
VERMONT EDUCATIONAL AND
HEALTH BUILDINGS FINANCING AGENCY

to

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.,
as Trustee

BOND INDENTURE

Dated as of [August] 1, 2020

Securing

[\$PAR]

Revenue Bonds
(Middlebury College Project)
Series 2020

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EXHIBIT A – Form of Series 2020 Bond

This BOND INDENTURE (this “Bond Indenture”), dated for convenience of reference as of [August] 1, 2020, by and between

VERMONT EDUCATIONAL AND HEALTH BUILDINGS FINANCING AGENCY,

a body corporate and politic constituting a public instrumentality of the State of Vermont (the “Agency”), and

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

a national banking association having a corporate trust office in Boston, Massachusetts, which is authorized under federal law to exercise trust powers and is subject to examination by federal authority (said banking association and any bank, banking association or trust company becoming successor Trustee under this Bond Indenture being hereinafter called the “Trustee” or the “Bond Trustee”),

W I T N E S S E T H:

WHEREAS, the Agency, a body corporate and politic constituting a public instrumentality of the State of Vermont (the “State”), is authorized under Title 16, Chapter 131, Sections 3851-3862, Vermont Statutes Annotated, as amended (the “Act”), to issue bonds to finance facilities for any nonprofit university, college or secondary school in the State of Vermont; and

WHEREAS, The President and Fellows of Middlebury College (the “College”) is a private, nonprofit college, organized and existing under the laws of the State and an eligible institution within the meaning and intent of the Act, which operates a private, four-year college and certain other facilities (the “Existing Facilities”), located chiefly in the Town of Middlebury, Vermont; and

WHEREAS, the College has determined to provide for the acquisition, construction and equipping of the Project and to refund the Refunded Bonds (each as hereinafter defined); and

WHEREAS, the College has made application to the Agency for assistance under the Act for financing a portion of the Costs of the Project and such refunding by the Agency’s lending to the College sufficient funds for paying, with other available funds, such costs; and

WHEREAS, the Board has considered such application of the College and all other pertinent information, data and materials respecting the need for, and the feasibility and the desirability of the financing of the Project and the refunding of the Refunded Bonds and has determined that the financing thereof is necessary and desirable and will effectuate the purposes of the Act and otherwise serve the public interest; and

WHEREAS, the Agency has determined to certify to the Governor of the State, prior to the issuance of any bonds hereunder, that in its opinion the Project is needed and that, the College will provide adequate revenue to repay the revenue bonds of the Agency issued for such purpose and the interest thereon when due; and

WHEREAS, the Agency has determined to issue its Revenue Bonds in the aggregate principal amount of \$[PAR] and to lend the proceeds thereof to the College for the purpose of providing funds, together with other available funds, to (i) pay, or reimburse the College for the payment of, the costs of the Project, (ii) refund the Refunded Bonds and (iii) pay certain expenses incurred in connection with the issuance of the Bonds by the Agency; and

WHEREAS, simultaneously with the issuance of the Bonds, the College and the Agency will enter into a loan agreement, dated as of [August] 1, 2020 (which loan agreement, together with any and all amendments thereof as herein permitted, is herein called the “Loan Agreement”), and in consideration for and as evidence of the loan the College has agreed to deliver its promissory note (the “Note”) issued under and pursuant to the Loan Agreement to the Agency for assignment to the Bond Trustee; and

WHEREAS, the Note will provide for the making of payments by the College (“Note Payments”) in such amounts and at such times as is required to provide for timely payment of the principal amount of and premium, if any, and interest on the Bonds; and

WHEREAS, the Agency and the College desire to secure the Bonds by a pledge of the Note Payments; and

WHEREAS, the Agency is entering into this Bond Indenture for the purpose of authorizing the Bonds and securing the payment thereof by assigning to the Bond Trustee the Note and certain of its rights under the Loan Agreement; and

WHEREAS, under the Constitution and laws of the State, including particularly the Act, the Agency is authorized to issue its bonds as hereinafter provided, to enter into this Bond Indenture and the Loan Agreement, and to do or cause to be done all the acts and things herein provided or required to be done as hereinafter covenanted; and

WHEREAS, the execution and delivery of this Bond Indenture and the Loan Agreement have been duly authorized by resolution of the Agency; and

WHEREAS, all acts, conditions, and things required by the Constitution and the laws of the State to happen, exist and be performed precedent to and in the execution and delivery of this Bond Indenture and the Loan Agreement have happened, exist and have been performed as so required in order to make this Bond Indenture a valid and binding trust indenture for the security of the Bonds in accordance with its terms and in order to make the Loan Agreement a valid and binding agreement in accordance with its terms; and

WHEREAS, the Bond Trustee has accepted the trusts created by this Bond Indenture and in evidence thereof has joined in the execution hereof;

NOW, THEREFORE, in consideration of the premises, of the acceptance by the Bond Trustee of the trusts hereby created, and of the purchase and acceptance of the Bonds by the owners thereof, and also for and in consideration of the sum of One Dollar (\$1.00) to the Agency in hand paid by the Bond Trustee at or before the execution and delivery of this Bond Indenture, the receipt of which is hereby acknowledged, and for the purpose of fixing and declaring the terms and conditions upon which the Bonds are to be issued, authenticated,

delivered, secured and accepted by all persons who shall from time to time be or become Registered Owners thereof, and in order to secure the payment of all the Bonds at any time issued and Outstanding hereunder, and redemption premium, if any, and interest thereon according to their tenor, purport and effect, and in order to secure the performance and observance of all the covenants, agreements and conditions therein and herein contained, the Agency does hereby,

(a) assign all rights, title and interest of the Agency in and to the Loan Agreement, including, without limitation, the remedies set forth in Section 7.02 of the Loan Agreement, and its rights to receive the Note Payments and other revenues and payments to be made to the Agency or for its account, reserving however, the rights of the Agency under Sections 4.05, 5.02, 5.05, 5.09, 7.05, 9.15 and 9.16 of the Loan Agreement and the rights of the Agency pursuant to sections of the Loan Agreement providing that notices, reports and other statements be given to the Agency; and

(b) assign all rights, title and interest of the Agency in and to the Note; and

(c) assign and pledge the Note Payments and all moneys and securities in the Bond Fund (as hereinafter defined)

to the Bond Trustee, and unto its successors and assigns, in trust, forever;

TO HAVE AND TO HOLD the same forever, subject, however, to the rights of the College under the Loan Agreement and to the exceptions, reservations and matters therein and herein recited but IN TRUST, NEVERTHELESS, for the equal and proportionate benefit and security of the Registered Owners from time to time of the Bonds authenticated and delivered hereunder and issued by the Agency and outstanding, without preference, priority or distinction as to lien or otherwise, except as otherwise hereinafter provided, of any one Bond over any other Bond, by reason of priority in the issue, sale or negotiation thereof or otherwise.

PROVIDED, HOWEVER, that if, after the rights, title and interest of the Bond Trustee in and to the trust estate pledged and assigned to it under this Bond Indenture shall have ceased, terminated and become void in accordance with Article XIII hereof, and the principal of and redemption premium, if any, and interest on all of the Bonds shall have been paid to the Bondowners or shall have been paid to the College pursuant to Section 508 hereof, then this Bond Indenture and all covenants, agreements and other obligations of the Agency hereunder shall cease, terminate and become void, and thereupon the Bond Trustee shall cancel and discharge this Bond Indenture and execute and deliver to the Agency and the College such instruments in writing as shall be required to evidence the discharge hereof, otherwise, this Bond Indenture shall be and remain in full force and effect.

THIS BOND INDENTURE FURTHER WITNESSETH, and it is expressly declared, that all Bonds issued and secured hereunder are to be issued, authenticated and delivered and the trust estate and other revenues and funds herein pledged and assigned are to be dealt with and disposed of under, upon and subject to the terms, conditions, stipulations, covenants, agreements, trusts, uses and purposes as hereinafter expressed, and the Agency has agreed and covenanted,

and does hereby agree and covenant, with the Bond Trustee and with the respective Owners of said Bonds as follows, that is to say:

ARTICLE I.

Definitions

Section 101. Definitions. All words and terms defined in Article I of the Loan Agreement shall have the same meanings in this Bond Indenture, unless otherwise specifically defined herein. In addition, the following words and terms as used in this Bond Indenture shall have the following meanings unless some other meaning is plainly intended:

“Agency” means Vermont Educational and Health Buildings Financing Agency, as issuer of the Bonds, and its successors and assigns.

“Authorized Denominations” means \$5,000 or any integral multiple thereof.

“Beneficial Owner” means, so long as the Bonds are held in the Book-Entry System, any Person who acquires a beneficial ownership interest in a Bond held by the Securities Depository. If at any time the Bonds are not held in the Book-Entry System, Beneficial Owner shall mean Owner for purposes of this Bond Indenture.

“Bond Counsel” means Norton Rose Fulbright US LLP, New York, New York, and any successors thereto.

“Bond Fund” means the Vermont Educational and Health Buildings Financing Agency (Middlebury College Project) Series 2020 Bond Fund created and so designated by Section 501 of this Bond Indenture.

“Bond Year” means a period of 12 consecutive months beginning on [November 1] in any calendar year and ending on October 31 of the succeeding calendar year.

“Bonds” means the Vermont Educational and Health Buildings Financing Agency Revenue Bonds (Middlebury College Project) Series 2020, including any temporary Bonds issued pursuant to Section 210 hereof and replacement Bonds issued pursuant to Section 211 hereof.

“Book-Entry System” shall mean the system maintained by the Securities Depository.

“Business Day” shall mean any business day other than (i) a Saturday or Sunday or (ii) a day on which the Trustee or the Paying Agent are required or authorized to be closed or (iii) a day on which commercial banks and financial institutions either in New York, New York or the State are not open for business or (iv) a day on which The New York Stock Exchange is closed.

“Code” means the Internal Revenue Code of 1986, as amended.

“College” means The President and Fellows of Middlebury College, an eligible institution within the meaning of the Act and a private, nonprofit college, organized and existing under the laws of the State and its successors and assigns.

“College Representative” means each of the persons at the time designated to act on behalf of the College by written certificate furnished to the Agency containing the specimen signatures of such persons and signed on behalf of the College by the President or Treasurer of the College.

“Construction Fund” means Vermont Educational and Health Buildings Financing Agency Revenue Bonds (Middlebury College Project) Series 2020 Construction Fund created and so designated under Section 401 hereof.

“Costs of the Project” means those costs incurred by the College in connection with any component of the Project and in connection with the issuance of the Bonds as more fully described in Section 403 hereof.

“Defaulted Interest” means Defaulted Interest as defined in Section 203 hereof.

“Defeasance Obligations” means (i) cash (insured at all times by the Federal Deposit Insurance Corporation) and (ii) Government Obligations. Any security used for defeasance must provide for the timely payment of principal and interest and cannot be callable or prepayable prior to maturity or earlier redemption of the Bonds and cannot be securities that do not have a fixed par value and/or whose terms do not promise a fixed dollar amount at maturity or call date.

“Escrow Agent” has the meaning assigned thereto in the Loan Agreement.

“Escrow Deposit Agreement” means the Escrow Deposit Agreement, dated as of [August __, 2020], by and among the Agency, the College and The Bank of New York Mellon Trust Company, N.A. (in its capacity as Escrow Agent).

“Electronic Means” means telecopy, facsimile transmission, e-mail transmission or other similar electronic means of communication providing evidence of transmission, including a telephonic communication confirmed by any other method set forth in this definition.

“Fitch” means Fitch Ratings, Inc., and its successors and assigns, except that if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, then the term “Fitch” shall be deemed to refer to any other nationally recognized securities rating agency selected by the College.

“Government Obligations” means obligations of, or obligations guaranteed as to principal and interest by, the U.S. or any agency or instrumentality thereof, when such obligations are backed by the full faith and credit of the U.S., including U.S. treasury obligations, all direct or fully guaranteed obligations of Farmers Home Administration, General Services Administration, Guaranteed Title XI financing, Government National Mortgage Association (GNMA), and State and Local Government Series.

“Interest Account” means the account in the Bond Fund created and so designated by Section 501 of this Bond Indenture.

“Interest Payment Date” means [May 1] or [November 1] in any year upon which interest is payable on the Bonds.

“Investment Obligations” means:

(i) Defeasance Obligations;

(ii) bonds, debentures, Note or other evidences of indebtedness issued by any of the following agencies or any other like governmental or government-sponsored agencies which are hereafter created: Bank for Cooperatives; Federal Intermediate Credit Banks; Federal Financing Bank; Federal Home Loan Bank System; Export Import Bank of the United States; Farmers Home Administration; Small Business Administration Inter-American Development Bank; International Bank for Reconstruction and Development; Federal Land Banks; and Government National Mortgage Association to the extent not included in Defeasance Obligations;

(iii) direct and general obligations of any state of the United States of America or any municipality or political subdivision of such state, or obligations of any corporation, if such obligations are rated in one of the two highest rating categories by each of S&P and Moody’s (without regard to any gradations within such categories);

(iv) negotiable or non-negotiable certificates of deposit, time deposits, or other similar banking arrangements, issued by any bank, banking association (including the Bond Trustee) or trust company or any savings and loan association, and either (i) the long-term obligations of such bank, banking association or trust company or savings and loan association are rated at least A-2 by S&P and P-2 by Moody’s (without regard to any gradations within such categories) or (ii) the deposits are continuously secured as to principal, but only to the extent not insured by the Federal Deposit Insurance Corporation or similar corporation chartered by the United States of America, (a) by lodging with a bank or trust company, as collateral security, obligations described in paragraph (i) or (ii) above or other marketable securities eligible as security for the deposit of trust funds under applicable regulations of the Comptroller or the Currency of the United States or applicable state law or regulations, having a market value (exclusive of accrued interest) not less than the amount of such deposit, or (b) if the furnishing of security as provided in clause (a) of this paragraph is not permitted by applicable law, in such manner as may then be required or permitted by applicable state or federal laws and regulations regarding the security for, or granting a preference in the case of, the deposit of trust funds;

(v) repurchase agreements with respect to obligations listed in paragraph (i) or (ii) above if entered into with a bank, banking association (including the Bond Trustee), trust company or a broker or dealer (as defined by the Securities Exchange Act of 1934) which is a dealer in government bonds and reports to, trades with and is recognized as a primary dealer by a Federal Reserve Bank, and is a member of the Securities Investors Protection Corporation if (i) such obligations that are the subject of such repurchase agreement are delivered to the Bond Trustee or are supported by a safekeeping receipt issued by a depository satisfactory to the Bond Trustee, provided that such repurchase agreement must provide that the value of the underlying obligations shall be maintained at a current market value, calculated no less frequently than monthly, of not less than the repurchase price, (ii) a prior perfected security interest in the obligations which are the subject of such repurchase agreement has been granted to the Bond Trustee and (iii) such obligations are free and clear of any adverse third party claims;

(vi) commercial paper rated in the highest rating category by each of S&P and Moody's;

(vii) mutual funds that invest primarily in obligations listed in paragraphs (i), (ii) and (iii) above which mutual funds are rated in the highest category by each of S&P and Moody's;

(viii) investment agreements continuously secured by the obligations listed in paragraphs (i), (ii) or (iv) above, with any bank, trust company or broker or dealer (as defined by the Securities Exchange Act of 1934) which is a dealer in government bonds and reports to, trades with and is recognized as a primary dealer by, a Federal Reserve Bank, and is a member of the Securities Investors Protection Corporation if (i) such obligations are delivered to the Bond Trustee or are supported by a safekeeping receipt issued by a depository satisfactory to the Bond Trustee, provided that such investment agreements must provide that the value of the underlying obligations shall be maintained at a current market value, calculated no less frequently than monthly, of not less than the amount deposited thereunder, (ii) a prior perfected security interest in the obligations which are securing such agreement has been granted to the Bond Trustee, and (iii) such obligations are free and clear of any adverse third party claims;

(ix) Demand deposits, including interest bearing money market accounts, time deposits, trust funds, trust accounts, overnight bank deposits, interest-bearing deposits, other deposit products, certificates of deposit, including those placed by a third party pursuant to an agreement between the Trustee and the College and/or the Agency, or bankers acceptances of depository institutions, including the Trustee or any of its affiliates; and

(x) investment agreements with any bank or trust company which has long-term obligations rated in one of the two highest rating categories by each of S&P and Moody's (without regard to any gradations within such categories).

Any of the above-described investments may be issued by or acquired through the Bond Trustee or its affiliates, or any entity to which the Bond Trustee or its affiliates provide services (and receives compensation), provided that such investment otherwise satisfies the applicable requirements of such definition.

“Loan Agreement” means the loan agreement between the Agency and the College, dated as of [August] 1, 2020, pursuant to which the proceeds of the Bonds have been loaned by the Agency to the College.

“Moody's” shall mean Moody's Investors Service, Inc., a corporation duly organized and existing under and by virtue of the laws of the State of Delaware, and its successors and assigns, except that if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, then the term “Moody's” shall be deemed to refer to any other nationally recognized securities rating agency selected by the College.

“Notice Parties” shall mean the Agency, the Trustee, the Paying Agent and the College.

“Outstanding” means all Bonds which have been authenticated and delivered by the Bond Trustee under this Indenture, except:

(1) Bonds paid or redeemed or delivered to or acquired by the Bond Trustee for cancellation;

(2) Bonds deemed to have been paid in accordance with Article XIII hereof; and

(3) Bonds in exchange for or in lieu of which other Bonds have been authenticated and delivered under this Bond Indenture;

provided, however, that in determining whether the Owners of the requisite principal amount of outstanding Bonds have given any request, demand, authorization, direction, notice, consent or waiver hereunder, Bonds owned by the Agency or the College or any other obligor upon the Bonds or the Loan Agreement shall be disregarded and deemed not to be outstanding, except that, in determining whether the Bond Trustee shall be protected in relying upon any such request, demand, authorization, direction, notice, consent or waiver, only Bonds which the Bond Trustee knows to be so owned shall be so disregarded. Bonds so owned which have been pledged in good faith shall be regarded as outstanding if the pledgee establishes to the satisfaction of the Bond Trustee the pledgee’s right so to act with respect to such Bonds and that the pledgee is not the Agency or the College or any other obligor upon the Bonds or the Loan Agreement.

“Opinion of Counsel” means a written legal opinion from a firm of attorneys experienced in the matters to be covered in the opinion.

“Owner,” “Registered Owner” or Bondowner” means the the Person in whose name or names a particular Bond is registered on the books kept by the Bond Trustee for such purpose under Section 207, including the pledgee of any Bond, including the Securities Depository, if any, or its nominee.

“Paying Agent” means the commercial bank, trust company or other entity which may from time to time be appointed to serve as Paying Agent under this Bond Indenture. Until such time as an alternate Paying Agent is appointed, the Paying Agent shall be the Bond Trustee.

“Person” or “person” means an individual, a corporation, a partnership, an association, a joint venture, a joint stock company, a trust, an unincorporated organization or any other entity or organization, including a government or political subdivision or an agency or instrumentality thereof.

“predecessor Bond” of any particular bond means every previous Bond evidencing all or a portion of the same debt as that evidenced by such particular Bond; and, for purposes of this definition, any Bond authenticated and delivered under Section 211 of this Bond Indenture in lieu of a mutilated, destroyed, stolen or lost Bond shall be deemed to evidence the same debt as the mutilated, destroyed, stolen or lost Bond.

“Principal Account” means the account in the Bond Fund created and so designated by Section 501 of this Bond Indenture.

“Principal Office of the Bond Trustee” means the corporate trust office of the Bond Trustee at which, at the time in question, this Bond Indenture is principally administered.

“Principal Payment Date” means any date upon which the principal amount of Bonds is due hereunder as set forth in Section 208 hereof, any Redemption Date, or the date the maturity of any Bond is accelerated pursuant to the terms hereof or otherwise.

“Project” has the meaning assigned thereto in the Loan Agreement.

“Rating Agencies” means any of Moody’s, S&P or Fitch, which is then providing a rating on the Bonds.

“Redemption Date” means the date fixed for redemption of a Bond subject to redemption in any notice of redemption given in accordance with the terms hereof.

“Redemption Account” means the account in the Bond Fund created and so designated by Section 501 of this Bond Indenture.

“Redemption Price” means an amount equal to the principal of and accrued interest, if any, on the Bonds to be paid on the Redemption Date.

“Refunded Bonds” has the meaning assigned thereto in the Loan Agreement.

“Regular Record Date” means the 15th day (whether or not such day is a Business Day) of the calendar month preceding any Interest Payment Date.

“Securities Depository” means The Depository Trust Company, 711 Stewart Avenue, Garden City, New York 11530, Fax 516/227-4039 or 4190, and such other securities depository as the College may designate in a certificate of the College delivered to the Trustee.

“Sinking Fund Account” means the account in the Bond Fund created and so designated by Section 501 of this Bond Indenture.

“Sinking Fund Requirement” means, with respect to the Bonds constituting Term Bonds for any Bond Year, the principal amount fixed or computed as hereinafter provided for the retirement of such Bonds by purchase or redemption by November 1 of the following Bond Year.

“S&P” means Standard & Poor’s Global Ratings, a Standard & Poor’s Financial Services LLC business, duly organized and existing under and by virtue of the laws of the State of New York, and its successors and assigns, except that if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, then the term “S&P” shall be deemed to refer to any other nationally recognized securities rating agency selected by the College.

“Special Record Date” means the date for the payment of any Defaulted Interest on Bonds fixed by the Bond Trustee pursuant to Section 203.

“State” shall mean the State of Vermont.

“Total Required Payments” means for any period the sum (without duplication) of Note Payments and payments required pursuant to Section 4.01 of the Loan Agreement and Sections 502 and 508 hereof.

“Trustee” or “Bond Trustee” means the commercial bank, trust company or other entity which may from time to time be appointed to serve as Trustee as provided in Section 901 hereof. The initial Trustee shall be The Bank of New York Mellon Trust Company, N.A.

Section 102. Rules of Construction.

Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Unless the context shall otherwise indicate the words “Bond” “Owner”, “Bondowner” and “Person” or “person” shall include the plural as well as the singular number.

Words importing the redemption or calling for redemption of the Bonds shall not be deemed to refer to or connote Payment of the Bonds at their stated maturity.

The Table of Contents, captions and headings in this Bond Indenture are for convenience only and in no way limit the scope or intent of any provision or section of this Bond Indenture.

All references herein to particular articles or sections are references to articles or sections of this Bond Indenture unless some other reference is indicated. Any agreement, instrument or statute defined or referred to herein or in any instrument or certificate delivered in connection herewith means such agreement, instrument or statute as from time to time may be amended, modified or supplemented and includes (in the case of agreements or instruments) references to all attachments thereto and instruments incorporated therein.

ARTICLE II.

Form, Execution, Authentication and Delivery of Bonds

Section 201. Limitation on Issuance of Bonds. No Bonds may be issued under the provisions of this Bond Indenture except in accordance with the provisions of this Article.

Section 202. Form of Bonds. The definitive Bonds shall be issuable in fully registered form in Authorized Denominations. The Bonds shall be substantially in the form set forth in Exhibit A hereto, with such appropriate variations, omissions and insertions as are permitted or required by this Bond Indenture, and may have endorsed thereon such legends or text as may be necessary or appropriate to conform to any applicable rules and regulations of any governmental authority or any usage or requirement of law with respect thereto.

Section 203. Details of the Bonds; Execution and Payment.

Each Bond shall bear interest from the Interest Payment Date next preceding the date on which it is authenticated, unless authenticated on an Interest Payment Date, in which case it shall bear interest from such Interest Payment Date, or, unless authenticated prior to the initial Interest Payment Date, in which case it shall bear interest from its dated date, which shall be the date of the delivery thereof and payment therefor; provided, however, that if at the time of authentication interest on such Bond is in default, such Bond shall bear interest from the date to which it has been paid or, if no interest has been paid, from its date. Interest shall be computed on the basis of a 360-day year of twelve 30-day months.

The Bonds shall be signed by, or executed with the manual or facsimile signature of, the Chairman of the Agency, and the official seal of the Agency shall be impressed, or a facsimile thereof imprinted, thereon and attested by the manual or facsimile signature of the Secretary of the Agency.

In case any officer of the Agency whose signature or whose facsimile signature shall appear on any Bond shall cease to be such officer before the delivery of such Bond, such signature or such facsimile shall nevertheless be valid and sufficient for all purposes the same as if he had remained in office until such delivery, and also any Bond may be signed by such person as at the actual time of the execution of such Bond shall be the proper officer to sign such Bond although at the date of such Bond such person may not have been such officer.

The principal of and redemption premium, if any, and interest on the Bonds shall be payable in any coin or currency of the United States of America which on the respective dates of payment thereof is legal tender for the payment of public and private debts. The principal and redemption premium, if any, of all Bonds shall be payable at the principal corporate trust office of the Bond Trustee upon the presentation and surrender of such Bonds as the same shall become due and payable.

Interest, which is payable and is punctually paid or duly provided for on any Interest Payment Date, shall be paid by the Bond Trustee to the person in whose name that Bond (or one or more predecessor Bonds) is registered at the close of business on the Regular Record Date for such interest specified in the provisions of this Bond Indenture. Except as hereinafter provided,

such payment of interest shall be by check or, if requested by any Owner of at least \$500,000 aggregate principal amount of Bonds, by wire transfer to any bank designated by such Owner.

Any interest, which is payable but is not punctually paid or duly provided for on any Interest Payment Date (herein called "Defaulted Interest"), shall forthwith cease to be payable to the Registered Owner on the relevant Regular Record Date solely by virtue of such Registered Owner having been such Registered Owner; and such Defaulted Interest may be paid by the Agency, at its election in each case, as provided in Subsection A or B below:

A. The Agency may elect to make payment of any Defaulted Interest on the Bonds to the persons in whose names such Bonds (or one or more predecessor Bonds) are registered at the close of business on a Special Record Date for the payment of such Defaulted Interest, which shall be fixed in the following manner. The Agency shall notify the Bond 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 Bond Trustee to comply with the next sentence hereof), and at the same time the Agency shall deposit or cause to be deposited with the Bond 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 Bond 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 persons entitled to such Defaulted Interest as in this Subsection provided. Thereupon the Bond Trustee shall fix a Special Record Date for the payment of such Defaulted Interest which shall be not more than 15 nor less than 10 days prior to the date of the proposed payment and not less than 10 days after the receipt by the Bond Trustee of the notice of the proposed payment. The Bond Trustee shall promptly notify the Agency and the College of such Special Record Date and, in the name and at the expense of the College, 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 Registered Owner at his address as it appears in the registration books maintained under Section 206 not less than 10 days prior to such Special Record Date. The Bond Trustee may, in its discretion, in the name and at the expense of the College, cause a similar notice to be published at least once in a newspaper or financial journal of general circulation in the City of New York, State of New York, but such publication shall not be a condition precedent to the establishment of such Special Record Date. Notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor having been mailed as aforesaid, such Defaulted Interest shall be paid to the persons in whose names the Bonds (or one or more predecessor Bonds) are registered on such Special Record Date and shall no longer be payable pursuant to the following Subsection B.

B. The Agency may make payment of any Defaulted Interest on the Bonds in any other lawful manner not inconsistent with the requirements of any securities exchange on which such Bonds may be listed and upon such notice as may be required by such exchange, if, after notice given by the Agency to the Bond

Trustee of the proposed payment pursuant to this Subsection, such payment shall be deemed practicable by the Bond Trustee.

Subject to the foregoing provisions of this Section, each Bond delivered under this Bond Indenture upon registration of transfer of or in exchange for or in lieu of any other Bond shall carry all the rights to interest accrued and unpaid, and to accrue, which were carried by such other Bond and each such Bond shall bear interest from such date, that neither gain nor loss in interest shall result from such registration of transfer, exchange or substitution.

Section 204. Authentication of Bonds. Only such Bonds as shall have endorsed thereon a certificate of authentication substantially in the form hereinbefore set forth, duly executed by the Bond Trustee, shall be entitled to any benefit or security under this Bond Indenture. No Bond shall be valid or become obligatory for any purpose unless and until such certificate of authentication shall have been duly executed by the Bond Trustee, and such certificate of the Bond Trustee upon any such Bond shall be conclusive evidence that such Bond has been duly authenticated and delivered under this Bond Indenture. The Bond Trustee's certificate of authentication on any Bond shall be deemed to have been duly executed if signed by an authorized officer of the Bond Trustee, but it shall not be necessary that the same officer sign the certificate of authentication on all of the Bonds that may be issued hereunder at any one time.

Section 205. Exchange of Bonds. Bonds, upon surrender thereof at the Principal Office of the Bond Trustee, together with an assignment duly executed by the Registered Owner or his attorney or legal representative in such form as shall be satisfactory to the Bond Trustee, may, at the option of the Registered Owner thereof, be exchanged for an equal aggregate principal amount of Bonds of like tenor and of any denomination or denominations authorized by this Bond Indenture, and in the same form as the Bonds surrendered for exchange.

Section 206. Transfer of Bonds. The Bond Trustee shall keep books for the registration and for the registration of transfer of Bonds as provided in this Bond Indenture.

The transfer of any Bond may be registered only upon the books kept for the registration and registration of transfer of Bonds upon surrender thereof to the Bond Trustee at the Principal Office of the Bond Trustee, together with an assignment duly executed by the Registered Owner or his attorney or legal representative in such form as shall be satisfactory to the Bond Trustee. Upon any such registration of transfer the Agency shall execute and the Bond Trustee shall authenticate and deliver in exchange for such Bond a new Bond or Bonds, registered in the name of the transferee, of like tenor and of any denomination or denominations authorized by this Bond Indenture in an aggregate principal amount equal to the principal amount of such Bond.

In all cases in which Bonds shall be exchanged or the transfer of Bonds shall be registered hereunder, the Agency shall execute and the Bond Trustee shall authenticate and deliver at the earliest practicable time Bonds in accordance with the provisions of this Bond Indenture. All Bonds surrendered in any such exchange or registration of transfer shall forthwith be cancelled by the Bond Trustee. No service charge shall be made for any registration, or of transfer, or exchange of Bonds, but the Agency and the Bond Trustee may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection

with any transfer or exchange of Bonds. Neither the Agency nor the Bond Trustee shall be required (i) to issue, register the transfer or exchange Bonds during a period beginning at the opening of business fifteen (15) days before the mailing of a notice of redemption of Bonds under Section 302 and ending at the close of business on the day of such mailing or (ii) to register the transfer of or exchange any Bond so selected for redemption in whole or in part.

Section 207. Ownership of Bonds. The Agency, the Bond Trustee and any agent of the Agency and the Bond Trustee, shall treat the person in whose name any Bond is registered as the Owner of such Bond for the purpose of receiving payment of principal of and premium, if any, and interest on, such Bond, and for all other purposes whatsoever, whether or not such Bond be overdue, and, to the extent permitted by law, neither the Agency, the Bond Trustee nor any such agent shall be affected by notice to the contrary.

Section 208. Authorization of the Bonds.

A. There shall be issued under and secured by this Bond Indenture a series of revenue bonds of the Agency in the aggregate principal amount of \$[PAR] for the purpose of paying all or a portion of the Costs of the Project and providing funds to refund the Refunded Bonds. Such Bonds shall be designated “Revenue Bonds (Middlebury College Project) Series 2020”, shall be dated as of the date of delivery thereof and payment therefor, shall be issued in the principal amount of \$[PAR], shall be numbered from RA-1 upwards, shall be stated to mature, subject to the right of prior redemption as hereinafter set forth, on [November 1] in the years and the principal amounts and shall bear interest at the rates per annum set forth below:

<u>Maturing</u> <u>[November 1]</u>	<u>Principal</u> <u>Amount</u>	<u>Interest Rate</u>	<u>Maturing</u> <u>[November 1]</u>	<u>Principal</u> <u>Amount</u>	<u>Interest Rate</u>
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Interest on the Bonds shall be payable semiannually, commencing on _____ 1, 202__, and on each [May 1] and [November 1] thereafter until payment of the principal amount thereof. The Bonds maturing on [November 1], ___ through [November 1], 20__, inclusive shall constitute Serial Bonds, and the Bonds maturing on [November 1], 20__ and [November 1], 20__ shall constitute Term Bonds.

B. The Bonds shall be executed substantially in the form and manner set forth in Exhibit A and delivered to the Bond Trustee for authentication, but prior to or simultaneously with the authentication and delivery of Bonds by the Bond Trustee there shall be filed with the Bond Trustee the following:

(i) A copy, certified by the Secretary of the Agency, of a resolution or resolutions of the Agency authorizing the issuance of Bonds, authorizing the execution of this Bond Indenture and the Loan Agreement, designating the Bond Trustee, awarding the Bonds and directing the authentication and delivery of such Bonds to or upon the order of the purchasers therein named upon payment of the purchase price therein set forth.

(ii) A fully executed counterpart of this Bond Indenture.

(iii) A fully executed counterpart of the Loan Agreement.

(iv) A fully executed counterpart of the Escrow Agreement.

(v) The Note, fully executed.

(vi) An opinion of counsel for the Agency, which may be bond counsel to the Agency, addressed to the Bond Trustee substantially to the effect that the execution and delivery of this Bond Indenture, the Loan Agreement and the Escrow Deposit Agreement have been duly authorized by the Agency; that this Bond Indenture, the Loan Agreement and the Escrow Deposit Agreement are in substantially the forms so authorized and have been duly executed by the Agency; assuming due authorization, execution and delivery of the Bond Indenture, the Loan Agreement and the Escrow Deposit Agreement by the other parties thereto, this Bond Indenture, the Loan Agreement and the Escrow Deposit Agreement constitute valid and binding agreements of the Agency enforceable in accordance with their respective terms, except as enforceability thereof may be limited by applicable bankruptcy, insolvency, moratorium or other laws affecting the enforcement of creditors' rights generally from time to time in effect, or by general principles of equity; to the best of such counsel's knowledge, no provision of the Loan Agreement violates any provision of the Act or this Bond Indenture or results in or constitutes a default under any material agreement, indenture or other instrument to which the Agency is a party or by which the Agency may be bound; and the Agency's execution, making or performance of this Bond Indenture and the Loan Agreement is not subject to any authorization, consent, approval or review of any governmental body, public officer or regulatory authority required on the date of their opinion and not theretofore obtained or effected. Such opinion may include such qualifications and assumptions as such opining counsel may deem necessary and appropriate, and such opinion need not cover state or federal securities laws application or any compliance therewith.

(vii) An opinion of counsel for the College to the effect that the College has been duly organized and is validly existing as a corporation in good standing under the laws of the State with power and authority to execute and deliver the Loan Agreement, the Note and the Escrow Deposit Agreement and to consummate the transactions contemplated thereby; the Loan Agreement, the Note and the Escrow Deposit Agreement have been duly authorized, executed and delivered by the College and assuming the due authorization, execution and delivery by the other parties thereto, such documents constitute valid and binding agreements of the College enforceable in accordance with their respective terms, except as enforceability thereof may be limited by applicable bankruptcy, insolvency, moratorium or other laws affecting the enforcement of creditors' rights generally from time to time in effect, or by general principles of equity; the College has duly consented to the assignment of the Loan Agreement and the Note by

the Agency to the Bond Trustee; the College is exempt from federal income taxation under Section 501(a) of the Code, as an organization described in Section 501(c)(3) of the Code; to the best of such counsel's knowledge, no provision of the Loan Agreement violates any provision of the College's charter or by-laws or results in the breach of, or constitutes a default under, any material agreement, indenture or other instrument to which the College is a party or by which it may be bound; and the College's execution, making and performance of the Loan Agreement, the Note and the Escrow Deposit Agreement are not subject to any authorization, consent, approval or review of any governmental body or regulatory authority required on the date of their opinion and not theretofore obtained or effected. Such opinion may include such qualifications and assumptions as such opining counsel may deem necessary and appropriate.

(viii) A certificate of an authorized officer of the College to the effect that the College has performed, observed or complied with every material covenant, condition and agreement applicable to the College as of the date of delivery of the applicable series of Bonds which is contained in the Loan Agreement.

(ix) Evidence satisfactory to the Bond Trustee and the Agency that, upon the issuance of the Bonds and the application of the proceeds thereof, the portion of the Refunded Bonds being redeemed by the Bonds will no longer be outstanding.

The Bond Trustee shall not be responsible for the contents or sufficiency of any such documents and may assume the genuineness of each such document it receives.

When the documents mentioned above shall have been filed with the Bond Trustee and when the Bonds shall have been executed as required by this Bond Indenture, the Bond Trustee shall authenticate such Bonds and deliver them to or upon the order of the purchasers named in the resolution or resolutions mentioned in clause (i) immediately above but only upon payment to the Bond Trustee for the account of the Agency of the purchase price of the Bonds. The Bond Trustee shall be entitled to rely conclusively upon such resolution or resolutions, or any document approved thereby, including without limitation, as to the names of the purchasers and the amount of such purchase price.

Simultaneously with the delivery of the Bonds, the Bond Trustee shall apply the proceeds of the Bonds as follows:

(a) \$_____ of such proceeds shall be delivered to the Escrow Agent for the benefit of the holders of and applied on [November 1], 2020 to pay or redeem the Refunded Bonds;

(b) the balance of the proceeds shall be deposited in the Construction Fund.

Section 209. No Additional Bonds. After the delivery of the Bonds, except as provided in Section 211 of this Bond Indenture, no other bonds or other indebtedness of the Agency may be issued under and secured by this Bond Indenture at any time or for any purpose.

Section 210. Temporary Bonds. Until definitive Bonds are ready for delivery, there may be executed, and upon request of the Agency, the Bond Trustee shall authenticate and

deliver, in lieu of definitive Bonds and subject to the same limitations and conditions, typewritten, printed, engraved or lithographed temporary Bonds, in the form of fully registered Bonds in Authorized Denominations, substantially of the tenor of the Bonds set forth in this Bond Indenture and with such appropriate omissions, insertions and variations as may be required.

If temporary Bonds shall be issued, the Agency, upon written consent of the College, shall cause the definitive Bonds to be prepared and to be executed and delivered to the Bond Trustee, and the Bond Trustee, upon presentation to it at the Principal Office of the Bond Trustee of any temporary Bond, shall cancel the same and authenticate and deliver in exchange therefor at the place designated by the Holder, without charge to the Holder thereof, a definitive Bond or Bonds of an equal aggregate principal amount, of the same maturity and bearing interest at the same rate as the temporary Bond surrendered. Until so exchanged, the temporary Bonds shall in all respects be entitled to the same benefit and security of this Bond Indenture as the definitive Bonds to be issued and authenticated hereunder.

Section 211. Replacement of Mutilated, Destroyed, Lost or Stolen Bonds. In case any Bond secured hereby shall become mutilated or be destroyed, lost or stolen, the Agency shall cause to be executed, and the Bond Trustee shall authenticate and deliver, a new Bond of like tenor in exchange and substitution for and upon the cancellation of such mutilated Bond, or in lieu of and in substitution for such Bond destroyed, lost or stolen, upon the Registered Owner's paying the reasonable expenses and charges of the Agency and the Bond Trustee in connection therewith and his furnishing to the Agency and the Bond Trustee indemnity satisfactory to each of them and, in the case of a Bond destroyed, lost or stolen, his filing with the Bond Trustee evidence satisfactory to it and to the Agency that such Bond was destroyed, lost or stolen, and of his ownership thereof.

Section 212. Qualification for Depository Trust Company. The Bond Trustee is hereby authorized to take such actions as may be necessary from time to time to qualify the Bonds for deposit with The Depository Trust Company of New York ("DTC"), including but not limited to, wire transfers of interest and principal payments with respect to the Bonds, utilization of electronic book entry data received from DTC in place of actual delivery of Bonds and provision of notices with respect to Bonds registered in the name of DTC (or any of its designees identified to the Bond Trustee) by overnight delivery, courier service, telegram, telecopy or other similar means of communication. No such arrangements with DTC may adversely affect the interests of any of the Owners of the Bonds; provided, however, that the Bond Trustee shall not be liable with respect to any such arrangements it may make pursuant to this Section. Notwithstanding any other provision of this Bond Indenture to the contrary, so long as any Bond is registered in the name of Cede & Co., as nominee of DTC, all payments with respect to principal, interest, and premium, if any, all deliveries to be made and all notices to be delivered with respect to such Bonds shall be made and given, respectively, pursuant to DTC's rules and procedures.

ARTICLE III.

Redemption of Bonds

Section 301. Redemption of Bonds.

A. The Bonds issued under the provisions of this Bond Indenture shall not be subject to prior redemption except in accordance with the provisions of this Article III.

B. The Bonds are subject to redemption by the Agency, at the option of the College, on or after [November 1], 20__, in whole or in part on any date, upon payment of a redemption price equal to 100% of the principal amount of the Bonds to be redeemed, plus accrued interest to the date fixed for redemption, without premium.

C. The Term Bonds are subject to redemption to the extent of the Sinking Fund Requirement therefor on November 1 immediately after each Bond Year in which there is a Sinking Fund Requirement, at the Redemption Price of 100% of the principal amount of the Bonds to be redeemed plus accrued interest to the redemption date, without premium.

The Sinking Fund Requirements for the Term Bonds due on [November 1], ____ shall be in the following amounts for the following Bond Years:

Bond Year Ending <u>October 31,</u>	<u>Amount</u>
	\$

*

*Maturity

The Sinking Fund Requirements for the Bonds due on [November 1], ____ shall be in the following amounts for the following Bond Years:

Bond Year Ending <u>October 31,</u>	<u>Amount</u>
	\$

*

*Maturity

The aggregate amount of such Sinking Fund Requirements for the Term Bonds, together with the amount due upon the final maturity of such Bonds, shall be equal to the aggregate

principal amount of the Term Bonds. Any principal amount of Term Bonds maturing on the same date retired by operation of the Sinking Fund Account by purchase in excess of the total amount of the Sinking Fund Requirement for such Bonds during any Bond Year, shall be credited against and reduce the future Sinking Fund Requirements for such Bonds in such manner as shall be specified in an Officer's Certificate of the College filed with the Trustee pursuant to Section 505 of this Bond Indenture.

On or before the 45th day next preceding any [November 1] on which Term Bonds are to be retired pursuant to the Sinking Fund Requirement, the Agency or the College may deliver to the Trustee for cancellation Term Bonds required to be redeemed on such [November 1] in any aggregate principal amount desired and receive a credit against amounts required to be transferred from the Sinking Fund Account on account of such Bonds in the amount of 100% of the principal amount of any such Bonds so purchased. Any principal amount of Term Bonds purchased by the Trustee and cancelled in excess of the Sinking Fund Requirements to be satisfied during any Bond Year shall be credited against and reduce the principal amount of future Sinking Fund Requirements in such manner as shall be specified in an Officer's Certificate of the College in substantially the form of the Officer's Certificate filed with the Trustee pursuant to Section 505 of this Bond Indenture.

Section 302. Notice of Redemption. At least 30 days before the redemption date of any Bonds (or portions thereof), the Bond Trustee shall cause a notice of any such redemption, signed by the Bond Trustee on behalf of the Agency, to be mailed by first-class mail, postage prepaid, to all Registered Owners whose Bonds shall have been called for redemption at their addresses as they appear on the registration books of the Agency maintained by the Bond Trustee, but failure to mail any such notice or a defect in the notice or the mailing shall not affect the validity of the proceedings for such redemption with respect to the Registered Owners to whom notice was duly mailed hereunder. Each such notice shall set forth the date fixed for redemption, the redemption price to be paid and, if less than all of the Bonds then Outstanding shall be called for redemption, the distinctive series, numbers, years and letters, if any, of such Bonds to be redeemed and, in the case of Bonds to be redeemed in part only, the portion of the principal amount thereof to be redeemed. In case any Bond is to be redeemed in part only, the notice of redemption which relates to such Bond shall state also that on or after the redemption date, upon surrender of such Bond, a new Bond of like tenor and in principal amount equal to the unredeemed portion of such Bond will be issued.

Any notice of redemption may state that the redemption to be effected is conditioned upon the receipt by the Bond Trustee on or prior to the redemption date of moneys sufficient to pay the principal of and premium, if any, and interest on such Bonds to be redeemed and that if such moneys are not so received, such notice shall be of no force or effect and such Bonds shall not be required to be redeemed. In the event that such notice contains such a condition and moneys sufficient to pay the principal of and premium, if any and interest on such Bonds are not received by the Bond Trustee on or prior to the purported redemption date, the redemption shall not be made, and the Bond Trustee shall within a reasonable time thereafter give notice, in the manner in which the notice of redemption was given, that such moneys were not so received.

Section 303. Effect of Calling for Redemption. On the date so designated for redemption, notice having been given in the manner and under the conditions hereinabove

provided, the Bonds, or portions of Bonds, so called for redemption shall become and be due and payable at the redemption price provided for redemption of such Bonds or portions of Bonds on such date and, if moneys or Defeasance Obligations, or both, sufficient for payment of the redemption price and accrued interest shall be held by the Bond Trustee in trust for the Registered Owners of the Bonds or portions thereof to be redeemed, all as provided in this Bond Indenture, interest on the Bonds or portions of Bonds called for redemption shall cease to accrue, such Bonds or portions of Bonds shall cease to be entitled to any benefit or security under this Bond Indenture after such date, and the Registered Owners of such Bonds or portions of Bonds shall have no rights in respect thereof except to receive payment of the redemption price thereof and accrued interest so held by the Bond Trustee and, to the extent provided in Section 304 of this Article, to receive Bonds for any unredeemed portion of Bonds.

Section 304. Partial Redemption. In case part but not all of an Outstanding Bond shall be selected for redemption, the Registered Owner thereof or his or her attorney or legal representative shall present and surrender such Bond to the Bond Trustee for payment of the principal amount thereof so called for redemption, and the Agency shall execute and the Bond Trustee shall authenticate and deliver to or upon the order of such Registered Owner or his or her attorney or legal representative, without charge therefor, a Bond of like tenor for the unredeemed portion of the principal amount of the Bond so surrendered.

Section 305. Selection of Bonds for Redemption; Cancellation. The Bonds shall be redeemed only in whole multiples of \$5,000. The Bond Trustee shall select the Bonds to be redeemed in accordance with the terms and provisions of this Bond Indenture. If less than all of the Bonds are to be called for redemption, the Bond Trustee shall then select by lot the Bonds to be redeemed, each \$5,000 portion of principal being counted as one Bond for this purpose.

Bonds so redeemed, presented and surrendered shall be cancelled upon the surrender thereof.

Section 306. Use of Defeasance Obligations to Redeem Bonds. For purposes of all Sections in this Article, Defeasance Obligations shall be deemed to be sufficient to pay or redeem Bonds on a specified date if the principal of and the interest on such Defeasance Obligations, when due, will be sufficient, without reinvestment, to pay on such date the Redemption Price of, and the interest accruing on, such Bonds to such date. The Trustee shall be entitled to either (a) a verification report of an independent certified public accountant to the effect that the principal of and interest on such Defeasance Obligations, when due, will be sufficient to pay on such date the Redemption Price of, and the interest accruing on, such Bonds to such date, or (b) opinions of Bond Counsel and counsel to the Agency reasonably satisfactory to the Trustee to the effect that all conditions precedent to the defeasance set forth in this Bond Indenture have been complied with.

ARTICLE IV.

Construction Fund

Section 401. Construction Fund. A special fund is hereby established with the Trustee and designated Vermont Educational and Health Buildings Financing Agency (Middlebury College Project) Series 2020 Construction Fund. All proceeds of the Bonds, after making the payments and deposits required by Section 208 of this Bond Indenture shall be deposited immediately upon receipt to the credit of the Construction Fund. Money received by the Agency from any source, including the College, for the construction of any portion of the Project shall also be deposited immediately upon its receipt to the credit of the Construction Fund.

The money in the Construction Fund shall be held by the Bond Trustee in trust and, subject to the provisions of Section 404 of this Bond Indenture, shall be applied to the payment of the Costs of the Project and, pending such application, shall be subject to a lien and charge in favor of the Owners and for the further security of such Owners until paid out or transferred as herein provided. The Trustee shall establish separate subaccounts within the Construction Fund for each Series of Bonds so that the Trustee may at all times ascertain the source of the funds in each such subaccount.

Section 402. Payments from the Construction Fund. Payment of the Costs of the Project shall be made from the Construction Fund. All payments from the Construction Fund shall be subject to the provisions and restrictions set forth in this Article, and the Agency covenants that it will not cause or agree to permit to be paid from the Construction Fund any sums except in accordance with such provisions and restrictions; provided, however, that issuance costs, within the meaning of Section 147(g) of the Code, if and to the extent applicable (“Issuance Costs”), incurred in connection with such Bonds shall be paid from proceeds of such Bonds deposited in the Construction Fund only in an amount not to exceed 2% of the principal amount of the Bonds. Examples of such Issuance Costs include (but are not limited to) the following, if any:

1. counsel fees (including bond counsel, underwriters’ counsel, issuer’s counsel, counsel to the College and counsel to the Trustee, as well as any other specialized counsel fees incurred in connection with the Bonds);
2. fees of the Agency and financial advisor fees incurred in connection with the Bonds;
3. rating agency fees;
4. depository fees incurred in connection with the Bonds;
5. Trustee’s fees, paying agent and certifying and authenticating agent fees related to issuance of the Bonds;
6. accountants’ fees related to issuance of the Bonds;
7. printing costs (for the Bonds and of preliminary and final offering materials);

8. costs incurred in connection with the required public approval process (e.g., publication costs for public notices generally and costs of the public hearing); and
9. costs of engineering and feasibility studies necessary to the issuance of the Bonds.

Section 403. Costs of the Project. For the purpose of this Bond Indenture, the Costs of the Project shall embrace such costs as are eligible costs within the purview of the Act and, without intending thereby to limit or restrict any proper definition of such Cost, shall include the following:

(i) obligations incurred by the College for labor, materials and services provided by contractors, builders and others in connection with the construction and equipping of the Project, machinery and equipment, necessary water and sewer lines and connections, utilities and landscaping, the restoration or relocation of any property damaged or destroyed in connection with such construction, the removal or relocation of any structures, and the clearing of lands;

(ii) the cost of acquiring by purchase, if deemed expedient, such lands, property, rights, rights of way, easements, franchises and other interests as may be deemed necessary or convenient by a College Representative for the construction and equipping of the Project, the cost of options and partial payments thereon, the cost of demolishing or removing any buildings or structures on land so acquired, including the cost of acquiring any lands to which such buildings or structures may be moved and the amount of any damages incident to or consequent upon the construction of the Project;

(iii) the reasonable fees and expenses of the Bond Trustee, S&P and Moody's for their services prior to and during construction, and premiums on insurance, if any, in connection with the Project;

(iv) the cost of borings and other preliminary investigations to determine foundation or other conditions, expenses necessary or incident to determining the feasibility or practicability of constructing the Project and fees and expenses of engineers, architects and management consultants for making studies, surveys and estimates of costs and of revenues and other estimates, and fees and expenses of engineers and architects for preparing plans and specifications and supervising construction as well as for the performance of all other duties of engineers and architects set forth herein in relation to the acquisition and construction of the Project and the issuance of the Bonds therefor;

(v) legal expenses and fees, financing charges, operating reserves, expenses of recordation of legal instruments, cost of preparation of any feasibility study or report, cost of audits and of preparing and issuing the Bonds, and all other items of expense not elsewhere in this Section specified incident to the construction and equipping of the Project and the financing thereof, including moving expenses, the acquisition to lands, property rights, rights of way, easements, franchises and interests in or relating to lands, including title insurance, cost of surveys and other expenses in connection with such acquisition, and expenses of administration, all properly chargeable, in the opinion of a College Representative, to the acquisition, construction and equipping of the Project; and

(vi) any obligation or expense heretofore or hereafter incurred or paid by the Agency or by the College for any of the foregoing purposes.

Section 404. Requisitions from Construction Fund. Payments from the Construction Fund shall be made in accordance with the provisions of this Section. Before any such payment shall be made, there shall be filed with the Trustee a requisition, signed by the Authorized College Representative, stating:

(i) the item number of each such payment,
(ii) the name of the person to whom each such payment is due,
(iii) the respective amounts to be paid excluding any applicable sales tax,
(iv) the purpose by general classification for which each obligation to be paid was incurred,

(v) that obligations in the stated amounts have been incurred by the College and are presently due and payable and that each item thereof is a proper charge against the Construction Fund and has not been paid,

(vi) that no notice of any lien, right to lien or attachment upon, or claim affecting the right of any such person to receive payment of the amount stated in such requisition, has been filed or attached or, if any of the foregoing have been filed or attached, that the period for perfecting the same has expired or that the same will be satisfied or discharged or that provisions have been made (which shall be specified) to adequately protect the Trustee and the Holders from incurring any loss as a result of the same,

(vii) that such requisition contains no item representing payment on account of any retainage to which the College is entitled at the date of such requisition, and

(viii) that such requisition does not include any items of Issuance Costs payable from Bond proceeds in violation of Section 402 hereof.

Upon receipt of each requisition and accompanying certificate the Trustee shall pay the obligations set forth in such requisition out of money in the Construction Fund, and each such obligation shall be paid by check signed by one or more officers or employees of the Trustee designated for such purpose by the Trustee. In making such payments the Trustee may conclusively rely upon such requisitions. If for any reason the College should decide prior to the payment of any item in a requisition not to pay such item, it shall give written notice of such decision to the Trustee and the Agency and thereupon the Trustee shall not make such payment.

Section 405. Requisition for Land Costs. If any requisition contains any item for the payment of the purchase price or cost of any lands, property, rights, rights of way, easements, franchises or interests in or relating to lands other than lands, property, rights, rights of way, easements, franchises or interests in or relating to land described in Exhibit A to the Agreement, there shall be attached to such requisition, in addition to the certificate mentioned in Section 404 of this Article:

(i) a certificate of an Authorized College Representative, stating that such lands, property, rights, rights of way, easements, franchises or interests are being acquired by the College in furtherance of the acquisition, construction or equipping of the Project; and

(ii) an opinion of counsel for the College to the effect that upon the payment of such item the College will have title in fee simple to, or perpetual easements or title or rights sufficient for the needs and purposes of the College in, such lands, free from all liens, encumbrances and defects of title; if such payment should be a payment for an option to purchase, a quit-claim deed, or a lease or a release, or a contract to purchase, or for the acquisition of a right or interest in lands less than a fee simple or a perpetual easement, or if such payment be a part payment for any such purpose, a certificate of an Authorized College Representative approving the acquisition of such lesser right or interest or of such part payment; provided that in lieu of the opinion of counsel for the College required by this clause, there may be delivered by the College to the Trustee, a firm undertaking by a reputable title insurance company to issue its title insurance policy to the Trustee for the benefit of the Holders.

Section 406. Reliance upon Requisitions. All requisitions and opinions received by the Trustee as conditions of payment from the Construction Fund may be relied upon by the Trustee and shall be retained by the Trustee, subject at all reasonable times to examination by the Agency, the College, and the Holders of not less than twenty-five percent (25%) in aggregate principal amount of the Bonds then Outstanding.

Section 407. Completion of the Project and Disposition of Construction Fund Balance. When the acquisition, construction and equipping of the Project shall have been completed, which fact shall be conclusively evidenced to the Trustee by a certificate of an Authorized College Representative delivered to the Trustee pursuant to Section 3.06 of the Agreement together with an Opinion of Independent Counsel to the effect that there are no mechanics', workmen's, repairmen's, architects', engineers', surveyors', carriers', laborers', contractors' or materialmen's liens on any property constituting a part of the Project on file in any public office where the same should be filed in order to be perfected liens against any part of the Project and that the time within which such liens can be filed has expired, the balance in the Construction Fund shall be transferred by the Trustee to the Redemption Fund if such balance is greater than or equal to \$50,000 and to the Sinking Fund Account if such balance is less than \$50,000.

ARTICLE V.

Funds and Accounts; Disposition of Note Payments

Section 501. Creation of Funds. A special fund is hereby created and designated “Vermont Educational and Health Buildings Financing Agency Revenue Bonds (Middlebury College Project) Series 2020 Bond Fund” (herein sometimes called the “Bond Fund”), in which there is created an Interest Account, a Principal Account, a Sinking Fund Account and a Redemption Account.

The moneys in the Bond Fund shall be held by the Bond Trustee in trust and shall be subject to a lien and charge in favor of the Owners of the Bonds issued and Outstanding under this Bond Indenture and for the further security of such Owners until paid out or transferred as herein provided.

Section 502. Deposits to the Bond Fund. Upon receipt, the Bond Trustee shall immediately deposit all amounts received as Note Payments for application to the payment of the principal of and interest on the Bonds, as required by Section 4.01 of the Loan Agreement, in the following order:

A. into the Interest Account in the Bond Fund, on the Business Day next preceding each Interest Payment Date, that amount which shall be equal to the interest payable on the Bonds on such Interest Payment Date;

B. into the Principal Account in the Bond Fund, on the Business Day next preceding each [November 1] on which any Serial Bond shall mature, that amount which shall be equal to the principal payable on such Serial Bond on such [November 1]; and

C. into the Sinking Fund Account in the Bond Fund, on the Business Day next preceding each [November 1] on which any Term Bond shall be subject to Sinking Fund Redemption an amount equal to the Sinking Fund Requirement for the Bond Year ending on October 31 of such year.

If, after giving effect to the credits specified below, any installment of Total Required Payments should be insufficient to enable the Bond Trustee to make the deposits required above, the Bond Trustee shall so notify the College and request that each future installment of the Total Required Payments be increased, as may be necessary, to make up any previous deficiency in any of the required payments and to make up any deficiency or loss in any of the above-mentioned accounts and funds.

To the extent that investment earnings are credited to the Interest Account in accordance with Section 602 or amounts are credited thereto as a result of the application of Bond proceeds or a transfer of investment earnings on any other fund or account held by the Bond Trustee, or otherwise, future deposits to such accounts shall be reduced by the amount so credited, and the Note Payments due from the College in the months following the date upon which such amounts are credited shall be reduced by the amounts so credited.

All amounts received by the Bond Trustee as principal of or premium, if any, or interest accruing on the Bonds to be redeemed as a result of a prepayment of Note Payments shall be deposited in the Redemption Account and Interest Account, respectively, when received.

Section 503. Application of Money in the Interest Account. On each Interest Payment Date, date for the payment of Defaulted Interest or date upon which Bonds are to be redeemed, the Bond Trustee shall withdraw from the Interest Account and remit by mail to each Owner of Bonds, or, if requested by any Owner of at least \$500,000 aggregate principal amount of Bonds, by wire transfer on the next day immediately following the applicable Interest Payment Date to any bank designated by such Owner, the amount required for paying interest on such Bonds when due and payable; provided, however, that if the Bonds are registered in the name of DTC or its nominee, then such remittance may be made by wire transfer on the Interest Payment Date.

Section 504. Application of Money in the Principal Account. On each [November 1] on which principal of the Bonds shall be due and owing, the Bond Trustee shall withdraw from the Principal Account and remit to each Owner of Bonds upon surrender of their Bonds at the Principal Office of the Bond Trustee by check or draft, or, if requested by any Owner of at least \$500,000 aggregate principal amount of Bonds, by wire transfer on the next day immediately following the applicable maturity date to any bank designated by such Owner, the amount required for paying the principal on the Bonds on such [November 1]; provided, however, that if the Bonds are registered in the name of DTC or its nominee, then such remittance may be made by wire transfer on the applicable [November 1].

Section 505. Application of Money in Sinking Fund Account. Money held for the credit of the Sinking Fund Account shall be applied during each Bond Year to the retirement of Term Bonds then Outstanding as follows:

A. The Trustee shall, at the written direction of the College, endeavor to purchase and cancel Term Bonds or portions thereof then subject to redemption by operation of the Sinking Fund Account at the most advantageous price obtainable with reasonable diligence, such price not to exceed the Redemption Price provided in Section 301.C of this Bond Indenture which would be payable on the next [November 1] to the Holders of such Term Bonds under the provisions of Article III of this Bond Indenture if such Term Bonds or portions were to be called for redemption on such date, plus accrued interest to the date of purchase. The Trustee shall pay the interest accrued on such Term Bonds or portions thereof to the date of settlement therefor from the Interest Account and the purchase price from the Sinking Fund Account, but no such purchase shall be made by the Trustee from money in the Sinking Fund Account within the period of forty-five (45) days immediately preceding the next [November 1] on which such Term Bonds are subject to redemption. The aggregate purchase prices of such Term Bonds so purchased shall not exceed the amount deposited in the Sinking Fund Account on account of the Sinking Fund Requirement for such Term Bonds; provided, however, that if in any Bond Year the amount held for the credit of the Sinking Fund Account plus the principal amount of all Term Bonds purchased during such Bond Year pursuant to the provisions of this paragraph (a) exceeds the aggregate Sinking Fund Requirements for all Term Bonds then Outstanding for such Bond Year, the Trustee shall endeavor to purchase any Term Bonds then Outstanding with such excess money.

B. The Trustee shall call for redemption on the [November 1] immediately following such Bond Year, as provided in Section 301.C of this Bond Indenture, Term Bonds or portions thereof then subject to redemption in a principal amount equal to the aggregate Sinking Fund Requirement for the Term Bonds for such Bond Year, less the principal amount of any such Term Bonds retired by purchase pursuant to clause (a) of this Section. If the amount available in the Sinking Fund Account on such [November 1] is not equal to the Sinking Fund Requirement for the Term Bonds for such Bond Year less the principal amount of any such Term Bonds so retired by purchase, the Trustee shall apply the amount available in the Sinking Fund Account to the redemption of all Term Bonds then subject to redemption. Such redemption shall be made pursuant to the provisions of Article III of this Bond Indenture. If such [November 1] is the stated maturity date of any such Term Bonds, the Trustee shall not call such Term Bonds for redemption but, on such maturity date, shall apply the amount required for paying the principal of such Term Bonds then due and payable in accordance with Section 504 hereof as if such Term Bonds were Serial Bonds. On each such redemption date, the Trustee shall withdraw from the Interest Account and the Sinking Fund Account and remit by mail, upon the presentation and surrender of such Bonds, to each Holder of Bonds to be so redeemed, or, if requested by any Holder of at least \$500,000 aggregate principal amount of Bonds, by wire transfer on the next day immediately following the corresponding [November 1] to any bank designated by such Holder, the amount required for paying the principal of such Bonds called for redemption on such [November 1] and, in either case, the interest thereon; provided, however, that if the Bonds are registered in the name of DTC or its nominee, then such remittance may be made by wire transfer on the corresponding [November 1].

C. In the event the balance in the Sinking Fund Account on the 20th day of September in any year is insufficient for the payment of the Sinking Fund Requirement on the Term Bonds on the next ensuing [November 1], the Trustee shall notify the College of the amount of such deficiency. Upon notification, the College shall, not later than the Business Day prior to such [November 1] deliver to the Trustee an amount, in immediately available funds, sufficient to cure the same.

D. If, in any Bond Year, by the application of money in the Sinking Fund Account the Trustee should purchase and cancel Term Bonds in excess of the aggregate Sinking Fund Requirements for such Bond Year, the Trustee shall file with the Agency and the College not later than the 20th day prior to the next [November 1] on which Term Bonds are to be redeemed a statement identifying the Term Bonds purchased or delivered during such Bond Year and the amount of such excess. The College shall thereafter cause a certificate of an Authorized College Representative to be filed with the Trustee not later than 10 days after receipt of such statement, setting forth with respect to the amount of such excess the years in which the Sinking Fund Requirements with respect to Term Bonds are to be reduced and the amount by which the Sinking Fund Requirements so determined are to be reduced.

E. Upon the retirement of any Term Bonds by purchase or redemption pursuant to the provisions of this Section, the Trustee shall file with the Agency and the College a statement identifying such Bonds and setting forth the date of purchase or redemption, the amount of the purchase price or the Redemption Price of such Term Bonds and the amount paid as interest thereon. The expenses incurred in connection with the purchase or redemption of any such Term

Bonds are required to be paid by the College as part of the Required Payments under the Agreement.

Section 506. Application of Money in Redemption Account. Money held for the credit of the Redemption Account, whether Note prepayments or money deposited from any other source, shall be applied to the purchase or redemption of Bonds as follows:

A. The Bond Trustee shall, at the written direction of the College, endeavor to purchase and cancel Bonds or portions thereof, whether or not such Bonds or portions thereof shall then be subject to redemption, at such price not to exceed the redemption price that would be payable on the next redemption date to the Owner of such Bonds under the provisions of Article III if such Bonds or portions thereof should be called for redemption on such date from the money in the Redemption Account, plus accrued interest to the date of purchase. The Bond Trustee shall pay the interest accrued on such Bonds or portions thereof to the date of settlement therefor from the Interest Account and the purchase price of Bonds from the Redemption Account, but no such purchase shall be made by the Bond Trustee from money in the Redemption Account within the period of forty-five (45) days immediately preceding any Interest Payment Date on which such Bonds are subject to redemption.

B. Subject to the provisions of paragraph C. of this Section, the Bond Trustee shall call for redemption on each Interest Payment Date such amount of Bonds or portions thereof as, with the redemption premium, if any, will exhaust the money then held for the credit of the Redemption Account as nearly as may be practicable. Such redemption shall be made pursuant to the provisions of Article III. Unless the College shall have deposited other available moneys for the payment thereof, the Bond Trustee shall withdraw from the Interest Account the amount required for paying the interest and from the Redemption Account the redemption price of Bonds or portions thereof so called for redemption.

C. Money in the Redemption Account shall be applied by the Bond Trustee in each Bond Year to the purchase, or the redemption, of Bonds then Outstanding in accordance with the latest certificate signed by a College Representative filed by the College with the Bond Trustee designating the maturities of such Bonds to be purchased or redeemed. The Bond Trustee shall purchase or redeem Bonds by lot.

D. Upon the retirement of any Bonds by purchase or redemption pursuant to the provisions of this Section, the Bond Trustee shall file with the College a statement identifying such Bonds and setting forth the date of purchase or redemption, the amount of the purchase price or the redemption price of such Bonds and the amount paid as interest thereon. The expenses in connection with the purchase or redemption of any such Bonds shall be paid by the College.

Section 507. Moneys Withdrawn from the Bond Fund. All moneys which the Bond Trustee shall have withdrawn from the Bond Fund or shall have received from any other source and set aside for the purpose of paying any of the Bonds hereby secured, either at the maturity thereof or upon call for redemption, shall be held in trust for the respective Owners of such Bonds.

Section 508. Non-Presentment of Bonds. Any moneys deposited with the Bond Trustee or then held by the Bond Trustee in trust for the payment of the principal of and redemption premium, if any, or interest on any Bond and remaining unclaimed for the applicable escheat period after such principal and redemption premium, if any, or interest has become due and payable shall be paid to the College free of any trust or lien. Thereafter, the Owners of such Bonds shall look only to the College for payment and then only to the extent of the amount so received without any interest thereon, and the Agency and the Bond Trustee shall have no responsibility with respect to such moneys.

Section 509. Cancellation of Bonds upon Payment. All Bonds paid, redeemed or purchased, either at or before maturity shall be cancelled upon payment, redemption or purchase of such Bonds. All Bonds cancelled under any of the provisions of this Bond Indenture shall be cremated or otherwise destroyed by shredding by the Bond Trustee. The Bond Trustee shall execute a certificate in duplicate describing the Bonds so cremated or shredded, and one executed certificate shall be filed with the College.

ARTICLE VI.

Depositories of Money, Security for Deposits, Investment of Funds

Section 601. Security for Deposits. Any and all money deposited with the Bond Trustee under the provisions of this Bond Indenture shall be trust funds under the terms hereof and shall not be subject to any lien or attachment by any creditor of the Agency or the College. Such money shall be held in trust and applied in accordance with the provisions of this Bond Indenture.

All money deposited with the Bond Trustee in excess of the amount guaranteed by the Federal Deposit Insurance Corporation or other federal agency shall be continuously secured, for the benefit of the Agency and the Owners of Bonds, either (a) by lodging with a bank or trust company chosen by the Bond Trustee or custodian or, if then permitted by law, by setting aside under control of the trust department of the bank holding such deposit, as collateral security, Government Obligations or other marketable securities eligible as security for the deposit of trust funds under regulations of the Comptroller of the Currency of the United States or applicable State law or regulations, having a market value (exclusive of accrued interest) not less than the amount of such deposit or as such applicable law or regulation may require or allow, or (b) if the furnishing of security as provided in clause (a) above is not permitted by applicable law, then in such other manner as may then be required or permitted by applicable State or federal laws and regulations regarding the security for, or granting a preference in the case of, the deposit of trust funds; provided, however, that it shall not be necessary for the Bond Trustee to give security for the deposit of any money with it for the payment of the principal of or the redemption premium or the interest on any Bonds, or for the Bond Trustee to give security for any money that shall be represented by obligations purchased under the provisions of this Article as an investment of such money.

Section 602. Investment of Money. Money held for the credit of all funds and accounts shall be continuously invested and reinvested by the Bond Trustee at the written direction of the College in Investment Obligations to the extent practicable. Any such Investment Obligations shall mature not later than the respective dates when the money held for the credit of such funds or accounts will be required for the purposes intended. The Trustee shall not be required to provide brokerage confirmations so long as the Trustee provides to the Agency and the College the reports required under Section 603 this Bond Indenture.

No Investment Obligations in any fund or account may mature beyond the latest maturity date of any Bonds Outstanding at the time such Investment Obligations are deposited. For the purposes of this Section, the maturity date of repurchase agreements for Government Obligations or other obligations is the maturity date of such repurchase agreements and not the maturity date of the underlying Government Obligations or other obligations.

The College shall deliver to the Bond Trustee written directions respecting the investment of any money required to be invested hereunder, subject, however, to the provisions of this Article, and the Bond Trustee shall then invest such money under this Section as so directed by the College. The Bond Trustee shall not be liable for any loss resulting from any investment made in accordance with the provisions of this Bond Indenture. Notwithstanding

anything herein to the contrary, the Bond Trustee shall have no obligation to determine if the investments directed by the College qualify as Investment Obligations hereunder.

Any interest earned or other income derived from the investment or deposit of moneys held for the credit of any Funds or Accounts shall be retained in such Funds and Accounts.

Investment Obligations acquired with money and credited to any fund or account established under this Bond Indenture shall be held by or under the control of the Bond Trustee and while so held shall be deemed at all times to be part of such fund or account in which such money was originally held. The Bond Trustee shall sell at the best price reasonably obtainable or reduce to cash a sufficient amount of such Investment Obligations whenever it shall be necessary so to do in order to provide moneys to make any payment or transfer of moneys from any such fund or account. The Bond Trustee shall not be liable or responsible for any loss resulting from any such investment.

Whenever a payment or transfer of money between the funds or accounts established pursuant to Article V is permitted or required such payment or transfer may be made in whole or in part by transfer of one or more Investment Obligations at a value determined in accordance with this Article VI, provided that the Investment Obligations transferred are those in which moneys of the receiving fund or account could be invested at the date of such transfer.

Section 603. Valuation. For the purpose of determining the amount on deposit to the credit of any such fund or account, obligations in which money in such fund or account shall have been invested shall be valued at the market value or the amortized cost thereof, whichever is lower.

The Bond Trustee shall value the Investment Obligations in the funds and accounts established under this Bond Indenture on the last business day prior to each [November 1]. In addition, the Investment Obligations shall be valued by the Bond Trustee at any time requested by a College Representative on reasonable notice to the Bond Trustee (which period of notice may be waived or reduced by the Bond Trustee); provided, however, that the Bond Trustee shall not be required to value the Investment Obligations more than once in any calendar month.

Notwithstanding the foregoing, the Bond Trustee shall be required to perform and provide valuations of Investment Obligations only on the basis of and only to the extent of market value information available to it from readily available sources (and only to the extent such information is so available), and in each case only to the extent such information is then generally made available by it to its corporate trust customers.

Section 604. Covenant as to Arbitrage. The Agency agrees that so long as any of the Bonds remain Outstanding, money on deposit in any fund or account maintained in connection with the Bonds, whether or not such money was derived from the proceeds of the sale of the Bonds or from any other sources, will not be used in a manner that would cause the Bonds to be “arbitrage bonds” within the meaning of Section 148(a) of the Code and applicable regulations promulgated from time to time thereunder. The Agency shall observe and not violate the requirements of Section 148(a) of the Code and any such applicable regulations. In the event the

Agency is of the opinion that it is necessary to restrict or limit the yield on the investment of money held by the Bond Trustee pursuant to this Bond Indenture, or to use such money in certain manners, in order to avoid the Bonds being considered “arbitrage bonds” within the meaning of Section 148(a) of the Code and the regulations thereunder as such may be applicable to the Bonds at such time, the Agency may issue to the Bond Trustee a written certificate to such effect and appropriate instructions, in which event the Bond Trustee shall take such action as is necessary to restrict or limit the yield on such investment or to use such money in accordance with such certificate and instructions, irrespective of whether the Bond Trustee shares such opinion. The Bond Trustee assumes no responsibility for compliance by the Agency with the requirements of Section 148(a) of the Code and the applicable regulations promulgated from time to time thereunder.

Section 605. Recordkeeping. The Trustee shall keep proper books of record and accounts containing complete and correct entries of all transactions relating to the receipt, investment, disbursement, allocation and application of all amounts held by the Trustee under this Bond Indenture. Such records shall specify the account or fund to which each investment (or portion thereof) is to be allocated and shall set forth, in the case of each investment security, the following information:

- (i) purchase date of each investment,
- (ii) purchase price,
- (iii) information providing a basis for comparison between the purchase price or disposition price for such investment and a publicly available or third-party market price, bid or quote as of such date for those investments (e.g., the published quoted bid by a dealer in such an investment on the date of purchase or reported by Bloomberg Financial Markets),
- (iv) any accrued interest paid,
- (v) face amount,
- (vi) coupon rate,
- (vii) periodicity of its investment payments,
- (viii) any accrued interest received, and
- (ix) disposition date.

Each such investment shall be treated as if it were acquired or disposed of, respectively, at its fair market price on an established market at that time.

The Trustee shall also retain with respect to each investment security, such documentation as is required as evidence to establish that such investment has been acquired and disposed of on an established market in an arm’s-length transaction at a price equal to its fair market price.

ARTICLE VII.

Particular Covenants and Provisions

Section 701. Covenant to Pay Bonds. The Agency covenants that it will promptly pay the principal of and redemption premium, if any, and interest on every Bond at the places, on the dates and in the manner provided herein and in the Bonds according to the true intent and meaning thereof. Except as in this Bond Indenture otherwise provided, such principal, redemption premium and interest are payable solely from the Note Payments and other revenues and funds derived under this Bond Indenture to the extent provided in this Bond Indenture in respect of principal (by reason of scheduled maturity, acceleration or redemption, including redemption at maturity) of and premium, if any, and interest on the Bonds, which payments, revenues, funds and moneys are hereby pledged to the payment of the Bonds in the manner and to the extent hereinabove particularly specified.

Section 702. Bonds Limited Obligations of the Agency; Non-liability of Agency. The Bonds issued under this Bond Indenture shall not be secured by a pledge of the full faith and credit of the State or of any political subdivision thereof, including the Agency, or be deemed to create an indebtedness of the State or any political subdivision thereof, other than the Agency, but shall be payable solely from the revenues and other funds provided for their payment under this Bond Indenture, the Note and the Loan Agreement.

No recourse under or upon any statement, obligation, covenant or agreement contained in this Bond Indenture; or in any Bond thereby secured; or in the Loan Agreement; or in any document or certification whatsoever; or under any judgment obtained against the Agency or by the enforcement of any assessment or by any legal or equitable proceeding by virtue of any constitution or statute or otherwise or under any circumstance shall be had against any member or officer, as such, of the Agency, either directly or through the Agency, or otherwise, for the payment for, or to, the Agency or any receiver thereof, or for, or to, the Owner of any Bond issued hereunder or otherwise, of any sum that may be due and unpaid by the Agency upon any such Bond. Any and all personal liability of every nature, whether at common law or in equity, or by statute or by constitution or otherwise, of any such member or officer, as such to respond by reason of any act or omission on his or her part or otherwise for the payment for, or to, the Agency or any receiver thereof, or for, or to, the Owner of any Bond issued hereunder or otherwise, of any sum that may remain due and unpaid upon the Bonds thereby secured or any of them, is hereby expressly waived and released as an express condition of, and in consideration for, the execution of this Bond Indenture and the issuance of the Bonds.

Section 703. Covenant to Perform Obligations under this Bond Indenture. The Agency covenants that it will faithfully perform at all times any and all covenants, undertakings, stipulations and provisions contained in this Bond Indenture, in any and every Bond executed, authenticated and delivered hereunder and in all proceedings of the Agency pertaining thereto and will faithfully observe and perform at all times any and all covenants, undertakings, stipulations and provisions of the Loan Agreement on its part to be observed or performed.

The Agency is duly authorized under the Constitution and laws of the State, including particularly and without limitation the Act, to issue the Bonds authorized hereby and to enter into

this Bond Indenture, to assign the Note Payments and the Note to the Bond Trustee, and to pledge the Note Payments and other funds derived under the Loan Agreement and this Bond Indenture in the manner and to the extent herein set forth, all action on its part for the issuance of the Bonds issued hereunder and the execution and delivery of this Bond Indenture has been duly and effectively taken, and such Bonds in the hands of the Owners thereof are and will be valid and enforceable obligations of the Agency according to the tenor and import thereof.

Section 704. Covenant to Perform Obligations under the Loan Agreement. Subject to the provisions of Section 705, the Agency covenants and agrees that it will not take any action or do anything or fail to take any action or fail to do anything which may result in the termination or cancellation of the Loan Agreement so long as any Bonds are Outstanding; that it will punctually fulfill its obligations and will require the College to perform punctually its duties and obligations under the Loan Agreement upon the written request of the Bond Trustee and provided the Agency shall be furnished with sufficient funds to pay all costs and expenses (including attorneys' fees) reasonably incurred by the Agency in connection therewith as such costs and expenses accrue; that it will not execute or agree to any change, amendment or modification of or supplement to the Loan Agreement or the Note, except by a supplement or an amendment duly executed by the Agency and the College with the approval of the Bond Trustee; and upon the further terms and conditions set forth in Article XII of this Bond Indenture, that it will not agree to any abatement, reduction, abrogation, waiver, diminution or other modification in any manner or to any extent whatsoever of the obligation of the College to make the Note Payments and to meet its other obligations as provided in the Loan Agreement, and that it will promptly notify the Bond Trustee in writing of any actual or alleged event of default under the Loan Agreement whether by the College or the Agency, and will further notify the Bond Trustee at least 30 days before the proposed date of effectiveness of any proposed termination or cancellation of the Loan Agreement.

Section 705. Bond Trustee May Enforce Agency's Rights under Loan Agreement. The Loan Agreement, a duly executed counterpart of which has been filed with the Bond Trustee, sets forth the covenants and obligations of the Agency and the College, including a provision in Section 9.11 thereof that subsequent to the issuance of the Bonds and prior to Payment of the Bonds the Loan Agreement may not be effectively amended, changed, modified, altered or terminated (other than as provided therein) without the concurring written consent of the Bond Trustee and otherwise as provided in Article XII, and reference is hereby made to the Loan Agreement for a detailed statement of said covenants and obligations of the College under the Loan Agreement, and the Agency agrees that the Bond Trustee, subject to the provisions of the Loan Agreement and this Bond Indenture reserving certain rights to the Agency and respecting actions by the Bond Trustee in its name or in the name of the Agency, may enforce all rights of the Agency and all obligations of the College under and pursuant to the Loan Agreement for and on behalf of the Bondowners whether or not the Agency is in default hereunder.

ARTICLE VIII.

Default and Remedies

Section 801. Extension of Interest Payment. In case the time for the payment of interest on any Bonds shall be extended, whether or not such extension be by or with the consent of the Agency, such interest so extended shall not be entitled in the case of an Event of Default hereunder to the benefit or security of this Bond Indenture except subject to the prior payment in full of the principal of all Bonds then Outstanding and of all interest the time for the payment of which shall not have been extended.

Section 802. Defaults. Each of the following events is hereby declared an “Event of Default”, that is to say, if

A. Payment of any installment of interest on any of the Bonds shall not be made when the same shall become due; or

B. Payment of the principal of or the redemption premium, if any, on any of the Bonds shall not be made when the same shall become due, whether at the maturity date or the redemption date prior to maturity, or upon maturity thereof by declaration; or

C. An “Event of Default” shall exist under the Loan Agreement; or

D. The Agency shall fail duly to perform, observe or comply with any covenant, condition or agreement contained in the Bonds or in this Bond Indenture on the part of the Agency to be performed (other than a failure described in paragraphs A. through C. of this Section) and such failure continues for a period of 30 days after the date on which written notice of such failure, requiring the same to be remedied, shall have been given to the Agency and to the College by the Bond Trustee or to the Agency, the College and the Bond Trustee by the Owners of at least 25% in aggregate principal amount of the Bonds then Outstanding; provided, however, that if such performance, observation or compliance requires work to be done, action to be taken, or conditions to be remedied, which by their nature cannot reasonably be done, taken or remedied, as the case may be, within such 30 day period, no Event of Default shall be deemed to have occurred or to exist if and so long as the Agency shall commence such performance, observation or compliance within such period and shall diligently and continuously prosecute the same to completion.

Section 803. Remedies on Default. Whenever any Event of Default referred to in Section 802 shall have happened and be continuing, the Bond Trustee may, and upon the written direction of the Owners of not less than 25% of the aggregate principal amounts of Bonds then Outstanding shall, take the following remedial steps (subject to Section 902 hereof):

A. In the case of an Event of Default described in Section 802A. or B., take whatever action at law or in equity is necessary or desirable to collect the Note Payments then due;

B. In the case of an Event of Default described in Section 802C. or D., take whatever action the Agency would be entitled to take pursuant to Section 7.02 of the Loan Agreement in order to remedy the Event of Default in question;

C. In the case of an Event of Default described in Section 802A. or B., declare the entire unpaid aggregate principal amount of the Bonds Outstanding to be immediately due and payable.

At any time after the principal of the Bonds shall have been so declared to be immediately due and payable and before the entry of final judgment or decree in any suit, action or proceeding instituted on account of such default, the Bond Trustee may annul such declaration and its consequences with respect to any Bonds or portions thereof not then due by their terms if (i) the College has paid or caused to be paid or deposited with the Bond Trustee moneys sufficient to pay all matured installments of interest and interest on installments of principal and interest and principal or redemption prices then due (other than the principal then due only because of such declaration) of all Bonds Outstanding; (ii) the College has paid or caused to be paid or deposited with the Bond Trustee moneys sufficient to pay the charges, compensation, expenses, disbursements, advances and liabilities of the Bond Trustee; (iii) all other amounts then payable by the College hereunder shall have been paid or a sum sufficient to pay the same shall have been deposited with the Bond Trustee; and (iv) every Event of Default (other than a default in the payment of the principal of such Bonds then due only because of such declaration) shall have been remedied. No such annulment shall extend to or affect any subsequent Event of Default or impair any right consequent thereon.

Section 804. Bond Trustee May Bring Suit. Upon the happening and continuance of any Event of Default specified in Section 802, then and in every such case the Bond Trustee may, and upon the written request of the Owners of not less than a majority (except as otherwise provided in Section 803) in aggregate principal amount of the Bonds then Outstanding hereunder shall, proceed, subject to the provisions of Section 803 and Section 902, to protect and enforce its rights and the rights of the Bondowners under the laws of the State under the Loan Agreement, this Bond Indenture and the Note by such suits, actions or special proceedings in equity or at law, or by proceedings in the office of any board or officer having jurisdiction, either for the specific performance of any covenant, condition or agreement contained herein or in aid or execution of any power herein granted or for the enforcement of any proper legal or equitable remedy, as the Bond Trustee, being advised by counsel, shall deem most effectual to protect and enforce such rights.

Section 805. Pro Rata Application of Funds. All moneys received by the Bond Trustee pursuant to any right given or action taken under this Bond Indenture shall, after payment of the costs and expenses of the proceedings resulting in the collection of such moneys and the fees and expenses of the Bond Trustee, be deposited in the Bond Fund and applied to the payment of the principal of and redemption premium, if any, and interest then due and unpaid on the Bonds in accordance with the provisions of this Bond Indenture. Anything in this Bond Indenture to the contrary notwithstanding, if at any time the moneys in the Bond Fund shall not be sufficient to pay the principal of and redemption premium, if any, and interest on the Bonds as the same shall become due and payable (either by their terms or by acceleration of maturity under the provisions of Section 803 hereof), such moneys, together with any moneys then available or thereafter becoming available for such purpose, whether through the exercise of the remedies provided for in this Article or otherwise, shall be applied (after the payment of all amounts owing to the Trustee from moneys on deposit with the Trustee in the Funds created under Article

V of this Bond Indenture, except moneys deposited to the Redemption Account subject to irrevocable instructions from the College to pay or redeem Bonds) as follows:

(A) If the principal of all the Bonds shall not have become due and payable or shall not have been declared due and payable, all such moneys shall be applied as follows:

first: to the payment to the persons entitled thereto of all installments of interest then due and payable in the order in which such installments became due and payable, with interest on the overdue installments of interest at the same rate to the extent permitted by law, and, if the amount available shall not be sufficient to pay in full any particular installment, then to the payment, ratably, according to the amounts due on such installment, to the persons entitled thereto, without any discrimination or preference;

second: to the payment to the persons entitled thereto of the unpaid principal of or redemption premium, if any, on any Bonds which shall have become due and payable (other than Bonds deemed to have been paid in accordance with Article XIII hereof) in the order of their due dates, with interest on the principal amount of such Bonds at the rate specified therein from the respective dates upon which such Bonds became due and payable, and, if the amount available shall not be sufficient to pay in full the principal of the Bonds and redemption premium, if any, due and payable on any particular date, together with such interest, then to the payment first of such interest, ratably, according to the amount of such interest due on such date, and then to the payment of such principal and redemption premium, if any, ratably, according to the amount of such principal and redemption premium, if any, due on such date, to the persons entitled thereto without any discrimination or preference; and

third: to the payment of the interest on and the principal of and redemption premium, if any, on the Bonds, to the purchase and retirement of Bonds and to the redemption of Bonds, all in accordance with the provisions of this Bond Indenture.

(B) If the principal of all the Bonds shall have become due and payable or shall have been declared due and payable, all such moneys shall be applied to the payment of principal and interest then due upon all Bonds, without preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest, or of any Bond over any other Bond, ratably, according to the amounts due respectively for principal and interest, to the persons entitled thereto without any discrimination or preference.

(C) If the principal of all the Bonds shall have been declared due and payable and if such declaration shall thereafter have been rescinded and annulled, then, subject to the provisions of subsection (B) of this Section 805 in the event that the principal of all the Bonds shall later become due and payable or be declared due and payable, the moneys remaining in and thereafter accruing to the Bond Fund shall be applied in accordance with the provisions of subsection (A) of this Section 805.

Whenever moneys are to be applied by the Bond Trustee pursuant to the provisions of this Section 805, such moneys shall be applied by the Bond Trustee at such times, and from time to time, as the Bond Trustee in its sole discretion shall determine, having due regard to the

amount of such moneys available for application and the likelihood of additional moneys becoming available for such application in the future; the setting aside of such moneys, in trust for the proper purpose, shall constitute proper application by the Bond Trustee; and the Bond Trustee shall incur no liability whatsoever to the Agency, to any Bondowner or to any other person for any delay in applying any such moneys, so long as the Bond Trustee acts with reasonable diligence, having due regard to the circumstances, and ultimately applies the same in accordance with such provisions of this Bond Indenture as may be applicable at the time of application by the Bond Trustee. Whenever the Bond Trustee shall exercise such discretion in applying such moneys, it shall fix the date (which shall be an Interest Payment Date unless the Bond Trustee shall deem another date more suitable) upon which such application is to be made and upon such date interest on the amounts of principal to be paid on such date shall cease to accrue. The Bond Trustee shall give notice by first-class mail, postage prepaid, to all Registered Owners of the fixing of any such date, and shall not be required to make payment to the Owner of any Bond until such Bond shall be surrendered to the Bond Trustee for appropriate endorsement, or for cancellation if fully paid.

Section 806. Effect of Discontinuance of Proceedings. In case any proceeding taken by the Bond Trustee on account of any default shall have been discontinued or abandoned for any reason, then and in every such case the Agency, the Bond Trustee and the Bondowners shall be restored to their former positions and rights hereunder, respectively, and all rights, remedies, powers and duties of the Bond Trustee shall continue as though no proceeding had been taken.

Section 807. Owners of Majority in Principal Amount of Bonds May Control Proceedings. The Owners of a majority in principal amount of the Bonds then Outstanding shall have the right, subject to the provisions of Sections 803, 804 and 902, by an instrument or concurrent instruments in writing executed and delivered to the Bond Trustee, to direct the method and place of conducting all remedial proceedings to be taken by the Bond Trustee hereunder or exercising any trust or power conferred upon the Bond Trustee, provided that such direction shall be in accordance with Sections 803 and 804 and shall not be otherwise than in accordance with law and the provisions of this Bond Indenture, and provided, further, subject to the provisions of Section 902 hereof, that the Bond Trustee may take any other action deemed proper by the Bond Trustee which is not inconsistent with such direction.

Section 808. Restrictions upon Actions by Individual Bondowner. No Owner of any Bond shall have any right to institute any suit, action or proceeding in equity or at law for the enforcement hereof, for the execution of any trust hereunder or to enforce any other right or remedy hereunder, unless an event of default hereunder has occurred of which the Bond Trustee has been notified by the Agency or by the Owners of 25% in principal amount of the Bonds, and the Owners of 25% in principal amount of the Bonds shall have made written request to the Bond Trustee and shall have offered the Bond Trustee reasonable opportunity either to proceed to exercise the powers hereinbefore granted and such Bondowners have offered to the Bond Trustee indemnity as provided in Section 902 hereof, and the Bond Trustee shall thereafter fail or refuse to exercise the powers hereinbefore granted. Such notification, request and offer of indemnity are hereby declared in every case at the option of the Bond Trustee to be conditions precedent to any suit, action or proceeding for the enforcement hereof; it being understood and intended that no one or more Owners of the Bonds shall have any right in any manner whatsoever to affect, disturb or prejudice the lien hereof by its, his or their action or to enforce

any right or remedy hereunder except in the manner herein provided, that all proceedings shall be in accordance with Section 803 of this Bond Indenture and shall not be otherwise than in accordance with law and the provisions of this Bond Indenture, and that all proceedings at law or in equity shall be instituted, had and maintained in the manner herein provided and for the equal benefit of the Owners of all Bonds.

Notwithstanding any other provisions in this Bond Indenture, the Owner of any Bond shall have the right, which is absolute and unconditional, to receive payment of the principal of and redemption premium, if any, and interest on such Bond on the respective due dates expressed in such Bond (or, in the case of redemption, on the redemption date) and to institute suit for the enforcement of any such payment at the time and place, from the source and in the manner expressed in such Bond, and such right shall not be impaired without the consent of such Bondowner.

Section 809. Receiver. Upon the occurrence of an Event of Default and upon the filing of a suit or other commencement of judicial proceedings to enforce the rights of the Bond Trustee and of the Bondowners under this Bond Indenture, the Bond Trustee shall be entitled, as a matter of right, to the appointment of a receiver or receivers of the amounts payable under the Loan Agreement and assigned to the Bond Trustee under this Bond Indenture pending such proceedings, with such powers as the court making such appointment shall confer, whether or not any such amounts payable shall be deemed sufficient ultimately to satisfy the Bonds Outstanding hereunder.

Section 810. Actions by Bond Trustee. All rights of action under this Bond Indenture or under any of the Bonds secured hereby, enforceable by the Bond Trustee, may be enforced by it without the possession of any of the Bonds or the production thereof in the trial or other proceeding relative thereto and any such suit, action or proceeding instituted by the Bond Trustee shall be brought in its name for the benefit of all of the Owners of such Bonds, subject to the provisions of this Bond Indenture.

Section 811. No Remedy Exclusive. No remedy herein conferred upon or reserved to the Bond Trustee or to the Owners of the Bonds is intended to be exclusive of any other remedy or remedies herein provided, and each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or by law.

Section 812. No Delay or Omission Construed to Be a Waiver. No delay or omission of the Bond Trustee or of any Registered Owner of the Bonds to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or any acquiescence therein; and every power and remedy given by this Bond Indenture to the Bond Trustee and to the Owners of the Bonds, respectively, may be exercised from time to time and as often as may be deemed expedient.

The Bond Trustee may, and upon written request of the Owners of not less than a majority in principal amount of the Bonds then Outstanding shall, waive any default which in its opinion shall have been remedied before (i) the entry of final judgment or decree in any suit, action or proceeding instituted by it under the provisions of this Bond Indenture or (ii) the completion of the enforcement of any other remedy, but no such waiver shall extend to or affect

any other existing or any subsequent default or defaults or impair any rights or remedies consequent thereon.

Section 813. Notice of Default. The Bond Trustee shall mail to all Registered Owners at their addresses as they appear on the registration books written notice of the occurrence of any Event of Default set forth in Section 802 of this Article within thirty (30) days after the Bond Trustee shall have received notice of the same that any such Event of Default shall have occurred; provided that, except upon the happening of an Event of Default specified in Section 7.01(a) of the Loan Agreement and Section 802A and B of this Bond Indenture, the Bond Trustee may withhold such notice if in its opinion such withholding is in the interest of the Owners; and provided further that the Bond Trustee shall not be subject to any liability to any Owner by reason of its failure to mail any such notice. Except for the happening of an Event of Default under Sections 802A or B of this Bond Indenture, the Bond Trustee shall not be deemed to have notice of any Event of Default unless the Bond Trustee has actual knowledge thereof or unless written notice of any event which is in fact such an Event of Default is received by the Bond Trustee.

Section 814. Remedies Herein Additional to Remedies in Loan Agreement. The remedies conferred in this Article shall be in addition to all remedies provided for in the Loan Agreement, which remedies are hereby incorporated herein by reference.

Section 815. Right to Enforce Payment of Bonds Unimpaired. Nothing in this Article shall affect or impair the right of any Holder to enforce the payment of the principal of and interest on his Bond or the obligation of the Agency to pay the principal of and interest on each Bond of the Holder thereof at the time and place in said Bond expressed.

ARTICLE IX.

Concerning the Bond Trustee

Section 901. Acceptance of Trusts. The Bond Trustee hereby represents and warrants to the Agency (for the benefit of the College and the Bondowners as well as the Agency) that it is a national banking association duly organized and existing under the laws of the United States of America and that it is duly authorized under such laws to accept and execute trusts of the character herein set out.

The Bond Trustee accepts and agrees to execute the trusts imposed upon it by this Bond Indenture, but only upon the terms and conditions set forth in this Article and subject to the provisions of this Bond Indenture including the following express terms and conditions, to all of which the parties hereto and the respective Owners of the Bonds agree:

A. Except during the continuance of an Event of Default within the purview of Section 802 known to the Bond Trustee,

(i) the Bond Trustee undertakes to perform such duties and only such duties as are specifically set forth in this Bond Indenture, and no implied covenants or obligations shall be read into this Bond Indenture against the Bond Trustee; and

(ii) in the absence of bad faith on its part, the Bond Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Bond Trustee and conforming to the requirements of this Bond Indenture; but in the case of any such certificates or opinions which by any provision hereof are specifically required to be furnished to the Bond Trustee, as the case may be, the Bond Trustee shall be under a duty to examine the same to determine whether or not they conform on their face to requirements of this Bond Indenture.

B. In case an Event of Default within the purview of Section 802 has occurred and is continuing and is known to the Bond Trustee, the Bond Trustee shall exercise such of the rights and powers vested in it by this Bond Indenture, and use the same degree of care and skill in their exercise as a prudent person would exercise or use under the circumstances in the conduct of his or her own affairs.

C. No provision of this Bond Indenture shall be construed to relieve the Bond Trustee from liability for its own negligent action, its own negligent failure to act, or its own willful misconduct, except that

(i) this subsection shall not be construed to limit the effect of subsection A. of this Section 901;

(ii) the Bond Trustee shall not be liable for any error of judgment made in good faith by a Responsible Officer or Officers of the Bond Trustee unless it shall be proved that the Bond Trustee had a duty to ascertain the pertinent facts and was negligent in ascertaining such pertinent facts; and

(iii) the Bond Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Owners of a majority in aggregate principal amount of the Outstanding Bonds relating to the time, method and place of conducting any proceeding for any remedy available to the Bond Trustee, or exercising any trust or power conferred upon the Bond Trustee, under this Bond Indenture.

The Bond Trustee also accepts, and agrees to do and perform, the duties and obligations imposed upon it by and under the Loan Agreement, but only upon the terms and conditions, and with the protections, set forth in the Loan Agreement and this Bond Indenture. The rights of the Bond Trustee to do things enumerated in this Bond Indenture shall not be construed as a duty. The Bond Trustee may perform any of its duties under this Bond Indenture either directly or through its agents or attorneys.

Section 902. Bond Trustee Entitled to Indemnity. The Bond Trustee shall be under no obligation to institute any suit, or to take any remedial proceeding under this Bond Indenture or under the Loan Agreement, or to enter any appearance in or in any way defend against any suit, in which it may be made a defendant, or to take any steps in the execution of the trusts hereby created or in the enforcement of any rights and powers hereunder or under the Loan Agreement, until it shall be indemnified to its satisfaction against any and all costs and expenses, outlays and counsel fees and other reasonable disbursements, and against all liability; the Bond Trustee may, nevertheless, begin suit, or appear in and defend suit, or do anything else in its judgment proper to be done by it as such Bond Trustee, without indemnity, and in such case the Agency shall reimburse the Bond Trustee from funds available therefor under the Loan Agreement for all costs and expenses, outlays and counsel fees and other reasonable disbursements properly incurred in connection therewith. Such payments, if not paid when due, shall be subject to interest at the base rate of the Bond Trustee. If the Agency shall fail to make reimbursement, the Bond Trustee may reimburse itself from any moneys in its possession under the provisions of this Bond Indenture and shall be entitled to a preference over any of the Bonds.

Section 903. Bond Trustee Not Responsible for Insurance, Taxes, Execution of Bond Indenture, Acts of the Agency or Application of Moneys Applied in Accordance with this Bond Indenture; Other Protections.

A. The Bond Trustee shall not be under any obligation to effect or maintain insurance or to renew any policies of insurance or to inquire as to the sufficiency of any policies of insurance carried by the College, or to report, or make or file claims or proof of loss for, any loss or damage insured against or which may occur, or to keep itself informed or advised as to the payment of any taxes or assessments, or to require any such payment to be made. The Bond Trustee shall have no responsibility in respect of the validity, sufficiency, due execution or acknowledgment of this Bond Indenture or the validity or sufficiency of the security provided hereunder or, except as to the authentication thereof, in respect of the validity of the Bonds or the due execution or issuance thereof, or the sufficiency of the preliminary or final official statement relating thereto (except any information provided by the Trustee for inclusion therein). The Bond Trustee shall not be under any obligation to see that any duties herein imposed upon any party other than itself or any covenants herein contained on the part of any party other than itself to be performed shall be done or performed and the Bond Trustee shall be under no obligation for failure to see that any such duties or covenants are so done or performed.

B. The Bond Trustee shall have no liability under or pursuant to this Bond Indenture except for and to the extent of its own negligence or willful misconduct or its own negligent or willful violation of its duties set forth herein. The Bond Trustee shall not be under any duty to independently monitor the Project or to monitor or investigate compliance by the College, or to verify or investigate the accuracy or contents of any certificate or report delivered to it hereunder or under the Loan Agreement. The Bond Trustee shall be entitled to assume the due authority and genuineness of any signature appearing on any instrument or document it may receive. The Bond Trustee shall in no event be liable for the application or misapplication of funds by any other Person, or for the acts or omissions of any other Person.

C. The Bond Trustee may consult with and obtain the advice of counsel, and shall be wholly protected in any action it may take (or refrain from taking) in good faith based upon and in accordance with the advice of such counsel. The Bond Trustee shall not be charged with knowledge or notice of any matter unless actually known to an officer of the Bond Trustee working in its Corporate Trust Office and responsible for the administration of this Bond Indenture. Any permissive grant of power to the Bond Trustee shall not be construed to be a duty to act and no delay in the exercise of any such power shall affect the subsequent exercise of that power. In no event shall the Bond Trustee be liable for any indirect, special or consequential damages (including, but not limited to, lost profits) whatsoever, even if it has been informed of the likelihood thereof and regardless of the form of action.

D. The Bond Trustee shall not be liable or responsible because of the failure of the Agency or of any of its employees or agents to make any collections or deposits to perform any act herein required of the Agency or because of the loss of any moneys arising through the insolvency or the act or default or omission of any other depository in which such moneys shall have been deposited under the provisions of this Bond Indenture. The Bond Trustee shall not be responsible for the application of any of the proceeds of the Bonds or any other moneys deposited with it and paid out, withdrawn or transferred hereunder if such application, payment, withdrawal or transfer shall be made in accordance with the provisions of this Bond Indenture.

E. The immunities and exemptions from liability of the Bond Trustee hereunder shall extend to its directors, officers, employees and agents.

F. None of the provisions contained in this Bond Indenture shall require the Bond Trustee to expend or risk its own funds or otherwise incur financial liability in the performance of any of its duties or in the exercise of any of its rights or powers.

Section 904. Compensation and Reimbursement. Subject to the provisions of any contract relating to the compensation of the Bond Trustee, the Agency shall cause the College to pay to the Bond Trustee as Administrative Expenses its reasonable fees (including without limitation, the Initial Administrative Fee and the Annual Administrative Fee), charges, costs and expenses (and other indemnified amounts, as applicable) in accordance with Sections 4.05, 5.05 and 7.05 of the Loan Agreement and all other disbursements and those of its attorneys, agents and employees incurred in an about the administration and performance of its powers and duties hereunder and provided the Agency shall be furnished with sufficient funds to pay all costs and expenses (including attorneys' fees) reasonably incurred by the Agency in connection therewith as such costs and expenses accrue. If the College shall fail to make any payment required by this

Section 904, the Bond Trustee may, but shall be under no obligation to, make such payment from any moneys in its possession under the provisions of this Bond Indenture and shall be entitled to a preference therefor over any of the Bonds Outstanding hereunder and it otherwise may exercise any rights or remedies available for the collection of such amounts.

Section 905. Bond Trustee to Preserve Records. All records and files pertaining to the Project in the custody of the Trustee shall be open at all reasonable times, upon reasonable notice, to the inspection of the Agency, the College, the Owners of 10% of the aggregate principal amount of the Bonds then Outstanding, and their respective agents and representatives.

Section 906. Bond Trustee May Be Bondowner. The Bond Trustee, and its directors, officers, employees or agents, may in good faith buy, sell, own, hold and deal in any of the Bonds issued under and secured by this Bond Indenture, and may join in the capacity of a Bondowner in any action which any Bondowner may be entitled to take with like effect as if such institution were not the Bond Trustee under this Bond Indenture.

Section 907. Bond Trustee Not Responsible for Recitals. The recitals, statements and representations contained herein and in the Bonds shall be taken and construed as made by and on the part of the Agency and not by the Bond Trustee, and the Bond Trustee shall not be under any responsibility for the correctness of the same.

Section 908. Bond Trustee Responsibility for Recording or Filing. The Bond Trustee shall see to the filing of any continuation statements required to continue the financing statements filed at the time of delivery of the Bonds, if and to the extent that the Bond Trustee is furnished written notice of such financing statements, which notice includes a complete copy of such financing statement marked or accompanied by the related filing information (including date of filing, filing office and filing number). The College shall cooperate with the Bond Trustee in this regard.

Section 909. Bond Trustee May Conclusively Rely on Certificates. Subject to the provisions of Section 901A.(ii) hereof, the Bond Trustee shall be protected and shall incur no liability in acting or proceeding, or in not acting or not proceeding, in good faith, reasonably and in accordance with the terms of this Bond Indenture, upon any resolution, order, notice, request, consent, waiver, certificate, statement, affidavit, requisition, bond or other paper or document which it shall in good faith reasonably believe to be genuine and to have been adopted or signed by the proper board or person or to have been prepared and furnished pursuant to any of the provisions of the Loan Agreement or this Bond Indenture, or upon the written opinion of any attorney, engineer, accountant or other expert believed by it to be qualified in relation to the subject matter, and the Bond Trustee shall not be under any duty to make any investigation or inquiry as to any statements contained or matters referred to in any such instrument.

Section 910. Qualification of the Bond Trustee. There shall at all times be a Bond Trustee hereunder. The Bank of New York Mellon Trust Company, N.A. is deemed to be qualified as Bond Trustee hereunder. Any successor Bond Trustee hereunder shall be a trust company, bank or banking association (having trust powers) organized and doing business under the laws of the United States of America or of any state, authorized under such laws to exercise corporate trust powers, having unimpaired capital and surplus of at least \$75,000,000, and

subject to supervision or examination by Federal or state authority. If such trust company, bank or banking association publishes reports of condition at least annually, pursuant to law or to the requirements of the aforesaid supervising or examining authority, then for the purposes of this Section 910, the unimpaired capital and surplus of such association or corporation shall be deemed to be its unimpaired capital and surplus as set forth in its most recent report of condition so published. If at any time the Bond Trustee shall cease to be eligible in accordance with the provisions of this Section 910, it shall resign immediately in the manner and with the effect specified in Section 911 hereof.

Section 911. Resignation and Removal of Bond Trustee.

A. No resignation or removal of the Bond Trustee pursuant to this Article shall become effective until the acceptance of appointment by a successor Bond Trustee under Section 912 hereof.

B. The Bond Trustee may resign at any time by giving written notice thereof to the Agency, the College and the Bondowners. If an instrument of acceptance by a successor Bond Trustee shall not have been delivered to the Bond Trustee within 30 days after the giving of such notice of resignation, the retiring Bond Trustee may petition any court of competent jurisdiction for the appointment of a successor Bond Trustee.

C. The Bond Trustee may be removed for cause at any time by an instrument or instruments in writing to the Bond Trustee, with copies to the Agency and the College, signed by the Owners of 25% in aggregate principal amount of the Bonds then Outstanding or by their attorneys, legal representatives or agents and delivered to the Bond Trustee, the Agency and the College (such instruments to be effective only thirty (30) days after receipt by the Bond Trustee).

D. If at any time:

(i) the Bond Trustee shall cease to be eligible under Section 910 hereof and shall fail to resign after written request therefor by the College or by any Bondowner, or

(ii) the Bond Trustee shall become incapable of acting or shall be adjudged a bankrupt or insolvent or a receiver of the Bond Trustee or of its property shall be appointed or any public officer shall take charge or control of the Bond Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation,

then, in any such case. (i) the Agency, in its discretion and without obligation, may or the College may remove the Bond Trustee, or (ii) any Bondowner may, on behalf of himself and all others similarly situated, petition any court of competent jurisdiction for the removal of the Bond Trustee and the appointment of a successor.

E. If the Bond Trustee shall be removed or become incapable of acting, or if a vacancy shall occur in the office of Bond Trustee for any cause other than resignation (it being understood that no vacancy may occur as a result of resignation since the Bond Trustee may not resign unless a successor has been appointed) or if the Bond Trustee tenders its resignation. the Agency with the approval of the College (so long as the College is not in default under the Loan Agreement) shall promptly appoint a successor, provided the Agency shall be furnished with

sufficient funds to pay all costs and expenses (including attorneys' fees) reasonably incurred by the Agency in connection therewith as such costs and expenses accrue. If, within one year after such resignation, removal or incapability, or the occurrence of such vacancy, a successor Bond Trustee shall be appointed by an instrument or concurrent instruments in writing executed by the Owners of 25% in aggregate principal amount of the Bonds then Outstanding and delivered to the College and the retiring Bond Trustee, then the successor Bond Trustee so appointed shall, forthwith upon its acceptance of such appointment, become the successor Bond Trustee and supersede the successor Bond Trustee appointed by the Agency. If no successor Bond Trustee shall have been so appointed by the Agency or the Bondowners and accepted appointment in the manner hereinafter provided, any Bondowner who has been a bona fide Owner of a Bond for at least six months may, on behalf of himself and all others similarly situated, petition any court of competent jurisdiction for the appointment of a successor Bond Trustee.

F. The Agency shall give notice of each resignation and each removal of the Bond Trustee and each appointment of a successor Trustee by mailing written notice of such event by first-class mail, postage prepaid, to all Bondowners upon the written request of the Bond Trustee and provided the Agency shall be furnished with sufficient funds to pay all costs and expenses (including attorneys' fees) reasonably incurred by the Agency in connection therewith as such costs and expenses accrue. Each notice shall include the name and address of the principal corporate trust office of the successor Bond Trustee.

Section 912. Successor Bond Trustee. Every successor Bond Trustee appointed hereunder shall execute, acknowledge and deliver to its predecessor, and also to the Agency and the College, an instrument in writing accepting such appointment hereunder, and thereupon such successor Bond Trustee, without any further act, shall become fully vested with all the rights, immunities, powers and trusts, and subject to all the duties and obligations, of its predecessors; but such predecessor shall, nevertheless, on the written request of its successor or of the Agency and upon payment of the expenses, charges and other disbursements of such predecessor which are payable pursuant to the provisions of Section 904 hereof, execute and deliver an instrument transferring to such successor Bond Trustee all the rights, immunities, powers and trusts of such predecessor hereunder; and every predecessor Bond Trustee shall deliver all property and moneys held by it hereunder to its successor, subject, nevertheless, to its preference, if any, provided for in Sections 902 and 904 hereof. Should any instrument in writing from the Agency be required by any successor Bond Trustee for more fully and certainly vesting in such Bond Trustee the rights, immunities, powers and trusts hereby vested or intended to be vested in the predecessor Bond Trustee, any such instrument in writing shall and will be executed, acknowledged and delivered by the Agency upon the written request of the Bond Trustee and provided the Agency shall be furnished with sufficient funds to pay all costs and expenses (including attorneys' fees) reasonably incurred by the Agency in connection therewith as such costs and expenses accrue.

Notwithstanding any of the foregoing provisions of this Article and without the need to comply with the preceding paragraph, any bank, banking association or trust company having power to perform the duties and execute the trusts of this Bond Indenture and otherwise qualified to act as Bond Trustee hereunder with or into which the bank, banking association or trust company acting as Bond Trustee may be merged or consolidated, or to which all or substantially

all of the corporate trust business of such bank, banking association or trust company acting as Bond Trustee may be sold, shall be deemed the successor of the Bond Trustee.

Section 913. Co-Bond Trustee. It is the purpose hereof that there shall be no violation of any law of any jurisdiction (including particularly the laws of the State) denying or restricting the right of banks, banking associations or trust companies to transact business as trustee in such jurisdiction. It is recognized that in case of litigation hereunder, and in particular in case of the enforcement of this Indenture upon the occurrence of an Event of Default, it may be necessary that the Bond Trustee appoint an additional individual or institution as a separate Bond Trustee or Co-Bond Trustee. The following provisions of this Section are adapted to these ends.

Upon the incapacity or lack of authority of the Bond Trustee, by reason of any present or future law of any jurisdiction, to exercise any of the rights, powers and trusts herein granted to the Bond Trustee or to hold title to the trust estate or to take any other action which may be necessary or desirable in connection therewith, each and every remedy, power, right, claim, demand, cause of action, immunity, estate, title, interest and lien expressed or intended to be exercised by or vested in or conveyed to the Bond Trustee with respect thereto shall be exercisable by and vest in a separate Bond Trustee or Co-Bond Trustee appointed by the Bond Trustee but only to the extent necessary to enable the separate Bond Trustee or Co-Bond Trustee to exercise such rights, powers and trusts, and every agreement and obligation necessary to the exercise thereof by such separate Bond Trustee or Co-Bond Trustee shall run to and be enforceable by either of them.

Should any deed, conveyance or instrument in writing from the Agency be required by the separate Bond Trustee or Co-Bond Trustee so appointed by the Bond Trustee in order to more fully and certainly vest in and confirm to him or it such properties, rights, powers, trusts, duties and obligations, any and all such deeds, conveyances and instruments shall be executed, acknowledged and delivered by the Agency upon the written request of the Bond Trustee and provided the Agency shall be furnished with sufficient funds to pay all costs and expenses (including attorneys' fees) reasonably incurred by the Agency in connection therewith as such costs and expenses accrue. In case any separate Bond Trustee or Co-Bond Trustee, or a successor to either, shall die, become incapable of acting, resign or be removed, all the estates, properties, rights, powers, trusts, duties and obligations of such separate Bond Trustee or Co-Bond Trustee, so far as permitted by law, shall vest in and be exercised by the Bond Trustee until the appointment of a new Bond Trustee or successor to such separate Bond Trustee or Co-Bond Trustee. If neither a new Bond Trustee nor a successor to a separate Bond Trustee or Co-Bond Trustee shall have been appointed within thirty (30) days after such separate Bond Trustee or Co-Bond Trustee dies, resigns, becomes incapable of acting or is removed, the Bond Trustee may petition any court of competent jurisdiction for the appointment of a successor or new Bond Trustee.

ARTICLE X.

Execution of Instruments by Bondowners and Proof of Ownership of Bonds; Lists of Bondowners; Bond Trustee Deemed Owner of Note

Section 1001. Execution of Instruments by Bondowners and Proof of Ownership of Bonds. Any request, direction, consent or other instrument in writing required or permitted by this Bond Indenture to be signed or executed by Bondowners may be in any number of concurrent instruments of similar tenor and may be signed or executed by such Bondowners or their attorneys or legal representatives. Proof of the execution of any such instrument and of the ownership of Bonds shall be sufficient for any purpose of this Bond Indenture and shall be conclusive in favor of the Bond Trustee with regard to any action taken by it under such instrument if made in the following manner:

- (1) The fact and date of the execution by any person of any such instrument may be proved by the verification of any officer in any jurisdiction who, by the laws thereof, has power to take affidavits within such jurisdiction, to the effect that such instrument was subscribed and sworn to before him, or by an affidavit of a witness to such execution, and where such execution is by an officer of a corporation or association or a member of a partnership on behalf of such corporation, association or partnership, such verification or affidavit shall also constitute sufficient proof of his authority.
- (2) The ownership of Bonds shall be proved by the registration books kept by the Bond Trustee under the provisions of this Bond Indenture.

Nothing contained in this Section 1001 shall be construed as limiting the Bond Trustee to such proof, it being intended that the Bond Trustee may accept any other evidence of the matters herein stated which may be sufficient. Any request or consent of the Owner of any Bond shall bind every future Owner of the same Bond or any Bond issued in place thereof in respect of anything done by the Bond Trustee in pursuance of such request or consent.

Notwithstanding any of the foregoing provisions of this Section 1001, the Bond Trustee shall not be required to recognize any person as an Owner of any Bond or to take any action at his request unless such Bond shall be deposited with it.

Section 1002. Preservation of Information; Communications to Bondowners.

A. The Bond Trustee shall preserve, in as current a form as is reasonably practicable, the names and addresses of Bondowners received by the Bond Trustee in its capacity as bond registrar.

B. If three or more Bondowners (hereinafter referred to as “applicants”) apply in writing to the Bond Trustee and furnish reasonable proof that each such applicant has owned a Bond for a period of at least six months preceding the date of such application, and such application states that the applicants desire to communicate with other Bondowners with respect to their rights under this Bond Indenture or under the Bonds and is accompanied by a copy of the

form of communication which such applicants propose to transmit, then the Bond Trustee shall, within five business days after the receipt of such application, at its election, either

(i) afford such applicants access to the information preserved at the time by the Bond Trustee in accordance with subsection A. of this Section 1002; or

(ii) inform such applicants as to the approximate number of Bondowners whose names and addresses appear in the information preserved at the time by the Bond Trustee in accordance with subsection A. of this Section 1002, and as to the approximate cost of mailing to such Bondowners the form of communication, if any, specified in such application.

If the Bond Trustee shall elect not to afford such applicants access to such information, the Bond Trustee shall, upon the written request of such applicants, mail to each Bondowner whose name and address appears in the information preserved at the time by the Bond Trustee in accordance with subsection A. of this Section 1002 a copy of the form of communication which is specified in such request, with reasonable promptness after a tender to the Bond Trustee of the material to be mailed and of payment, or provision for the payment, of the reasonable expenses of mailing.

C. Every Bondowner, by owning one or more Bonds, agrees with the Agency and the Bond Trustee that neither the Agency nor the Bond Trustee shall be held accountable by reason of the disclosure of any such information as to the names and addresses of the Bondowners in accordance with subsection B. of this Section 1002, regardless of the source from which such information was derived, and that the Bond Trustee shall not be held accountable by reason of mailing any material pursuant to a request made under such subsection.

ARTICLE XI.

Supplements and Amendments to Bond Indenture

Section 1101. Supplements and Amendments Not Requiring Bondowner Consent. The Agency and the Bond Trustee may, without the consent or approval of, or notice to, any of the Bondowners, enter into such supplements and amendments to this Bond Indenture as shall not, in the opinion of the Bond Trustee, materially and adversely affect the interests of the Bondowners (which supplements and amendments shall thereafter form a part hereof) for any of the following purposes:

A. to cure any ambiguity or formal defect or omission in this Bond Indenture or in any supplement or amendment to this Bond Indenture, or

B. to grant to or confer upon the Bond Trustee for the benefit of the Bondowners any additional rights, remedies, powers or authorities that may lawfully be granted to or conferred upon the Bondowners or the Bond Trustee, or

C. to subject to the lien and pledge of this Bond Indenture additional payments, revenues, properties or collateral, or

D. to correct or supplement any provision herein which may be inconsistent with any other provision herein, or to make any other provisions with respect to matters or questions arising hereunder, or

E. to evidence the appointment of a separate Bond Trustee or Co-Bond Trustee or the succession of a new Bond Trustee, or

F. to modify, amend or supplement this Bond Indenture or any supplement or amendment hereto in such manner as to permit the qualification hereof and thereof under the Trust Indenture Act of 1939, as amended, or any similar Federal statute hereafter in effect or to permit the qualification of the Bonds for sale under the securities laws of any of the states of the United States, or

G. to provide for the issuance of Bonds under a book-entry system or in bearer form.

Section 1102. Supplements and Amendments Requiring Consent of Owners of a Majority in Principal Amount of Bonds. With the consent of the Owners of not less than a majority in aggregate principal amount of the Bonds at the time Outstanding, the Agency and the Bond Trustee may, from time to time and at any time, enter into supplements and amendments to this Bond Indenture which the College deems necessary and desirable for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this Bond Indenture or of any supplement or amendment to this Bond Indenture or of modifying in any manner the rights of the Owners of the Bonds; provided, however, that nothing herein contained shall permit, or be construed as permitting (a) an extension of the maturity of the principal of or the interest on any Bond, or (b) a reduction in the principal amount of any Bond or the redemption premium, if any, or the rate of interest thereon, or (c) granting a preference or priority to any Bond or Bonds over any other Bond or Bonds with respect to their respective

claims on the security provided by the granting clause of this Bond Indenture or (d) a reduction in the aggregate principal amount of the Bonds required for consent to such supplemental indenture. Nothing herein contained, however, shall be construed as making necessary the approval by Owners of the execution of any supplement or amendment to this Bond Indenture as authorized in Section 1101 hereof.

It shall not be necessary for the consent of the Owners of Bonds under this Section 1102 to approve the particular form of any proposed supplement or amendment, but it shall be sufficient if such consent shall approve the substance thereof.

If at any time the Agency shall request the Bond Trustee to enter into any supplement or amendment to this Bond Indenture for any of the purposes of this Section 1102, the Bond Trustee shall, at the expense of the Agency, cause notice of the proposed execution of such supplement or amendment to be mailed, postage prepaid, to all Registered Owners. Such notice shall briefly set forth the nature of the proposed supplement or amendment and shall state that copies thereof are on file at the Principal Office of the Bond Trustee for inspection by all Bondowners. The Bond Trustee shall not, however, be subject to any liability to any Bondowner by reason of its failure to mail the notice required by this Section 1102, and any such failure shall not affect the validity of such supplement or amendment when consented to as provided in this Section 1102.

Whenever, at any time within three years after the date of the first mailing of such notice, the Agency or the College shall deliver to the Bond Trustee an instrument or instruments in writing purporting to be executed by the Owners of not less than a majority in aggregate principal amount of the Bonds then Outstanding, which instrument or instruments shall refer to the proposed supplement or amendment described in such notice and shall specifically consent to and approve the execution thereof in substantially the form of the copy thereof referred to in such notice, thereupon, but not otherwise, the Bond Trustee may execute such supplement or amendment in substantially such form, without liability or responsibility to any Owner of any Bond, whether or not such Owner shall have consented thereto.

If the Owners of not less than a majority in aggregate principal amount of the Bonds Outstanding at the time of the execution of such supplemental indenture shall have consented to and approved the execution thereof as herein provided, no Owner of any Bond shall have any right to object to the execution of such supplement or amendment, or to object to any of the terms and provisions contained therein or the operation thereof or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the Bond Trustee or the Agency from executing the same or from taking any action pursuant to the provisions thereof.

Section 1103. Supplements and Amendments Deemed Part of Bond Indenture. Any supplement or amendment to this Bond Indenture executed in accordance with the provisions of this Article shall thereafter form a part of this Bond Indenture, and all of the terms and conditions contained in any such supplement or amendment as to any provision authorized to be contained therein shall be and shall be deemed to be part of the terms and conditions of this Bond Indenture for any and all purposes. Upon the execution of any supplement or amendment to this Bond Indenture pursuant to the provisions of this Article, this Bond Indenture shall be and be deemed to be modified and amended in accordance therewith, and the respective rights, duties and

obligations under this Bond Indenture of the Agency, the Bond Trustee and all Owners of Bonds then Outstanding shall thereafter be determined, exercised and enforced hereunder, subject in all respects to such modifications and amendments.

Section 1104. Discretion of Bond Trustee in Entering into Supplements and Amendments. In each and every case provided for in this Article, the Bond Trustee shall be entitled to exercise its discretion in determining whether or not to execute any proposed supplement or amendment if the rights, obligations and interests of the Bond Trustee would be thereby materially adversely affected, and the Bond Trustee shall not be under any responsibility or liability to the Agency, the College or to any Bondowner or to anyone whomsoever for its refusal in good faith to enter into any such supplement or amendment if such supplement or amendment is deemed by it to be contrary to the provisions of this Article or for its execution in good faith of any such supplement or amendment. The Bond Trustee shall be entitled to receive, and shall be fully protected in relying upon, an opinion of any Counsel approved by it, as conclusive evidence that any such proposed supplement or amendment does or does not comply with the provisions of this Bond Indenture (including without limitation as to whether such proposed amendment or supplement materially and adversely affects the interests of Bondowners), that any conditions precedent contained in this Bond Indenture applicable to the execution and delivery of such proposed supplement or amendment have been satisfied, and that it is or is not proper for it, under the provisions of this Article, to join in the execution of such supplement or amendment.

ARTICLE XII.

Supplements and Amendments to the Loan Agreement

Section 1201. Supplements and Amendments Not Requiring Consent. The Agency and the Bond Trustee may, from time to time and at any time, consent to such amendments and supplements to the Loan Agreement as shall not be inconsistent with the terms and provisions thereof and, in the opinion of the Bond Trustee (as to which it may rely on an opinion of counsel approved by it), shall not materially and adversely affect the interests of the Bondowners (which supplements and amendments shall thereafter form a part thereof),

- (i) as may be required by the Loan Agreement or this Bond Indenture, or
- (ii) to cure any ambiguity or formal defect or omission in the Loan Agreement or in any supplement or amendment thereto, or
- (iii) to grant to or confer upon the Bond Trustee, for the benefit of the Bondowners, any additional rights, remedies, powers, authority or security that may lawfully be granted to or conferred upon the Bondowners or the Bond Trustee, or
- (iv) to correct or supplement any provision herein which may be inconsistent with any other provision herein, or to make any other provisions with respect to matters or questions arising hereunder and which shall not materially and adversely affect the interests of the Bondowners, which, in the judgment of the Bond Trustee, will not prejudice the interests of the Bond Trustee, or
- (v) to provide for the issuance of the Bonds in book-entry or bearer form.

Section 1202. Supplements and Amendments Requiring Consent of Owners of a Majority in Principal Amount of Bonds. Except for supplements or amendments provided for in Section 1201, the Agency shall not execute and the Bond Trustee shall not consent to any supplement or amendment to the Loan Agreement unless notice of the proposed execution of such supplement or amendment shall have been given and the Owners of not less than a majority in aggregate principal amount of the Bonds then Outstanding shall have consented to and approved the execution thereof, all as provided for in Section 1102 hereof in the case of supplements and amendments to this Bond Indenture.

The Bond Trustee shall be entitled to receive, and shall be fully protected in relying upon an opinion of any counsel approved by it as conclusive evidence that any such proposed supplement or amendment does or does not comply with the provisions of this Article XII (including without limitation as to whether the proposed supplement or amendment materially and adversely affects Bondholders), that any conditions precedent contained in this Bond Indenture or the Loan Agreement applicable to the execution and delivery thereof have been satisfied, and that it is (or is not) proper for the Bond Trustee, under the provisions of this Article XII to join in the execution thereof.

ARTICLE XIII.

Defeasance

Section 1301. Release of Bond Indenture. When (a) the Bonds secured hereby shall have become due and payable in accordance with their terms or otherwise as provided in this Bond Indenture, including this Article XIII, and the whole amount of the principal and the interest and premium, if any, so due and payable upon all Bonds shall be paid or (b) if the Bond Trustee shall hold sufficient money or Defeasance Obligations the principal of and the interest on which, when due and payable, will provide sufficient money to pay the principal of and the interest and redemption premium, if any, on all Bonds then Outstanding to the maturity date or dates of such Bonds or to the date or dates specified for the redemption thereof, or combination of such payment and redemption, and (c) if Bonds are to be called for redemption, irrevocable instructions to call the Bonds for redemption shall have been given by the Agency to the Bond Trustee, and (d) sufficient funds shall also have been provided or provision made for paying all other obligations payable hereunder by the Agency, then and in that case the right, title and interest of the Bond Trustee in the Note and the funds and accounts mentioned in this Indenture shall thereupon cease, terminate and become void and, on demand of the Agency and upon being furnished with an opinion, in form and substance satisfactory to the Bond Trustee, of counsel approved by the Bond Trustee, to the effect that all conditions precedent to the release of this Bond Indenture have been satisfied, the Bond Trustee shall release this Bond Indenture (subject to any terms hereof that survive in accordance with their terms) and shall execute such documents to evidence such release as may be reasonably required by the Agency and shall turn over to the College, any surplus in any, and all balances remaining in all funds and accounts, other than money held for the redemption or payment of Bonds. Otherwise, this Bond Indenture shall be, continue and remain in full force and effect; provided, that, in the event Defeasance Obligations shall be deposited with and held by the Bond Trustee as hereinabove provided, (i) in addition to the requirements set forth in Article III of this Bond Indenture, the Bond Trustee, within thirty (30) days after such Defeasance Obligations shall have been deposited with it, shall cause a notice to be mailed by first-class mail, postage prepaid, to all Bondowners and setting forth (a) the date or dates, if any, designated for the redemption of the Bonds, (b) a description of the Defeasance Obligations so held by it, and (c) that this Bond Indenture has been released in accordance with the provisions of this Section, and (ii) the Bond Trustee shall nevertheless retain such rights, powers and privileges under this Bond Indenture as may be necessary and convenient in respect of the Bonds for the payment of the principal, interest and any premium for which such Defeasance Obligations have been deposited, and as may be necessary and convenient for the registration of transfer and exchange of Bonds.

All money and Defeasance Obligations held by the Bond Trustee pursuant to this Section shall be held in trust and applied to the payment, when due, of the obligations payable therewith.

ARTICLE XIV.

Miscellaneous Provisions

Section 1401. Covenants of the Agency Bind its Successors. In the event of the dissolution of the Agency, all of the covenants, stipulations, obligations and agreements contained in this Bond Indenture by or on behalf of or for the benefit of the Agency shall bind or inure to the benefit of the successor or successors of the Agency from time to time and any officer, board, commission, authority, agency or instrumentality to whom or to which any power or duty affecting such covenants, stipulations, obligations and agreements shall be transferred by or in accordance with law, and the word “Agency” as used in this Bond Indenture shall include such successor or successors.

Section 1402. Notices. Unless otherwise provided, any notice, demand, direction, request or other instrument authorized or required by this Bond Indenture to be given to or filed with the Agency, the Bond Trustee or the College shall be in writing and shall be deemed given or filed for all purposes of this Bond Indenture when delivered by hand delivery or on the third day following the day on which the same has been mailed, by registered or certified mail, postage prepaid, addressed as follows:

if to the Agency, Vermont Educational and Health Buildings Financing Agency,
20 Winooski Falls Way, Suite 305, Winooski, Vermont 05404, Attention:
Executive Director;

if to the Bond Trustee, The Bank of New York Mellon Trust Company, N.A., 500
Ross Street, 12th Floor, Pittsburgh, PA 15262 Attention: Corporate Trust
Department; and

if to the College, Middlebury College, Old Chapel, Middlebury, Vermont 05753,
Attention: Treasurer.

All documents received by the Bond Trustee under the provisions of this Bond Indenture, or photographic copies thereof, shall be retained in its possession until this Bond Indenture shall be released in accordance with the provisions of this Bond Indenture, subject at all reasonable times to the inspection of the Agency and the Bondowners and the agents and representatives thereof.

The Bond Trustee shall have the right to accept and act upon instructions, including funds transfer instructions (“Instructions”) given pursuant to this Bond Indenture and delivered using Electronic Means; provided, however, that the Agency and the College shall each provide to the Trustee an incumbency certificate listing officers with the authority to provide such Instructions (“Authorized Officers”) and containing specimen signatures of such Authorized Officers, which incumbency certificate shall be amended by the Agency and the College whenever a person is to be added or deleted from the listing. If the Agency and the College elect to give the Bond Trustee Instructions using Electronic Means and the Bond Trustee in its discretion elects to act upon such Instructions, the bond Trustee’s understanding of such Instructions shall be deemed controlling. The Agency and the College understand and agree that

the Bond Trustee cannot determine the identity of the actual sender of such Instructions and that the Bond Trustee shall conclusively presume that directions that purport to have been sent by an Authorized Officer listed on the incumbency certificate provided to the Bond Trustee have been sent by such Authorized Officer. The Agency and the College shall be responsible for ensuring that only Authorized Officers transmit such Instructions to the Bond Trustee and that the Agency and the College and all Authorized Officers are solely responsible to safeguard the use and confidentiality of applicable user and authorization codes, passwords and/or authentication keys upon receipt by the Agency and the College. The Bond Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Bond Trustee's reliance upon and compliance with such Instructions notwithstanding such directions conflict or are inconsistent with a subsequent written instruction. The Agency and the College agree: (i) to assume all risks arising out of the use of Electronic Means to submit Instructions to the Bond Trustee, including without limitation the risk of the Bond Trustee acting on unauthorized Instructions, and the risk of interception and misuse by third parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting Instructions to the Bond Trustee and that there may be more secure methods of transmitting Instructions than the method(s) selected by the Agency and the College; (iii) that the security procedures (if any) to be followed in connection with its transmission of Instructions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances; and (iv) to notify the Bond Trustee immediately upon learning of any compromise or unauthorized use of the security procedures.

The Agency, the Bond Trustee and the College may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent.

If, because of the temporary or permanent suspension of postal service, the Agency or the Bond Trustee shall be unable to mail any notice required to be given by the provisions of this Bond Indenture, the Agency or the Bond Trustee shall give notice in such other manner as in the judgment of the Agency or the Bond Trustee shall most effectively approximate mailing, and the giving of notice in such manner shall for all purposes of this Bond Indenture be deemed to be in compliance with the requirement for the mailing thereof.

Section 1403. Rights under Bond Indenture. Except as herein otherwise expressly provided, nothing in this Bond Indenture expressed or implied is intended or shall be construed to confer upon any person, firm or corporation other than the parties hereto, the College or the Owners of the Bonds issued under and secured by this Bond Indenture any right, remedy or claim, legal or equitable, under or by reason of this Bond Indenture or any provision hereof, this Bond Indenture and all its provisions being intended to be and being for the sole and exclusive benefit of the parties hereto, the College and the Owners of the Bonds.

Section 1404. Form of Certificates and Opinions. Except as otherwise provided in this Bond Indenture, any request, notice, certificate or other instrument from the Agency or the College to the Bond Trustee shall be deemed to have been signed by the proper party or parties if signed by the Agency Representative or a College Representative, respectively, as both are defined in the Loan Agreement, and the Bond Trustee may accept and rely upon a certificate

signed by the Agency Representative as to any action taken by the Agency and by a College Representative as to any action taken by the College.

Section 1405. Severability. If any one or more of the provisions of this Bond Indenture or of the Bonds issued hereunder shall be held to be illegal or invalid, such illegality or invalidity shall not affect any other provisions of this Bond Indenture or of the Bonds, but this Bond Indenture and the Bonds shall be construed and enforced as if such illegal or invalid provision had not been contained therein. In case any covenant, stipulation, obligation or agreement of the Agency contained in the Bonds or in this Bond Indenture shall for any reason be held to be in violation of law, then such covenant, stipulation, obligation or agreement shall be deemed to be the covenant, stipulation, obligation or agreement of the Agency to the full extent permitted by law.

Section 1406. Expenses Payable under Bond Indenture. All expenses incurred in carrying out this Bond Indenture shall be payable solely from Note Payments made by the College or from payments otherwise made by the College pursuant to Sections 4.05, 5.05 and 7.05 (and any other applicable terms) of the Loan Agreement. Anything in this Bond Indenture to the contrary notwithstanding, the performance by the Agency of all duties and obligations imposed upon it hereby, the exercise by it of all powers granted to it hereunder, the carrying out of all covenants, agreements and promises made by it hereunder, and the liability of the Agency for all warranties and other covenants herein shall be limited solely to Note Payments, or the income from the temporary investment thereof, and, to the extent herein or in the Loan Agreement provided, the proceeds of insurance, sale and condemnation awards or payments made by the College pursuant to the Loan Agreement; and the Agency shall not be required to effectuate any of its duties, obligations, powers or covenants except from, and to the extent of, such moneys, revenues, proceeds, and payments.

Section 1407. Reliance upon Opinions and Certifications. Any certificate or opinion made or given by an officer of the Agency may be based (whether or not expressly so stated), insofar as it relates to legal matters, upon a certificate or opinion of, or representation by, counsel, unless such officer knows that the certificate, opinion or representation with respect to the matter upon which his or her certificate or opinion may be based are erroneous. Any certificate or opinion made or given by counsel may be based (whether or not expressly so stated) insofar as it relates to factual matters, upon the certificate or opinion of, or representation by, an officer or officers of the Agency, unless such counsel knows that the certificate, opinion or representation with respect to the matters upon which his or her certificate or opinion may be based as aforesaid are erroneous.

All representations, warranties and covenants on the part of the Agency contained in the Loan Agreement and this Bond Indenture are based, insofar as they relate to legal matters, upon an opinion or opinions of, or representations by, counsel.

Section 1408. Covenants of Agency Not Covenants of Officials Individually. All covenants, stipulations, obligations and agreements of the Agency contained in this Indenture shall be deemed to be covenants, stipulations, obligations and agreements of the Agency to the full extent permitted by the Constitution and laws of the State. No covenant, stipulation, obligation or agreement contained herein shall be deemed to be a covenant, stipulation,

obligation or agreement of any present or future member, agent or employee of the Agency in his individual capacity, and neither the member nor any other officer of the Agency executing the Bonds shall be liable personally on the Bonds or be subject to any personal liability or accountability by reason of the issuance thereof. As provided in the Bonds and this Bond Indenture including particularly but without limitation Section 702, no member and no officer, agent or employee of the Agency shall incur any personal liability in acting or proceeding or in not acting or not proceeding, in good faith, reasonably and in accordance with the terms of this Bond Indenture.

Section 1409. Vermont Law Governs. This Bond Indenture shall be governed by and construed in accordance with the laws of the State.

Section 1410. Payments Due on Legal Holidays. In any case where the date of maturity of interest on or principal of the Bonds or the date fixed for redemption of any Bonds or the date fixed for the giving of notice or the taking of any action under this Bond Indenture shall not be a Business Day, then payment of such interest, principal and redemption premium, if any, the giving of such notice or the taking of such action need not be made on such date but may be made on the next succeeding Business Day with the same force and effect as if made on the date of maturity or the date fixed for redemption, and no interest on such payment shall accrue for the period after such date.

Section 1411. Execution in Counterparts. This Bond Indenture may be executed in multiple counterparts, each of which shall be regarded for all purposes as an original, and all of such counterparts shall constitute but one and the same instrument. The exchange of copies of this Bond Indenture and of signature pages by Electronic Means shall constitute effective execution and delivery of this Bond Indenture as to the parties hereto and may be used in lieu of the original Bond Indenture and signature pages for all purposes.

The parties agree that the electronic signature of a party to this Bond Indenture shall be as valid as an original signature of such party and shall be effective to bind such party to this Bond Indenture. For purposes hereof, “electronic signature” means a manually signed original signature that is then transmitted by Electronic Means.

Section 1412. Electronic Transactions and Storage. The transaction described herein may be conducted and related documents may be stored by electronic means. Copies, telecopies, facsimiles, electronic files and other reproductions of original executed documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law.

Section 1413. U.S.A. Patriot Act. The parties hereto acknowledge that in accordance with Section 326 of the U.S.A. Patriot Act, the Bond Trustee, like all financial institutions and in order to help fight the funding of terrorism and money laundering, is required to obtain, verify, and record information that identifies each person or legal entity that establishes a relationship or opens an account with the Bond Trustee. The parties to this Bond Indenture agree that they will provide the Bond Trustee with such information as it may request in order for the Bond Trustee to satisfy the requirements of the U.S.A. Patriot Act.

Section 1414. Further Authority. The officials of the Agency, attorneys, engineers and other agents or employees of the Agency are hereby authorized to do all acts and things required of them by this Bond Indenture and the Loan Agreement for the full, punctual and complete performance of all of the terms, covenants and agreements contained in the Bonds, the Loan Agreement and this Bond Indenture.

IN WITNESS WHEREOF, the Agency has caused these presents to be signed in its name and on its behalf by its Executive Director, and the Bond Trustee has caused these presents to be signed in its name and on its behalf by one of its authorized officers, all as of the 1st day of [August], 2020.

VERMONT EDUCATIONAL AND HEALTH
BUILDINGS FINANCING AGENCY

By: _____
Executive Director

THE BANK OF NEW YORK MELLON TRUST
COMPANY, N.A., solely as Bond Trustee and not
individually

By: _____
Authorized Officer

[Form of Bond]

VERMONT EDUCATIONAL AND HEALTH
 BUILDINGS FINANCING AGENCY
 Revenue Bond
 (Middlebury College Project)
 Series 2020

THIS BOND IS SUBJECT TO REDEMPTION
 OR ACCELERATION PRIOR TO MATURITY
 AS DESCRIBED HEREIN

No. RA-1 \$ _____

<u>Dated</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>CUSIP</u>
August __, 2020	[November 1], 20__	__%	

Registered Owner: Cede & Co.

Principal Amount: _____ Dollars

Vermont Educational and Health Buildings Financing Agency (the “Agency”), a public instrumentality of the State of Vermont, for value received, hereby promises to pay, solely from the sources provided therefor as hereinafter set forth, to the Registered Owner (the “Registered Owner” or the “Owner”) or registered assigns, legal representative, or pledgee thereof, the Principal Amount set forth above on the Maturity Date set forth above (the “Stated Maturity Date”) (unless this Bond is redeemed, or accelerated prior thereto as herein provided), upon the presentation and surrender hereof at the principal corporate trust office of the Bond Trustee (hereinafter mentioned). The Agency also promises to pay, but solely from such sources, interest on this Bond from the interest payment date next preceding the date on which this Bond is authenticated to which interest has been paid or duly provided for unless it is authenticated on an interest payment date to which such interest has been so paid or provided for, in which event it shall bear interest from such date, or if it is authenticated prior to [November 1], 2020, it shall bear interest from its dated date, payable on [November 1], 2020, and semiannually thereafter on each [May 1] and [November 1] (each, an “Interest Payment Date”), at the interest rate set forth above until the principal sum thereof is paid.

The interest so payable and punctually paid or duly provided for on any Interest Payment Date, will, as provided in the Bond Indenture hereinafter referred to, be paid by the Bond Trustee to the person in whose name this Bond (or one or more predecessor Bonds as defined in the Bond Indenture) is registered as Registered Owner at the close of business on the Regular Record Date for such interest, which Date shall be the 15th day (whether or not a Business Day) of the calendar month next preceding such Interest Payment Date. Such payment of interest shall be by check mailed to the Registered Owner at his address as it appears on the bond registration books of the Agency maintained by the Bond Trustee or, if requested by any

Owner of at least \$500,000 aggregate principal amount of Bonds, by wire transfer to any bank designated by such Owner. Any such interest not so punctually paid or duly provided for shall forthwith cease to be payable to the person who was the Registered Owner on such Regular Record Date and may be paid to the person in whose name this Bond (or one or more predecessor Bonds) is registered at the close of business on a Special Record Date for the payment of such defaulted interest to be fixed by the Bond Trustee, notice whereof being given to the Registered Owners not less than (10) days prior to such Special Record Date, or may be paid in any other lawful manner not inconsistent with the requirements of applicable law or any securities exchange on which the Bonds may be listed and upon such notice as may be required by such law or exchange, all as more fully provided in the Bond Indenture. All such payments shall be made in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts.

This Bond is one of a duly authorized series of revenue bonds of the Agency, designated "Vermont Educational and Health Buildings Financing Agency Revenue Bonds (Middlebury College Project) Series 2020" (the "Bonds"). The Bonds are initially issued in fully registered form in the denomination of \$5,000 or any integral multiple thereof.

This Bond is a limited obligation of the Agency. The principal of and the premium, if any, and interest on the Bonds are payable solely from the Note Payments (hereinafter defined) made by the College (hereinafter defined) under the Loan Agreement (hereinafter defined) and other revenues and funds derived under the Bond Indenture to the extent provided therein. The Agency is not obligated to pay this Bond or the premium, if any, or the interest hereon except from the revenues and funds assigned to the Bond Trustee or otherwise pledged therefor, and neither the faith and credit nor the taxing power of the State of Vermont or of any political subdivision thereof is pledged as security for the payment of the principal of or premium, if any, or the interest on this Bond.

The Bonds have been issued for the purpose of providing funds, with other available funds, to (i) finance the Costs of the Project, including reimbursement to the College of any payment made by it in respect of the Costs of the Project permitted by applicable law, (ii) to refund the Refunded Bonds and (iii) pay certain expenses incurred in connection with the issuance of the Bonds, each as defined and provided for in the Bond Indenture.

All of the Bonds are issued under and pursuant to a Bond Indenture, dated as of [August] 1, 2020 (said Bond Indenture, together with all such supplements and amendments thereto as therein permitted, being herein called the "Bond Indenture"), by and between the Agency and The Bank of New York Mellon Trust Company, N.A., as trustee (said trustee and any successor trustee under the Bond Indenture being herein called the "Bond Trustee"). An executed counterpart of the Bond Indenture is on file at the principal corporate trust office of the Bond Trustee. Reference is hereby made to the Bond Indenture for the provisions, among others, with respect to the custody and application of the proceeds of the Bonds, the collection and disposition of revenues, a description of the funds charged with and pledged to the payment of the principal of and redemption premium, if any, and interest on the Bonds, the nature and extent of the security, the terms and conditions under which the Bonds are issued, the rights, duties, obligations and immunities of the Agency and of the Bond Trustee and the rights of the Registered Owners of the Bonds, and, by the acceptance of this Bond, the Registered Owner

hereof assents to all of the provisions of the Bond Indenture. All capitalized terms used herein and not otherwise defined shall have such meanings as are ascribed to them in the Bond Indenture.

The Agency has entered into a Loan Agreement, dated as of [August] 1, 2020 (the “Loan Agreement”), with The President and Fellows of Middlebury College, a private, non-profit corporation existing under the laws of the State of Vermont (the “College”), under which the Agency has agreed to lend to the College the proceeds of the Bonds and the College has agreed to repay such loan and in consideration and as evidence of such loan, the College has agreed to deliver its promissory note (the “Note”) issued under and pursuant to the Loan Agreement. The Note will provide for the making of payments (“Note Payments”) in such amounts and at such times as are required to provide for timely payment of the principal of and premium, if any, and interest on the Bonds. The Loan Agreement provides that the College is to make the Note Payments directly to the Bond Trustee for the account of the Agency. The Loan Agreement also provides for the payment by the College of certain fees and expenses of (including certain rights of indemnification in favor of) the Agency and the Bond Trustee. The Loan Agreement further provides that the College’s obligation to make Note Payments shall be absolute and unconditional.

Pursuant to the Bond Indenture the Agency has, for the benefit of the Registered Owners of the Bonds, assigned the Agency’s rights under the Loan Agreement, including all its rights, title and interest to receive the Note Payments (subject to the reservation of certain rights of the Agency, including its rights to notices, payment of certain expenses and indemnity), to the Note and to all moneys and securities in the Bond Fund under the Bond Indenture to the Bond Trustee in trust. The Bond Indenture further provides that the Note Payments are to be deposited with the Bond Trustee to the credit of a special fund designated “Vermont Educational and Health Buildings Financing Agency Revenue Bonds (Middlebury College Project) Series 2020 Bond Fund”, which special fund is equally and ratably pledged to and charged with the payment of the principal of and redemption premium, if any, and interest on all Bonds issued under the Bond Indenture.

At the principal corporate trust office of the Bond Trustee, in the manner and subject to the limitations, conditions and charges provided in the Bond Indenture, Bonds may be exchanged for an equal aggregate principal amount of fully registered Bonds, of the same series and maturity, bearing interest at the same rate and in other authorized denominations.

The Bonds are subject to redemption by the Agency, at the option of the College, on or after [November 1], 20__, in whole or in part on any date, upon payment of redemption price equal to 100% of the principal amount of the Bonds to be redeemed, plus accrued interest to the redemption date.

The Bonds maturing [November 1], 20__, are required to be redeemed in part on [November 1], 20__, and on [November 1] in each year thereafter, in an amount equal to the respective Sinking Fund Requirements from money deposited with the Bond Trustee for such purpose. Such redemptions shall be at a Redemption Price equal to 100% of the principal amount of the Bonds to be redeemed, without premium, plus accrued interest to the applicable redemption date.

To the extent that less than all of the Bonds of any maturity shall be so redeemed, the Bond Trustee shall select the Bonds of such maturity to be redeemed by lot, with each \$5,000 portion of principal being counted as one Bond for this purpose.

Any such redemption, whether in whole or in part, shall be made upon at least 30 days' prior notice by mailing by first-class mail, postage prepaid, to all Registered Owners of the Bonds to be redeemed in whole or in part at their addresses as they appear on the registration books and shall be made in the manner and under the terms and conditions, all as provided in the Bond Indenture, but failure so to mail any such notice or a defect in the notice or the mailing shall not affect the validity of the proceedings for such redemption with respect to Registered Owners to whom notice was duly mailed. On the date designated for redemption the Bonds or portions of Bonds so called for redemption shall become and be due and payable at the redemption price provided for redemption of such Bonds or such portions thereof on such date, and, if moneys or Defeasance Obligations, or both, for payment of the redemption price and premium, if any, shall be held by the Bond Trustee, all as provided in the Bond Indenture, interest on such Bonds or such portions thereof so called for redemption shall cease to accrue, such Bonds or such portions thereof so called for redemption shall cease to be entitled to any benefit or security under the Bond Indenture after such date, and the Registered Owners thereof shall have no rights in respect of such Bonds or such portions thereof so called for redemption except to receive payment of the redemption price thereof and accrued interest so held by the Bond Trustee and, in the manner provided in the Bond Indenture, Bonds for any unredeemed portion thereof. If a portion of this Bond shall be called for redemption, a new Bond or Bonds in principal amount equal to the unredeemed portion hereof will be issued to the Registered Owner upon the surrender hereof.

Any notice of redemption may state that the redemption to be effected is conditioned upon the receipt by the Bond Trustee on or prior to the redemption date of moneys sufficient to pay the principal of and premium, if any, and interest on the Bonds to be redeemed and that if such moneys are not so received, such notice shall be of no force or effect and such Bonds shall not be required to be redeemed. In the event that such notice contains such a condition and moneys sufficient to pay the principal of and premium, if any, and interest on such Bonds are not received by the Bond Trustee on or prior to the redemption date, the redemption shall not be made and the Bond Trustee shall within a reasonable time thereafter give notice, in the manner in which the notice of redemption was given, that such moneys were not so received.

The Registered Owner of this Bond shall have no right to enforce the provisions of the Bond Indenture or to institute action to enforce the covenants therein, or to take any action with respect to any event of default under the Bond Indenture, or to institute, appear in or defend any suit or other proceeding with respect thereto, except as provided in the Bond Indenture.

In certain events, on the conditions, in the manner and with the effect set forth in the Bond Indenture, the principal of all the Bonds then Outstanding under the Bond Indenture may become or may be declared due and payable before the stated maturities thereof, together with the interest accrued thereon.

Modifications or alterations of the Loan Agreement and the Bond Indenture, and any supplement or amendment thereto, may be made only to the extent and in the circumstances

permitted by the Bond Indenture, and may be made in certain cases without the consent of all of the Owners of the Bonds.

The transfer of this Bond may be registered by the Registered Owner hereof in person or by his attorney or legal representative at the principal corporate trust office of the Bond Trustee, but only in the manner and subject to the limitations and conditions provided in the Bond Indenture and upon surrender and cancellation of this Bond. Upon any such registration of transfer the Agency shall execute and the Bond Trustee or its authenticating agent shall authenticate and deliver in exchange for this Bond a new Bond registered in the name of the transferee, of authorized denominations, in aggregate principal amount equal to the principal amount of this Bond, of the same maturity and bearing interest at the same rate.

The Bond Trustee is not required to make any exchange or registration of transfer of any Bond during the fifteen (15) days immediately preceding the date of the Bond Trustee's giving notice of redemption or after such Bond or any portion thereof has been selected for redemption.

This Bond, notwithstanding the provisions for registration of transfer stated herein and contained in the Bond Indenture, at all times shall be and shall be understood to be an investment security within the meaning of and for all the purposes of Article 8 of the Uniform Commercial Code of Vermont. This Bond is issued with the intent that the laws of the State of Vermont shall govern its construction.

All acts, conditions and things required to happen, exist and be performed precedent to and in the issuance of this Bond and the execution of the Bond Indenture and the Loan Agreement have happened, exist and have been performed as so required.

This Bond shall not be valid or become obligatory for any purpose or be entitled to any benefit or security under the Bond Indenture until it shall have been authenticated by the execution of the certificate of authentication endorsed hereon.

IN WITNESS WHEREOF, Vermont Educational and Health Buildings Financing Agency has caused this Bond to be executed with the facsimile signatures of its Chairman and Executive Director and a facsimile of its official seal to be affixed hereto, to be dated the date of the delivery thereof and payment therefor.

VERMONT EDUCATIONAL AND HEALTH
BUILDINGS FINANCING AGENCY

By [FACSIMILE SIGNATURE]
Chairman

By [FACSIMILE SIGNATURE]
Executive Director

[FACSIMILE OF OFFICIAL SEAL]

[TO BE ENDORSED ON ALL BONDS]

ASSIGNMENT

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

[Please Print or Typewrite Name and Address of Transferee] the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints _____ attorney to register the transfer of the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

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

Dated: _____

Signature Guaranteed:

Participant in Recognized Signature
Guarantee Medallion Program:

By: _____
Authorized Signature

CERTIFICATE OF AUTHENTICATION

This is one of the Bonds of the series referred to in the within-mentioned Bond Indenture.

The Bank of New York Mellon Trust Company,
N.A.,
as Bond Trustee

By: _____
Authorized Signatory

Date of Authentication: August __, 2020