respect to any Bond on any Interest Rate Purchase Date upon compliance with the Indenture.

In the event that the Remarketing Agent does not determine the interest rate applicable to the initial Rate Period during a new Interest Mode with respect to any Bond or if any relevant opinion required is not delivered, the immediately succeeding Interest Mode with respect to the Bonds in the Interest Mode then ending shall be determined as provided in the Indenture.

Term Rate Conversion or Fixed Rate Conversion. On any Index Rate Purchase Date the interest rate to be borne by all of the Bonds in such Interest Mode may be converted to a Term Rate or a Fixed Rate, and such Bonds so converted shall thereafter bear interest at such Term Rate or Fixed Rate until payment of the principal or redemption price thereof shall have been made or provided for in accordance with the provisions of the Indenture.

If the conversion of the interest rate of any Bond does not occur for any reason, including in the event that any condition precedent to the Term Rate Conversion or Fixed Rate Conversion shall not occur, such Bonds shall bear interest from and after the proposed Term Rate Conversion Date or Fixed Rate Conversion Date as provided in the Indenture.

Effect of Notices. Any notice mailed as provided herein shall be conclusively presumed to have been given, whether or not the registered owner of Bonds receives the notice.

Redemption. The Bonds shall be subject to redemption prior to their Maturity Date in the amounts, at the times and in the manner provided below.

(a) *Optional Redemption.* Bonds bearing interest at an Index Rate and Unremarketed Bonds shall be subject to optional redemption prior to their Maturity Date at the option of the Board, in whole or in part (and, if in part, in an Authorized Denomination) on any Interest Payment Date at a Redemption Price of 100 percent of the principal amount of Bonds being redeemed, together with accrued interest, if any, to the redemption date.

(b) *Mandatory Sinking Fund Redemption.* Bonds shall be subject to redemption prior to their Maturity Date at a redemption price equal to 100 percent of the principal amount thereof, plus accrued interest, if any, by application by the Trustee of funds on deposit to the credit of the Principal Sub-Account created under the Indenture on the dates and in the amounts specified in the Indenture.

General Provisions Regarding Redemptions. No redemption of less than all of the Bonds outstanding shall be made pursuant to (a) above unless the aggregate principal amount of Bonds to be redeemed is equal to \$100,000 or integral multiples thereof. Any redemption of less than all of the Bonds outstanding shall be made in such a manner that all Bonds outstanding after such redemption are in Authorized Denominations. Bonds may be called for redemption by the Trustee pursuant to (a) above upon receipt by the Trustee at least fifteen (15) days prior to the redemption date of a written request of the Board requesting such redemption.

Notice of Redemption. Notice of the call for any redemption identifying the Bonds to be redeemed shall be given by first class mail, postage prepaid, not less than fifteen (15) days prior to the date fixed for redemption, to the registered owners of Bonds to be redeemed at their addresses as shown on the Bond Register. Failure to give notice in the manner prescribed with respect to any Bond, or any defect in such notice, shall not affect the validity of the proceedings for redemption for any Bond with respect to which notice was properly given. Such notice shall state whether the redemption is conditioned upon sufficient moneys being available on the redemption date, or any other conditions. Upon the happening of the above conditions and if sufficient moneys are on deposit with the Trustee on the applicable redemption date to redeem the Bonds to be redeemed and to pay interest due thereon and premium, if any, the Bonds thus called shall not after the applicable redemption date bear interest, be protected by the Indenture or be deemed to be outstanding under the provisions of the Indenture.

Selection of Bonds to be Redeemed. If less than all the Bonds shall be called for redemption under any provision of the Indenture permitting such partial redemption, the particular Bonds or portions thereof to be redeemed shall be selected by the Board and designated to the Trustee; provided, however, that (i) in the case of the redemption of less than all Bonds which bear interest in the same Interest Mode at the same rates for the same Rate Periods and which in the case of Bonds bearing interest at a Fixed Rate were converted on the same date, such redemption shall be by lot in such manner as the Trustee may determine among such Bonds, (ii) in the case of the redemption of less than all Bonds which bear interest at the same rates for the same Rate Periods, such redemption shall be by lot in such manner as the Trustee may determine among such Bonds, and (iii) subject to other applicable provisions of the Indenture, the portion of any Bond to be redeemed shall be in a principal amount equal to an Authorized Denomination. Any

redemption of less than all of the Bonds outstanding shall be made first from Credit Provider Bonds.

Registration. This Bond is transferable by the registered owner hereof in person or by such registered owner's attorney duly authorized in writing at the principal corporate trust office of the Trustee, but only in the manner and subject to the limitations provided in the Indenture.

Defeasance. Provision for payment of all or any portion of the Bonds may be made, and the Indenture may be discharged, prior to payment of the Bonds in the manner provided in the Indenture.

Miscellaneous. The registered 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 proceedings with respect thereto, except as provided in the Indenture.

ASSIGNMENT

The following abbreviations, when used in the inscription on the face of this certificate, shall be construed as though they were written out in full according to applicable laws or regulations:

UNIF GIFT MIN ACT--

TEN	as tenants in common	Custodian
COM		
TENANT	_____ as tenants by the entireties	(Cust) _____ (Minor)
JT TEN	_____ as joint tenants with right of survivorship and not as tenants in common	_____ ofunder Uniform Gifts to Minors Act
		_____ (State)

Additional abbreviations may also be used though not in the above list.

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto

(Name and Address of Assignee)

this Bond of the Board of Education of the City of Chicago and does hereby irrevocably constitute and appoint _____ to transfer said Bond on the books kept for registration thereof with full power of substitution in the premises.

Dated: _____

Signature: _____

Signature Guaranteed: _____

NOTICE: The signature to this assignment must correspond with the name as it appears upon the face of this Bond in every particular, without alteration or enlargement or any change whatever.

NOTICE OF RATE PERIOD

Rate Change Date on which Current Rate Period Commences:

Next Rate Change Date:

Applicable Interest Rate during Current Rate Period:

_____,
as trustee

By: _____
Authorized Officer

QB\137400.00005\15345230.5

EXHIBIT D

INVESTOR LETTER

December 16, 2011

Board of Education of the City of Chicago
Office of Chief Financial Officer
125 S. Clark Street
Chicago, IL 60603

Re: \$95,000,000
Board of Education of the City of Chicago
Unlimited Tax General Obligation
Bonds (Dedicated Revenues), Series 2011D

Ladies and Gentlemen:

This letter is to provide you with certain representations and agreements with respect to our purchase of all of the above-referenced bonds (the "*Bonds*"), dated their date of issuance. The Bonds are issued under and secured in the manner set forth pursuant to (i) a Trust Indenture dated as of December 1, 2011, between the Board of Education of the City of Chicago (the "*Issuer*") and Amalgamated Bank of Chicago (the "*Trustee*"), (the "*Indenture*"). PNC Bank, National Association (the "*Purchaser*," the "*undersigned*," "*us*" or "*we*," as applicable) is purchasing the Bonds pursuant to a Continuing Covenant Agreement dated as of December 1, 2011 (the "*CCA*"), between the Issuer and the Purchaser. We hereby represent and warrant to you and agree with you as follows:

1. We understand that the Bonds have not been registered pursuant to the Securities Act of 1933, as amended (the "*1933 Act*"), the securities laws of any state, nor has the Indenture been qualified pursuant to the Trust Indenture Act of 1939, as amended, in reliance upon certain exemptions set forth therein. We acknowledge that the Bonds (i) are not being registered or otherwise qualified for sale under the "blue sky" laws and regulations of any state, (ii) will not be listed on any securities exchange, (iii) will not carry a rating from any rating service, and (iv) will not be delivered in a form that is readily marketable.

2. We have not offered, offered to sell, offered for sale or sold any of the Bonds by means of any form of general solicitation or general advertising, and we are not an underwriter of the Bonds within the meaning of Section 2(11) of the 1933 Act.

3. We have sufficient knowledge and experience in financial and business matters, including purchase and ownership of municipal and other tax-exempt obligations, to be able to evaluate the risks and merits of the investment represented by the purchase of the Bonds.

4. We have authority to purchase the Bonds and to execute this letter and any other instruments and documents required to be executed by the purchaser in connection with the purchase of the Bonds.

5. The undersigned is a duly appointed, qualified and acting representative of the Purchaser and is authorized to cause the Purchaser to make the certifications, representations and warranties contained herein by execution of this letter on behalf of the Purchaser.

6. The undersigned is either (a) a "qualified institutional buyer" as defined in Rule 144A promulgated under the 1933 Act (a "*QIB*"), or (b) an "accredited investor" as defined in Rule 501 of Regulation D under the 1933 Act (an "*Accredited Investor*"), and, as such, is able to bear the economic risks of such investment in the Bonds. The Purchaser understands that, in certain circumstances, it may be required to hold the Bonds until the maturity thereof.

7. The undersigned understands that no official statement, prospectus, offering circular, or other comprehensive offering statement is being provided with respect to the Bonds. The undersigned has made its own inquiry and analysis with respect to the Issuer, the Bonds and the security therefor, and other material factors affecting the security for and payment of the Bonds.

8. The undersigned acknowledges that it is familiar with the condition, financial or otherwise, of the Issuer and it has either been supplied with or been given access to information, including financial statements and other financial information, regarding the Issuer, to which a reasonable investor would attach significance in making investment decisions, and has had the opportunity to ask questions and receive answers from knowledgeable individuals concerning the Issuer, the Bonds and the security therefor, so that as a reasonable investor, it has been able to make its decision to purchase the Bonds. The undersigned acknowledges that it does not require further information from the Board for purposes of purchasing the Bonds.

9. The Purchaser has made its own inquiry and analysis with respect to the Bonds and the security therefor, and other material factors affecting the security and payment of the Bonds. The Purchaser has assumed responsibility for obtaining such information and making such review as the Purchaser deemed necessary or desirable in connection with its decision to purchase the Bonds. The Purchaser is aware that the business of the Issuer involves certain economic variables and risks that could adversely affect the security for the Bonds.

10. The Bonds are being acquired by the Purchaser for investment for its own account and not with a present view toward resale or distribution and the Purchaser intends to hold the Bonds for its own account during the Initial Interest Period; *provided, however*, that the Purchaser reserves the right to sell, transfer or redistribute the Bonds, subject to the provisions of the CCA, but agrees that any such sale, transfer or distribution by the Purchaser shall be to a Person:

(a) that is an affiliate of the Purchaser; or

(b) who executes an investor letter substantially in the form of this letter and delivers the same to the Issuer and the Trustee.

11. The Purchaser agrees to comply with any applicable state and federal securities laws then in effect with respect to any disposition of the Bonds by it, and further acknowledges that any current exemption from registration of the Bonds does not effect or diminish such requirements.

12. Failure to deliver an Investor Letter to the Issuer, when required by the terms of the CCA or the Indenture, shall cause the purported transfer of the Bonds to be null and void.

Very truly yours,

PNC BANK, NATIONAL ASSOCIATION

By: _____

Name: _____

Title: _____