
INDENTURE OF TRUST

between

CITY OF FRANKLIN, INDIANA

and

THE HUNTINGTON NATIONAL BANK, AS TRUSTEE

Dated as of December 1, 2014

\$27,000,000

CITY OF FRANKLIN

**ECONOMIC DEVELOPMENT REVENUE REFUNDING AND
IMPROVEMENT BONDS, SERIES 2014**

(THE FRANKLIN UNITED METHODIST HOME, INC. PROJECT)

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INDENTURE OF TRUST

THIS INDENTURE OF TRUST, dated as of December 1, 2014, by and between the CITY OF FRANKLIN, INDIANA, a municipal corporation of the State of Indiana, duly created and existing as such under the constitution and laws of the State of Indiana (the “Issuer”), and THE HUNTINGTON NATIONAL BANK, as trustee (the “Trustee”), having a designated corporate trust office located in Indianapolis, Indiana, under the circumstances summarized in the following recitals (the capitalized terms not defined above or in the recitals hereto shall have the meanings set forth in Article I hereof unless the context or use clearly indicates another meaning or intent):

WITNESSETH:

WHEREAS, Indiana Code, Title 36, Article 7, Chapters 11.9 and 12, as supplemented and amended (collectively, the “Act”), authorize and empower the Issuer to issue bonds (as defined in the Act) and loan the proceeds therefrom to any user (as defined in the Act) for the purpose of providing for the refinancing and financing of the costs of acquisition, construction or installation of facilities, including real and personal property, for diversification of any economic development facility (as defined in the Act), and for the promotion of job opportunities in or near such Issuer, and vests such Issuer with powers that may be necessary to enable it to accomplish such purposes; and

WHEREAS, the Act provides that such bonds may be secured by a trust indenture by and between the Issuer and a corporate trustee, and the Indenture is such a trust indenture described in the Act; and

WHEREAS, the Act declares that the financing of economic development facilities constitutes a public purpose; and

WHEREAS, the Project is of the character and will accomplish the purposes of the Act, will create additional employment opportunities within City of Franklin, Indiana, and will increase business opportunities within City of Franklin, Indiana, and will be to the benefit of the health, safety, morals, right to gainful employment and general welfare of the citizens of City of Franklin, Indiana; and

WHEREAS, the Issuer previously issued its Economic Development Revenue Refunding and Improvement Bonds, Series 2010 (The Franklin United Methodist Home, Inc. Project) (the “Prior Bonds”); and

WHEREAS, the Issuer proposes to issue its Economic Development Revenue Refunding and Improvement Bonds, Series 2014 (The Franklin United Methodist Home, Inc. Project) (the “Bonds”), in the aggregate principal amount of Twenty-Seven Million Dollars (\$27,000,000) pursuant to this Indenture (i) to finance the refunding of the Prior Bonds, (ii) refinance prior taxable loans of the Borrower; and (ii) to finance the acquisition of the Project; and

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

WHEREAS, the Bonds shall be in substantially the following form:

REGISTERED
NO. R-___

CITY OF FRANKLIN, INDIANA
ECONOMIC DEVELOPMENT REVENUE REFUNDING AND
IMPROVEMENT BONDS, SERIES 2014
(THE FRANKLIN UNITED METHODIST HOME, INC. PROJECT)

MATURITY DATE

DATED:

December __, 20__

December __, 2014

REGISTERED OWNER: THE HUNTINGTON NATIONAL BANK

PRINCIPAL AMOUNT: TWENTY-SEVEN MILLION DOLLARS (\$27,000,000)

The City of Franklin, Indiana (the "Issuer"), a municipal corporation of the State of Indiana, duly created and existing as such under the constitution and laws of the State of Indiana (the "State"), for value received, hereby promises to pay (but only out of the sources hereinafter mentioned) to The Huntington National Bank, as the registered owner hereof (the "Bank"), or registered assigns, on the Maturity Date set forth above upon surrender hereof, unless this Bond shall have been called for redemption in whole or in part and payment of the redemption price shall have been duly made or provided for, whether or not this Bond is surrendered, the principal sum set forth above and to pay (but only out of the sources hereinafter mentioned) to the registered owner hereof, interest thereon from the date to which interest has accrued and been paid or duly provided for, or, if prior to the first Interest Payment Date (as hereinafter defined), from the date of the original issuance of the Bonds, until payment of said principal sum has been made or provided for, initially at the Adjusted LIBOR Rate (as defined in the Indenture referred to below) determined from time to time and payable on the dates set forth herein and in the Indenture referred to below, commencing on the Interest Payment Date in February, 2015 and interest on overdue principal, and to the extent permitted by law, on overdue interest, as provided in the Indenture.

Principal and interest shall be paid in coin or currency of the United States of America which, at the time of payment, is legal tender for the payment of public and private debts. Interest so payable, and punctually paid or duly provided for, on any Interest Payment Date will, except as provided in the Indenture, be paid to the person in whose name this Bond is registered at the close of business on the Regular Record Date (as hereinafter defined) for such interest. Any such interest not so punctually paid or duly provided for shall forthwith cease to be payable to the registered owner on such Regular Record Date, and may be paid to the person in whose name this Bond is registered at the close of business on a Special Record Date for the payment of such defaulted interest to be fixed by the Trustee (as hereinafter defined), or may be paid, at any time in any other lawful manner, all as more fully provided in the Indenture.

The principal or redemption price of this Bond shall be paid (i) while this Bond bears interest at the Adjusted LIBOR Rate and the provisions of the Bondowner Agreement and the Loan Agreement so provide, directly to the Bondholder, and (ii) at all other times, at the corporate trust office of The Huntington National Bank in Indianapolis, Indiana or at the duly designated office of any duly appointed alternate or successor Paying Agent. While this Bond bears interest at the Adjusted LIBOR Rate and the provisions of the Bondowner Agreement and the Loan Agreement so provide, interest on this Bond shall be payable directly to the Bondholder; at all other times, the interest on this Bond shall be payable by check mailed to the registered owner of this Bond at such owner's address

as it appears on the Bond Register of the Bond Registrar; provided that at the request of the registered owner of at least \$1,000,000 in aggregate principal amount of Bonds, interest on such Bonds shall be payable by wire transfer in immediately available funds to the bank account number of such owner within the United States appearing on the Bond Register; and provided further that interest payable at maturity shall be paid only upon presentation and surrender of this Bond.

THIS BOND AND THE INTEREST HEREON ARE SPECIAL, LIMITED OBLIGATIONS OF THE ISSUER. THE PRINCIPAL HEREOF, PREMIUM, IF ANY, AND INTEREST HEREON ARE PAYABLE SOLELY OUT OF THE TRUST ESTATE (AS DEFINED IN THE INDENTURE). THIS BOND AND THE PREMIUM, IF ANY, AND INTEREST HEREON DO NOT CONSTITUTE AN INDEBTEDNESS OR AN OBLIGATION, GENERAL OR MORAL, OR A PLEDGE OF THE FAITH AND CREDIT OF THE ISSUER, THE STATE OF INDIANA (THE "STATE") OR ANY POLITICAL SUBDIVISION THEREOF, WITHIN THE PURVIEW OF ANY CONSTITUTIONAL OR STATUTORY LIMITATION OR PROVISION, AND SHALL NEVER CONSTITUTE NOR GIVE RISE TO A CHARGE AGAINST THE GENERAL CREDIT OR TAXING POWERS, IF ANY, OF THE ISSUER, THE STATE OR ANY POLITICAL SUBDIVISION THEREOF, BUT SHALL BE A SPECIAL, LIMITED OBLIGATION OF THE ISSUER, PAYABLE SOLELY FROM THE TRUST ESTATE. NEITHER THE STATE, THE ISSUER, NOR ANY POLITICAL SUBDIVISION OR AGENCY OF THE STATE SHALL BE OBLIGATED TO PAY THE BONDS OR THE PREMIUM, IF ANY, OR THE INTEREST THEREON, AND NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER, IF ANY, OF THE STATE, THE ISSUER OR ANY OTHER POLITICAL SUBDIVISION OR AGENCY OF THE STATE IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THE BONDS. THE ISSUER HAS NO TAXING POWER.

This Bond is one of a duly authorized series of bonds of the City of Franklin, Indiana designated "Economic Development Revenue Refunding and Improvement Bonds, Series 2014 (The Franklin United Methodist Home, Inc. Project)" (the "Bonds"), issued under the Indenture of Trust, dated as of December 1, 2014, by and between the Issuer and The Huntington National Bank, as trustee (the "Trustee"), aggregating in principal amount \$27,000,000 and issued for the purpose of making a loan (the "Loan") to assist The Franklin United Methodist Home, Inc., an Indiana nonprofit corporation (the "Borrower"), in refunding the Prior Bonds, taxable debt, and in financing of costs of the construction and installation of the facilities (the "Series 2014 Project"), as described more fully in that certain Loan Agreement, dated as of December 1, 2014, between the Issuer and the Borrower (the "Loan Agreement"). The Bonds are special obligations of the Issuer, issued or to be issued under and are to be secured and entitled equally and ratably to the protection given by the Indenture. The Bonds are issued pursuant to Indiana Code, Title 36, Article 7, Chapters 11.9 and 12, as supplemented and amended (collectively, the "Act"), and an ordinance duly adopted by the Issuer.

If an Event of Default as defined in the Indenture occurs, the principal of all Bonds issued under the Indenture may become due and payable upon the conditions and in the manner and with the effect provided in the Indenture.

Reference is made to the Indenture for a more complete description of the Project (as defined in the Agreement), the provisions, among others, with respect to the nature and extent of the security for the Bonds, the rights, duties and obligations of the Issuer, the Trustee and the Bondholders, and the terms and conditions upon which the Bonds are issued and secured. All terms used herein with initial capitalization where the rules of grammar or context do not otherwise require shall have the meanings as set forth in the Indenture. Each Bondholder assents, by its acceptance hereof, to all of the provisions of the Indenture.

The Borrower is required by the Agreement to make payments to the Trustee in the amounts and at the times necessary to pay the principal of and interest and any premium (the "Bond Service Charges") on the Bonds. To provide for the payment of the Bond Service Charges on the Bonds, the Issuer, in the Indenture, has absolutely and irrevocably assigned to the Trustee any right, title and interest in and to the Agreement (except for the Unassigned Issuer's Rights), and the Credit Facility Account, if any, Redemption Premium Account, Remarketing Proceeds Account and the Defeasance Account of the Bond Fund and all moneys and investments therein (including without limitation the proceeds of a Credit Facility, if any (as defined in the Indenture)) and granted a security interest in all accounts and funds established under the Indenture, moneys and investments in the Project Fund and

in and to the Revenues (other than the above-referenced accounts of the Bond Fund, all moneys and investments therein and the proceeds of a Credit Facility).

DETERMINATION OF INTEREST RATE

This Bond shall bear interest at the Adjusted LIBOR Rate (as defined in the Indenture), which rate shall continue in effect until converted to a different interest rate or rates determined for the "Interest Rate Mode" (as described more fully in Section 2.02 of the Indenture) selected by the Borrower. The "Interest Rate Modes" which may be selected are as follows: (i) a Weekly Rate in which the interest rate is determined on the 7th day preceding conversion to a Weekly Rate and on each Wednesday thereafter or, if not a Business Day, on the next succeeding Business Day; (ii) a Semi-Annual Rate in which the interest rate is determined on the 10th Business Day preceding each Semi-Annual Rate Period; (iii) a Long-Term Rate for a period of one year or more ending on an Interest Payment Date selected by the Borrower, in which the interest rate is determined not later than the 15th Business Day preceding the 1st day of such Long-Term Rate Period; and (iv) an Adjusted LIBOR Rate in which the interest rate is determined on the second Business Day immediately preceding the start of each LIBOR Rate Interest Period. The Borrower may from time to time convert the Interest Rate Mode for the Bonds to another Interest Rate Mode in accordance with the terms of the Indenture.

Interest on this Bond, at the interest rate or rates for each Interest Rate Mode, is payable (a) while the Bonds bear interest at the Weekly Rate, on the first (1st) Business Day of each month of each year (each date on which interest shall be paid being an "Interest Payment Date"), (b) while the Bonds bear interest at the Semi-Annual Rate or the Long-Term Rate, on June 1 and December 1 of each year, and (c) while the Bonds bear interest at the Adjusted LIBOR Rate, on the first (1st) Business Day of each month of each year (each date on which interest shall be paid being an "Interest Payment Date"). Interest on this Bond shall be computed on the basis of a year of 365 or 366 days, as appropriate, for the actual number of days elapsed while the Interest Rate Mode is the Weekly Rate, on the basis of a 360-day year consisting of twelve 30-day months while the Interest Rate Mode is the Semi-Annual Rate or the Long-Term Rate, and on the basis of a 360-day year for the actual number of days elapsed while the Interest Rate Mode is the Adjusted LIBOR Rate. The interest rate or rates for each Interest Rate Mode, other than the Adjusted LIBOR Rate, for the Bonds shall be determined by the Remarketing Agent on the dates and at such times as specified in Section 2.02 of the Indenture. While the Bonds bear interest at a Weekly Rate, a Semi-Annual Rate or a Long-Term Rate, if the interest rate is not determined in accordance with Section 2.02 of the Indenture, the interest rate on this Bond shall be the interest rate in effect for the previous interest rate period. Each interest rate determined by the Remarketing Agent shall be the minimum rate of interest necessary, in the judgment of the Remarketing Agent, to enable the Remarketing Agent to sell the Bonds at a price equal to the principal amount thereof, plus accrued interest, if any. The interest rate for each LIBOR Rate Interest Period shall be determined by the Bank as the registered owner hereof. While the Bonds bear interest at an Adjusted LIBOR Rate, if the interest rate is not determined for any reason in accordance with Section 2.02 of the Indenture, this Bond shall bear interest at the Adjusted Prime Rate as defined and provided in Section 2.02(g) of the Indenture. Notwithstanding the foregoing, the interest rate borne by this Bond shall not exceed the lesser of (i) twelve percent (12%) per annum or (ii) while any Bonds are entitled to the benefit of a Credit Facility, the maximum interest rate specified in such Credit Facility.

REDEMPTION OF BONDS

Whenever the Interest Rate Mode is the Weekly Rate or the Semi-Annual Rate, this Bond shall be subject to optional redemption, in whole on any date or in part on any Interest Payment Date, at a redemption price of 100% of the principal amount hereof. Whenever the Interest Rate Mode is the Adjusted LIBOR Rate, this Bond shall be subject to optional redemption, in whole or in part on any date, at a redemption price of 100% of the principal amount hereof. Whenever the Interest Rate Mode is the Long-Term Rate, this Bond shall be subject to optional redemption: (i) at any time, in whole, at a redemption price of 100% of the principal amount hereof, plus accrued interest, if any, upon the occurrence of any of certain events relating to the Project as set forth in Section 8.01(d) of the Indenture and (ii) at any time during the then current Long-Term Rate Period on or after the date determined pursuant to Section 8.01(b) of the Indenture at the applicable redemption price set forth in Section 8.01(c) of the Indenture. Upon a Determination of Taxability, the Bonds are subject to mandatory redemption in whole by the Issuer pursuant to Section 8.01(e) of the Indenture. Any Bond which is subject to optional redemption may be purchased by the Trustee at the direction of the Borrower. Such Bond need not be cancelled upon purchase, but

may, as directed by the Borrower, be cancelled or may be resold with the same terms or such different terms as may be agreed upon by the Borrower and the purchasers with the consent of the Issuer.

The Issuer shall redeem the Bonds prior to maturity in part by lot, as selected by the Trustee, on December 1, in the years set forth below and in the respective principal amounts listed opposite each such year, at a redemption price equal to 100% of the principal amount thereof, plus interest accrued thereon from the most recent Interest Payment Date to the date fixed for redemption:

<u>Date of Redemption</u>	<u>Principal Amount to be Redeemed</u>
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*Final maturity.

The principal amount of Bonds so to be redeemed in any year shall be reduced, upon written request of the Borrower, by an amount equal to the principal amount of the Bonds of the same maturity as those subject to mandatory redemption: (1) surrendered uncancelled and in transferable form by the Borrower to the Trustee not less than 30 days prior to such redemption date; or (2) redeemed (not less than 30 days prior to such redemption date) in or prior to such year pursuant to Section 8.01 of the Indenture, if, in each case, such Bonds shall not have previously served as the basis for any such reduction.

Any notice of redemption, identifying the Bonds or portions thereof to be redeemed, shall be given by first class mail to the registered owner of each Bond to be redeemed in whole or in part at the address shown on the Bond Register of the Bond Registrar not more than 60 days and not fewer than 30 days prior to the redemption date. If the source of funds for optional redemption is to be derived from the proceeds of refunding bonds, optional redemption may be conditioned upon the deposit of proceeds of such refunding bonds with the Trustee before the date fixed for redemption and such optional redemption and notice thereof shall be of no effect unless such moneys are so deposited. All Bonds so called for redemption will cease to bear interest on the specified redemption date, provided funds for their redemption and any accrued interest payable on the redemption date are on deposit at the principal place of payment at that time.

Except as otherwise provided herein, if less than all the Bonds are to be redeemed, the particular Bonds to be called for redemption shall be selected by any method determined by the Trustee to be fair and reasonable; provided, however, that in connection with any redemption of Bonds the Trustee shall first select for redemption any Bonds held by the Borrower or held by or pledged to a Credit Facility Issuer pursuant to Section 3.05 of the Indenture. While the Bonds bear interest at an Adjusted LIBOR Rate, on any date that less than all the Bonds are redeemed, the Bondholder shall record, on the Redemption Register attached to this Bond as Exhibit A and made a part hereof, the redemption date, the principal amount of Bonds redeemed as of such date, and the aggregate outstanding principal amount of Bonds as of such date after the redemption; provided, however, that any failure to so record shall not affect the validity of such redemption.

Pursuant to the Indenture, the Borrower has the option to purchase any Bond that is redeemable by optional redemption pursuant to the Indenture at a purchase price no less than the redemption price to be paid to Bondholders upon optional redemption. The Borrower may exercise such option by written request delivered to the Trustee and any Credit Facility Issuer within the time period specified in the Indenture as though such written request were a written request of the Issuer for redemption, and the Trustee shall thereupon give the owners of the Bonds to be purchased notice of such purchase in the manner specified in such Section as though such purchase were a redemption and the purchase of such Bonds shall be mandatory and enforceable against the Bondholders. On the date fixed for purchase pursuant to any exercise of such option, the purchase price of the Bonds then being purchased shall be paid to the Bondholders by the Trustee from moneys drawn under the Credit Facility, if any, and otherwise from immediately available funds provided by the Borrower, and the Trustee shall pay the same to the Bondholders of such Bonds against delivery.

PURCHASE OF BONDS

This Bond shall be subject to mandatory purchase in whole (i) on any Conversion Date, with an option to retain, (ii) if upon the expiration of the then current Credit Facility, and the Borrower has not provided an Alternate Credit Facility pursuant to Section 6.03 of the Indenture, on the Interest Payment Date immediately preceding (by at least 15 calendar days) the expiration of the then current Credit Facility, if any, and (iii) if the Bonds are then bearing interest at the Weekly or Semi-Annual Rate, on the Interest Payment Date which is also the date of delivery of the Alternate Credit Facility, with an option to retain.

If this Bond bears interest at the Adjustable LIBOR Rate, the Holder shall be an accredited investor that is a "bank" within the meaning of Section 2(15)(i) of the Securities Act of 1933, as amended (the "1933 Act") or a "qualified institutional buyer" within the meaning of Rule 144A(a)(1) promulgated by the Securities Exchange Commission pursuant to the 1933 Act. The Holder shall represent to the Issuer that, while the Bonds bear interest at the Adjustable LIBOR Rate it will obtain written certification, certified to the Holder and Issuer, in connection with any sale or transfer, that any subsequent holder is an accredited investor that is a "bank" within the meaning of Section 2(15)(i) of the Securities Act of 1933, as amended (the "1933 Act") or a "qualified institutional buyer" within the meaning of Rule 144A(a)(1) promulgated by the Securities Exchange Commission pursuant to the 1933 Act.

In addition, while this Bond bears interest at the Long-Term Rate and is subject to optional redemption by the Issuer pursuant to Section 8.01(c) of the Indenture, this Bond shall be subject to mandatory purchase at a purchase price equal to the principal amount thereof, plus the redemption premium, if any, which would be payable under Section 8.01(c) if this Bond were redeemed on the Purchase Date, plus accrued interest, if any, thereon to the Purchase Date, upon the delivery of an Alternate Credit Facility, unless such Alternate Credit Facility is a Qualifying Alternate Credit Facility. While this Bond bears interest at the Long-Term Rate, but is not yet subject to optional redemption by the Issuer pursuant to Section 8.01(c) of the Indenture, the Borrower may not replace the then current Credit Facility with an Alternate Credit Facility unless such Alternate Credit Facility is a Qualifying Alternate Credit Facility.

So long as the Interest Rate Mode is the Adjusted LIBOR Rate, (i) this Bond is subject to Conversion by the Borrower pursuant to the terms and procedure set forth in the Indenture, and (ii) this Bond is prepayable at the election of the Borrower at par at any time, in whole or in part. The Borrower shall notify the Trustee and the Bondholder of the date and amount of any prepayment in writing at least thirty (30) days in advance thereof.

If the Interest Rate Mode is the Weekly Rate, this Bond shall be purchased at the option of the registered owner hereof upon demand by such registered owner, on any Business Day at a purchase price equal to the principal amount hereof, plus accrued interest, if any, to the Purchase Date, upon written notice to the Tender Agent on or before 4:00 p.m. (New York, New York time) on a Business Day not later than the 7th calendar day prior to the Purchase Date. If the Interest Rate Mode is the Semi-Annual Rate, this Bond shall be purchased on the demand of the registered owner hereof, on any Interest Payment Date at a purchase price equal to the principal amount hereof, upon written notice to the Tender Agent on a Business Day not later than the 8th Business Day prior to such Purchase Date. If the Interest Rate Mode is the Long-Term Rate, this Bond shall not be subject to purchase on the demand of the registered owner thereof but shall be subject to mandatory purchase only as set forth in the immediately preceding paragraphs.

If the Interest Rate Mode is the Adjusted LIBOR Rate, this Bond shall be purchased at the option of the registered owner hereof upon demand by such registered owner, on December __, 20__ (unless such date is extended in accordance with the provisions of the Bondowner Agreement). In addition, while the Interest Rate Mode is the Adjusted LIBOR Rate and the Bank is the Bondholder, this Bond shall be purchased at the option of the Bank upon an Event of Default under the Bondowner Agreement. The purchase price shall be 100% of the outstanding principal amount hereof plus accrued interest to and including such Purchase Date.

Any notice in connection with a demand for purchase of this Bond as set forth in the preceding paragraphs hereof shall be given, while this Bond bears interest at an Adjusted LIBOR Rate, to the Borrower and the Trustee at the notice address provided in the Indenture, and at all other times at the address of the Tender Agent designated to the Trustee and shall (A) state the number and principal amount (or portion thereof in an authorized denomination)

of this Bond to be purchased; (B) state the Purchase Date on which this Bond shall be purchased and (C) irrevocably request such purchase and agree to deliver this Bond to the Tender Agent on the Purchase Date. ANY SUCH NOTICE SHALL BE IRREVOCABLE WITH RESPECT TO THE PURCHASE FOR WHICH SUCH DIRECTION WAS DELIVERED AND, UNTIL SURRENDERED TO THE TENDER AGENT, THIS BOND OR ANY PORTION HEREOF WITH RESPECT TO WHICH SUCH DIRECTION WAS DELIVERED SHALL NOT BE TRANSFERABLE. This Bond must be delivered (together with an appropriate instrument of transfer executed in blank in form satisfactory to the Tender Agent) at the principal office of the Tender Agent at or prior to 12:00 noon (New York, New York time) on the date specified in the aforesaid notice in order for the owner hereof to receive payment in same-day funds of the purchase price due on such Purchase Date. NO REGISTERED OWNER SHALL BE ENTITLED TO PAYMENT OF THE PURCHASE PRICE DUE ON SUCH PURCHASE DATE EXCEPT UPON SURRENDER OF THIS BOND AS SET FORTH HEREIN. No purchase of Bonds pursuant to Section 3.01 of the Indenture shall be deemed to be a payment or redemption of such Bonds or any portion thereof within the meaning of the Indenture.

BY ACCEPTANCE OF THIS BOND, THE REGISTERED OWNER HEREOF AGREES THAT THIS BOND WILL BE PURCHASED, WHEN SURRENDERED, (A) ON THE APPLICABLE PURCHASE DATE IN CONNECTION WITH THE CONVERSION OF THE INTEREST RATE MODE FOR THE BONDS OR ANY EXPIRATION OF A CREDIT FACILITY AS DESCRIBED ABOVE, OR ANY REPLACEMENT OF THE THEN CURRENT CREDIT FACILITY, IF ANY, IF THE BONDS ARE IN THE WEEKLY RATE MODE OR THE SEMI-ANNUAL RATE MODE AS DESCRIBED ABOVE, OR (B) ON ANY PURCHASE DATE SPECIFIED BY THE REGISTERED OWNER HEREOF IN THE EXERCISE OF SUCH REGISTERED OWNER'S RIGHT TO DEMAND PURCHASE OF THIS BOND AS DESCRIBED ABOVE. IN SUCH EVENT, THE REGISTERED OWNER OF THIS BOND SHALL NOT BE ENTITLED TO RECEIVE ANY FURTHER INTEREST HEREON, SHALL HAVE NO FURTHER RIGHTS UNDER THIS BOND OR THE INDENTURE EXCEPT TO PAYMENT OF THE PURCHASE PRICE HELD THEREFOR.

GENERAL PROVISIONS

The Bonds are issuable only as fully registered bonds in the denominations of \$100,000 and in any integral multiple of \$5,000 in excess thereof and shall be originally issued in a single bond certificate for each maturity in the name of the Bank, as the original Bondholder.

This Bond is transferable by the registered owner hereof or his duly authorized attorney at the corporate trust office of The Huntington National Bank, as Bond Registrar, in the City of Indianapolis, Indiana, upon surrender of this Bond, accompanied by a duly executed instrument of transfer in form and with guaranty of signature satisfactory to the Bond Registrar, subject to such reasonable regulations as the Borrower, the Issuer or the Bond Registrar may prescribe, PROVIDED, THAT, IF MONEYS FOR THE MANDATORY PURCHASE OF THIS BOND HAVE BEEN DEPOSITED WITH THE TRUSTEE UNDER THE INDENTURE, THIS BOND SHALL NOT BE TRANSFERABLE TO ANYONE UNTIL DELIVERED TO THE TENDER AGENT. Upon any such transfer, a new Bond or Bonds in the same aggregate principal amount will be issued to the transferee. Except as set forth in this Bond and as otherwise provided in the Indenture, the person in whose name this Bond is registered shall be deemed the owner hereof for all purposes, and the Issuer, the Borrower, any Paying Agents, the Bond Registrar, the Tender Agent, the Remarketing Agent and the Trustee shall not be affected by any notice to the contrary.

The Indenture permits certain amendments or supplements to the Agreement and the Indenture not prejudicial to the Bondholders to be made without the consent of or notice to the Bondholders, and other amendments or supplements thereto to be made with the consent of the Bondholders of not less than a majority in aggregate principal amount of the Bonds then outstanding.

The Bondholders have only those remedies provided in the Indenture.

The Bonds shall not constitute the personal obligation, either jointly or severally, of the members of the Legislative Authority of the Issuer or of any other officer of the Issuer.

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

This Bond is not valid unless the Certificate of Authentication endorsed hereon is duly executed.

It is certified and recited that there have been performed and have happened in regular and due form, as required by law, all acts and conditions necessary to be done or performed by the Issuer or to have happened (i) precedent to and in the issuing of the Bonds in order to make them legal, valid and binding obligations of the Issuer, and (ii) precedent to and in the execution and delivery of the Indenture and the Agreement; that payment in full for the Bonds has been received; and that the Bonds do not exceed or violate any constitutional or statutory limitation.

IN WITNESS WHEREOF, the City of Franklin, Indiana has caused this bond to be duly executed as an instrument under seal.

CITY OF FRANKLIN, INDIANA

By: _____
Mayor

Attest:

By: _____
Clerk-Treasurer

Certificate of Authentication

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

The Huntington National Bank,
as Trustee

By: _____
Authorized Signer

Date of Registration and Authentication:

December __, 2014

[Form of Assignment]

For value received, the undersigned hereby sells, assigns and transfers unto _____ the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints _____, attorney to transfer the said Bond on the Bond Register, with full power of substitution in the premises.

Dated:

Social Security Number or

Employer Identification

Number of Transferee:

Signature guaranteed:

NOTICE: The assignor's signature to this Assignment must correspond with the name as it appears on the face of the within bond in every particular without alteration, enlargement or any change whatsoever.

WHEREAS, the execution and delivery of the Bonds and of the Indenture have been duly authorized and all things necessary to make the Bonds, when executed by the Issuer and authenticated by the Trustee, valid and binding legal obligations of the Issuer and to make this Indenture a valid and binding agreement, have been done.

NOW, THEREFORE, THIS INDENTURE WITNESSETH, that to secure in the following order of priority, first, the payment of Bond Service Charges on, and the purchase price of, the Bonds according to their true intent and meaning, to secure the performance and observance of all of the covenants, agreements, obligations and conditions contained therein and herein, and to declare the terms and conditions upon and subject to which the Bonds are and are intended to be issued, held, secured and enforced and performance by the Borrower of its payment and other obligations under the Bondowner Agreement, and second, if a Credit Facility is held by the Trustee, to the payment to the Credit Facility Issuer and performance by the Borrower of reimbursement and other obligations under the Reimbursement Agreement, and in consideration of the premises and the acceptance by the Trustee of the trusts created herein and of the purchase and acceptance of the Bonds by the Bondholders and for other good and valuable consideration, the receipt of which is acknowledged, the Issuer has executed and delivered this Indenture and (a) absolutely and irrevocably assigns hereby to the Trustee, as secured party for the benefit of the Bondholders and any Credit Facility Issuer, and to its successors in trust, and its and their successors and assigns, any and all right, title and interest of the Issuer in, to and under the Agreement, except for the Unassigned Issuer's Rights, the Credit Facility Account, Redemption Premium Account, Remarketing Proceeds Account and Defeasance Account of the Bond Fund and all moneys and investments therein (including without limitation the proceeds of the Credit Facility, if any) and (b) grants to the Trustee as secured party for the benefit of the Bondholders and any Credit Facility Issuer, and to its successors in trust, and its and their successors and assigns, a security interest in (i) the Project Fund and all moneys and investments therein and (ii) the Revenues (other than the above-referenced accounts of the Bond Fund, all moneys and investments therein and the proceeds of a Credit Facility (the "Unassigned Issuer's Rights")) (collectively, the "Trust Estate").

TO HAVE AND TO HOLD unto the Trustee as secured party for the benefit of the Bondholders and any Credit Facility Issuer, and its successors in that trust and its and their successors and assigns forever;

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

(a) except as provided otherwise herein, first, for the equal and proportionate benefit, security and protection of all present and future Bondholders of the Bonds issued or to be issued under and secured by this Indenture,

(b) for the enforcement of the payment of the Bond Service Charges on the Bonds, when payable, according to the true intent and meaning thereof and of this Indenture, and

(c) to secure the performance and observance of and compliance with the covenants, agreements, obligations, terms and conditions of this Indenture,

in each case, without preference, priority or distinction, as to lien or otherwise, of any one Bond over any other by reason of designation, number, date of the Bonds or of authorization, issuance, sale, execution, authentication, delivery or maturity thereof, or otherwise, so that each Bond and all Bonds shall have the same right, lien and privilege under this Indenture and shall be secured equally and ratably hereby, it being intended that the lien and security of this Indenture shall take effect from the date hereof, without regard to the date of the actual issue, sale or disposition of the Bonds, as though upon that date all of the Bonds were actually issued, sold and delivered to purchasers for value; and, second, for the benefit and security of the Credit Facility Issuer, if any, with respect to the Borrower's obligations under the Reimbursement Agreement; provided, however, that such Credit Facility Issuer shall have no right to take any action, other than provided in Article X hereof, to enforce its rights or interest in the Trust Estate prior to the payment of all Bond Service Charges on the Bonds; and provided, further, the Trust Estate does not include the Collateral, if any, and that

(i) if the principal of the Bonds and the interest due or to become due thereon together with any premium required by redemption of any of the Bonds prior to maturity shall be well and truly paid, at the times and in the manner to which reference is made in the Bonds, according to the true intent and meaning thereof, or the outstanding Bonds shall have been paid and discharged in accordance with Article XV hereof, and

(ii) if all of the covenants, agreements, obligations, terms and conditions of the Issuer under this Indenture shall have been kept, performed and observed and there shall have been paid to the Trustee, the Registrar, the Paying Agents and the Authenticating Agents all sums of money due or to become due to them in accordance with the terms and provisions hereof, and

(iii) If the Borrower shall pay and perform or cause to be paid and performed all of its obligations under the Bondowner Agreement; and

(iv) if the Borrower shall pay and perform or cause to be paid and performed all of its reimbursement and other obligations under the Reimbursement Agreement, if any, then, upon such final payments and performance and subject to the provisions of Article XV hereof,

this Indenture and the rights assigned and security interest granted hereby shall cease, determine and be void, except as provided in Section 15.03 hereof with respect to the survival of certain provisions hereof and except for the interests absolutely assigned in the Credit Facility Account, Redemption Premium Account, Remarketing Proceeds Account and Defeasance Account; otherwise, this Indenture shall be and remain in full force and effect.

It is declared that all Bonds issued hereunder and secured hereby are to be issued, authenticated and delivered, and that all Revenues assigned or pledged hereby are to be dealt with and disposed of under, upon and subject to, the terms, conditions, stipulations, covenants, agreements, obligations, trusts, uses and purposes provided in this Indenture. The Issuer has agreed and covenanted, and agrees and covenants with the Trustee and with each and all Bondholders, as follows:

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ARTICLE I

Definitions

In this Indenture and any indenture supplemental hereto (except as otherwise expressly provided for or unless the context otherwise requires) the singular includes the plural and the masculine includes the feminine.

In addition, each of the following terms shall have the meaning specified in this Article, unless the context otherwise requires:

“Act” means collectively, Indiana Code, Title 36, Article 7, Chapters 11.9 and 12, as from time to time supplemented and amended.

“Adjusted LIBOR Rate” means an interest rate per annum as determined by the Bank calculated as follows: [___% x (LIBOR Rate + LIBOR Rate Margin)] + . ___%.

“Adjusted Prime Rate” means an interest rate per annum as determined by the Bank, calculated as follows: [___% x (Prime Rate + Prime Rate Margin)] + . ___%. Any change in the Adjusted Prime Rate shall be effective immediately from and after a change in the Prime Rate.

“Affiliate” of any specified entity means any other entity directly or indirectly controlling or controlled by or under direct or indirect common control with such specified entity and “control,” when used with respect to any specified entity, means the power to direct the management and policies of such entity, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms “controlling” and “controlled” have meanings correlative to the foregoing.

“Agreement” means the Loan Agreement, dated as of even date with this Indenture, between the Issuer and the Borrower, as amended, restated, supplemented or otherwise modified from time to time.

“Alternate Credit Facility” means any direct pay letter of credit or other credit enhancement or support facility that has terms which are the same in all material respects (except for the term and maximum interest rate but including coverage of accrued interest on the Bonds for 98 days if the Bonds bear interest at the Weekly Rate or for 183 days if the Bonds bear interest at the Semi-Annual Rate or the Long-Term Rate) as the then current Credit Facility and (i) shall have a term of not less than one year (except if the Long-Term Rate shall then be in effect, the term of such Alternate Credit Facility shall not expire prior to (a) the first par redemption date plus 15 days or (b) the first redemption date plus 15 days if the Alternate Credit Facility covers the redemption premium), (ii) shall be issued by a bank, a trust company or other financial institution or credit provider, and (iii) the Trustee shall have received the opinions required by Section 6.03. Neither (i) an extension of the then current Credit Facility nor (ii) a replacement Credit Facility that otherwise meets the requirements of an Alternate Credit Facility and is issued by the then Credit Facility Issuer shall be deemed an Alternate Credit Facility, and the delivery of either shall not have any effect hereunder as would arise upon delivery of an Alternate Credit Facility.

“Authenticating Agent” means the Trustee and any agent so designated in and appointed pursuant to Section 2.07.

“Authorized Newspaper” means a newspaper in English customarily published each Business Day and generally circulated in Indianapolis, Marion County, Indiana.

“Authorized Official” means the Mayor of the City of Franklin.

“Available Moneys” means, (a) funds which (i) have been paid to the Trustee by the Borrower, any Affiliate of the Borrower, any Guarantor or any Insider of any of the foregoing and deposited into and held in a separate and segregated subaccount or subaccounts in the Redemption Premium Account of the Bond Fund in which moneys not deposited on the same date were at any time held, and (ii) have been on deposit with the Trustee in such subaccount or subaccounts in the Redemption Premium Account for a period of at least one hundred twenty-three (123) consecutive days prior to such date, during and prior to which period no Event of Bankruptcy has occurred and (iii) are represented by cash or its equivalent; (b) moneys drawn under a Credit Facility and deposited directly into the Credit Facility Account of the Bond Fund; (c) the proceeds deposited directly into the Defeasance Account of the Bond Fund from the sale of refunding obligations other than, directly or indirectly, to the Issuer, the Borrower, any Guarantor, any Affiliate of the Borrower or of any Guarantor or any Insider of any of them or any entity who, at the time of the purchase of the Bonds, is a secured creditor of the Borrower; (d) proceeds deposited directly into the Remarketing Proceeds Account of the Bond Fund from the marketing or remarketing of Bonds to any purchaser other than, directly or indirectly, the Borrower, the Issuer, any Guarantor, any Affiliate of the Borrower or of any Guarantor or any Insider of any of them or any entity who, at the time of the purchase of the Bonds, is a secured creditor of the Borrower; (e) proceeds from investment of the foregoing, provided such proceeds are retained in the Account in which they were earned; and (f) any other funds so long as, in the opinion of nationally recognized counsel experienced in bankruptcy matters, payments therefrom will not constitute an avoidable preference under the Bankruptcy Code.

“Bank” means initially The Huntington National Bank, and its successors and assigns, in its capacity as the original Bondholder.

“Bankruptcy Code” means Title 11 of the United States Code, as it is amended from time to time.

“Beneficial Owner” means, with respect to the Bonds, a Person owning a Beneficial Ownership Interest therein, as evidenced to the satisfaction of the Trustee.

“Beneficial Ownership Interest” means the beneficial right to receive payments and notices with respect to the Bonds which are held by the Depository under a book entry system.

“Bond” or “Bonds” means City of Franklin Economic Development Revenue Refunding and Improvement Bonds, Series 2014 (The Franklin United Methodist Home, Inc. Project).

“Bond Fund” means the trust fund so designated which is established pursuant to Section 5.01.

“Bondholder” or “holder of Bonds” or “owner of Bonds” means initially the Bank, and any other registered owner of any Bond other than the registered owner of any Bond which has been purchased pursuant to Section 3.01 and not surrendered for payment of the purchase price thereof.

“Bond Register” and “Bond Registrar” shall have the respective meanings specified in Section 2.03.

“Bond Service Charges” means, during any time period of computation, the principal, interest and redemption premium, if any, and purchase price required to be paid by the Borrower on the Bonds during such time period.

“Bond Year” means the annual period provided for the computation of Excess Earnings under Section 148(f) of the Code.

“Book entry form” or “book entry system” means, with respect to the Bonds, a form or system, as applicable, under which (i) the Beneficial Ownership Interests may be transferred only through a book entry and (ii) physical Bond certificates in fully registered form are registered only in the name of a Depository or its nominee as Bondholder, with the physical Bond certificates “immobilized” in the custody of the Depository. The book entry system maintained by and the responsibility of the Depository and not maintained by or the responsibility of the Issuer or the Trustee is the record that identifies, and records the transfer of the interests of, the owners of book entry interests in the Bonds.

“Borrower” means The Franklin United Methodist Home, Inc., a nonprofit corporation, organized and existing under the laws of the State of Indiana, and its lawful successors and assigns, to the extent permitted by the Agreement.

“Business Day” means any day of the year other than (i) a Saturday or Sunday, (ii) any day on which banks located in the city in which the principal corporate trust office of the Trustee is located, or city in which the office of a Credit Facility Issuer at which demands for payment under the applicable Credit Facility are to be presented is located are required or authorized by law to remain closed, (iii) any day on which the New York Stock Exchange is closed, or (iv) while the Bonds bear interest at an Adjusted LIBOR Rate, any day on which dealings in U.S. dollars are carried on in the London Interbank Eurodollar Market.

“Code” means the Internal Revenue Code of 1986, as amended, including, when appropriate, the statutory predecessor of the Code, and all applicable regulations (whether proposed, temporary or final) under that Code and the statutory predecessor of the Code, and any official rulings and judicial determinations under the foregoing applicable to the Bonds.

“Collateral” means “Collateral” as defined in the Bondowner Agreement or Reimbursement Agreement, as applicable, except that solely for purposes of this Indenture, the term “Collateral” does not include the Trust Estate.

“Conversion” means (a) any conversion from time to time in accordance with the terms of this Indenture of the Bonds from one Interest Rate Mode to another Interest Rate Mode and (b) the end of any Long-Term Rate Period.

“Conversion Date” means the first date any Conversion becomes effective.

“Counsel” means an attorney-at-law or law firm (who may be counsel for the Borrower), acceptable to the Issuer and Trustee.

“Credit Facility” means a Credit Facility delivered to the Trustee pursuant to Section 6.01 or an Alternate Credit Facility delivered to the Trustee pursuant to Section 6.03.

“Credit Facility Account” means the account of that name established in the Bond Fund pursuant to Section 5.01.

“Credit Facility Issuer” means the institution issuing any Credit Facility.

“Defeasance Account” means the Defeasance Account created under Section 5.01 hereof.

“Default Rate” means the rate of interest per annum which, with respect to any of the Bonds, is 200 basis points in excess of the rate at which principal of said Bonds would bear interest from time to time if an Event of Default had not occurred and was not continuing.

“Depository” means any securities depository that is a clearing agency under federal law operating and maintaining, with its participants or otherwise, a book entry system to record ownership of book entry interests in Bonds, and to effect transfers of book entry interests in Bonds in book entry form, and includes and means initially The Depository Trust Company (a limited purpose trust company), New York, New York.

“Designated Representative” means the person at the time designated pursuant to the Agreement to act on behalf of the Borrower by written certificate furnished to the Trustee, containing the specimen signature of that person and signed on behalf of the Borrower by a duly designated representative thereof.

“Determination of Taxability” means, with respect to the Bonds, (i) the enactment of legislation or the adoption of final regulations or a final decision, ruling or technical advice by any federal judicial or administrative authority which has the effect of requiring interest on the Bonds to be included in the gross income of the Bondholders for federal income tax purposes or (ii) the receipt by the Trustee of a written opinion of nationally recognized bond counsel selected by the Borrower and approved by the Trustee to the effect that interest on the Bonds must be included in the gross income of the Bondholders for federal income tax purposes; provided that no decision by any court or decision, ruling or technical advice by any administrative authority shall be considered final (a) unless the Issuer or the Bondholder involved in the proceeding or action giving rise to such decision, ruling or technical advice (1) gives the Borrower and the Trustee prompt notice of the commencement thereof and (2) offers the Borrower the opportunity to control the contest thereof, provided the Borrower shall have agreed to bear all expenses in connection therewith and to indemnify that Bondholder and the Issuer against all liabilities in connection therewith, and (b) until the expiration of all periods for judicial review or appeal.

“Direct Participant” means a Participant as defined in the Letter of Representations.

“Eligible Investments” means (a) Governmental Obligations; (b) Senior debt obligations, letter of credit backed issues, and participation certificates which are fully amortizing, of the following federal agencies: (i) Farmers Home Administration, (ii) Federal Farm Credit Bank, (iii) Federal Home Loan Bank, (iv) Federal Home Loan Mortgage Corporation, (v) Federal Housing Administration, (vi) Federal National Mortgage Association, (vii) Financial Assistance Corporation, (viii) Financing Corporation (FICO), (ix) General Services Administration, (x) Government National Mortgage Association, (xi) Resolution Funding Corporation, (xii) Small Business Administration, (xiii) Tennessee Valley Authority; (c) obligations issued or guaranteed by any state or political subdivision thereof rated A or higher by Moody’s and by S&P; (d) open market commercial or finance paper of any corporation having a net worth in excess of \$100,000,000 and which is rated either P-1 or A-1 or an equivalent by Moody’s and S&P; (e) bankers’ acceptances drawn on and accepted by commercial banks; (f) investments due within 12 months in certificates of deposit issued by, or bankers’ acceptances of, the Trustee, or of banks or trust companies organized under the laws of the United States of America or any state thereof, which must have a reported capital and surplus of at least \$25,000,000 in dollars of the United States of America; (g) bank repurchase agreements, including the Trustee’s, fully secured by obligations of the type described in (a) above; (h) variable rate demand securities redeemable within 7 days or able to be tendered for remarketing or purchase upon no more than 7 days’ notice and secured by a credit facility issued by a financial institution, which financial institution (or its corporate parent) maintains a long term debt rating assigned by Moody’s and S&P which is not lower than the third highest long term debt category (without regard to numerical or other modifiers assigned within the category) by either Rating Service, or by both Rating Services, if rated by both Rating Services; and (i) shares of any so-called “money market mutual fund,” including any “money market mutual fund” which the Trustee or any of its affiliates operates or manages, which invests solely in obligations described in items (a) through (h) above; and further provided that any such investment or deposit is not prohibited by law.

“Event of Bankruptcy” means the filing of a petition in bankruptcy (or other commencement of a bankruptcy or similar proceedings) by or against the Issuer, the Borrower, any Guarantor, any Affiliate of the Borrower or of any Guarantor or any Insider of any of them as debtor, under any applicable bankruptcy, reorganization, insolvency or other similar law as now or hereafter in effect.

“Event of Default” means any of the events specified in Section 10.01 hereof to be an Event of Default. “Default” means any event which with the giving of notice or the lapse of time or both would constitute an Event of Default.

“Excess Earnings” means an amount equal to the sum of (i) plus (ii) where:

(i) is the excess of

(a) the aggregate amount earned from the date of issuance of the Bonds on all nonpurpose investments in which gross proceeds of the Bonds are invested (other than investments attributable to an excess described in this clause (i)), over

(b) the amount that would have been earned if such nonpurpose investments (other than amounts attributable to an excess described in this clause (i)) had been invested at a rate equal to the yield on the Bonds; and

(ii) is any income attributable to the excess described in clause (i) of this definition.

The sum of (i) plus (ii) shall be determined in accordance with Section 148(f) of the Code. As used herein, the terms “gross proceeds,” “nonpurpose investments” and “yield” have the meanings assigned to them for purposes of Section 148 of the Code.

“Governmental Obligations” means (a) direct obligations of the United States of America, (b) obligations unconditionally guaranteed by the United States of America and (c) securities or receipts evidencing ownership interests in obligations or specified portions (such as principal or interest) of obligations described in (a) or (b).

“Guarantor” means any guarantor of the Borrower’s obligations under the Agreement, the Bondowner Agreement or under any Reimbursement Agreement.

“Immediate Notice” means notice transmitted through a time-sharing terminal, if operative as between any two parties, or if not operative, in writing or by telephone (promptly confirmed in writing).

“Indenture” means this Indenture of Trust as amended or supplemented at the time in question.

“Indirect Participant” means a Person utilizing the book entry system of the Depository by, directly or indirectly, clearing through or maintaining a custodial relationship with a Direct Participant.

“Insider” means any entity referred to or described in Section 101(31) of the Bankruptcy Code, assuming for this purpose that the Borrower, any Guarantor, or any Affiliate of any of them, as applicable, is a debtor, and any limited partner or limited liability company member thereof.

“Interest Payment Date” means (a) while the Bonds bear interest at the Weekly Rate, the 1st Business Day of each month of each year, (b) while the Bonds bear interest at the Semi-Annual Rate or the Long-Term Rate, June 1, and December 1 of each year, and (c) while the Bonds bear interest at the Adjusted LIBOR Rate, February 1, 2015 and the 1st Business Day of each month thereafter of each year. In any case, the final Interest Payment Date shall be the maturity date.

“Interest Period” means for all Bonds the period from and including each Interest Payment Date to and including the day next preceding the next Interest Payment Date. The first Interest Period for the Bonds shall begin on (and include) the date of the initial delivery of the Bonds. The final Interest Period shall end on the earlier of the maturity or redemption date for each Bond.

“Interest Rate Mode” means the Weekly Rate, the Semi-Annual Rate, the Long-Term Rate or the Adjusted LIBOR Rate.

“Legislative Authority” means the Common Council of the Issuer.

“Letter of Representations” means the Letter of Representations between the Issuer and the Depository.

“LIBOR Rate” means the rate obtained by dividing: (1) the actual or estimated per annum rate, or the arithmetic mean of the per annum rates, of interest for deposits in U.S. dollars for the related LIBOR Rate Interest Period, as determined by Bank in its discretion based upon reference to information which appears on page LIBOR01, captioned British Bankers Assoc. Interest Settlement Rates, of the Reuters America Network, a service of Reuters America Inc. (or such other page that may replace that page on that service for the purpose of displaying London interbank offered rates; or, if such service ceases to be available or ceases to be used by Bank, such other reasonably comparable money rate service as Bank may select) or upon information obtained from any other reasonable procedure, as of two Banking Days (as hereinafter defined) prior to the first day of a LIBOR Rate Interest Period; by (2) an amount equal to one minus the stated maximum rate (expressed as a decimal), if any, of all reserve requirements (including, without limitation, any marginal emergency, supplemental, special or other reserves) that is specified on the first day of each LIBOR Rate Interest Period by the Board of Governors of the Federal Reserve System (or any successor agency thereto) for determining the maximum reserve requirement with respect to eurocurrency funding (currently referred to as “Eurocurrency liabilities” in Regulation D of such Board) maintained by a member bank of such System, or any other regulations of any governmental authority having jurisdiction with respect thereto as conclusively determined by the Bank.

“LIBOR Rate Margin” means _____% (_____ basis points) per annum unless decreased by the Bank.

“LIBOR Rate Interest Period” means with respect to the Bonds bearing interest at the Adjusted LIBOR Rate, a period of one (1) month, commencing on a LIBOR Business Day, as selected by Obligor, provided, however, that (i) any LIBOR Rate Interest Period which would otherwise end on a day which is not a LIBOR Business Day shall continue to, and end on, the next succeeding LIBOR Business Day, unless the result would be that such LIBOR Rate Interest Period would be extended to the next succeeding calendar month, in which case such LIBOR Rate Interest Period shall end on the next preceding LIBOR Business Day, (ii) any LIBOR Rate Interest Period which begins on a day for which there is no numerically corresponding date in the calendar month in which such LIBOR Rate Interest Period would otherwise end shall instead end on the last LIBOR Business Day of such calendar month, and (iii) Obligor may not select a LIBOR Rate Interest Period which would end after the Termination Date.

“Loan” means the loan made pursuant to the Agreement by the Issuer to the Borrower of the proceeds received from the sale of the Bonds.

“Loan Payments” means the amounts required to be paid by the Borrower in repayment of the Loan pursuant to the provisions of Section 4.1 of the Agreement.

“Long-Term Rate” means the Interest Rate Mode for the Bonds in which the interest rate on the Bonds is determined in accordance with Section 2.02(c)(iii).

“Long-Term Rate Period” means any period beginning on, and including, the Conversion Date to the Long-Term Rate and ending on, and including, the day preceding the Interest Payment Date selected by the Borrower and each period of the same duration (or as close as possible) ending on an Interest Payment Date thereafter until the earliest of the day preceding the change to a different Long-Term Rate Period, the Conversion to a different Interest Rate Mode or the maturity of the Bonds.

“Moody’s” means Moody’s Investors Service, a Delaware corporation, its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency. “Moody’s” shall be deemed to refer to any other nationally recognized securities rating agency designated by the Trustee, with the consent of the Borrower.

“Outstanding,” in connection with Bonds means, as of the time in question, all Bonds authenticated and delivered under the Indenture, except:

- A. Bonds theretofore cancelled or required to be cancelled under Section 2.12;
- B. Bonds which are deemed to have been paid in accordance with Article XV; and
- C. Bonds in substitution for which other Bonds have been authenticated and delivered pursuant to Article II.

In determining whether the owners of a requisite aggregate principal amount of Bonds Outstanding have concurred in any request, demand, authorization, direction, notice, consent or waiver under the provisions hereof, Bonds which are held by or on behalf of the Borrower (unless all of the outstanding Bonds are then owned by the Borrower) shall be disregarded for the purpose of any such determination. Notwithstanding the foregoing, Bonds so owned which have been pledged in good faith shall not be disregarded as aforesaid if the pledgee established to the satisfaction of the Bond Registrar the pledgee’s right so to act with respect to such Bonds and that the pledgee is not the Borrower.

“Paying Agent” or “Co-Paying Agent” means any national banking association, bank and trust company or trust company appointed by the Borrower and meeting the qualifications of, and subject to the obligations of, the Trustee in Article XI hereof. “Principal Office” of any Paying Agent shall mean the office thereof designated in writing to the Trustee.

“Person” or words importing persons means firms, associations, partnerships (including without limitation, general and limited partnerships), joint ventures, societies, estates, trusts, corporations, public or governmental bodies, other legal entities and natural persons.

“Prime Rate” means that interest rate established from time to time by the Bank, or if a Credit Facility is then held by the Trustee, the Credit Facility Issuer, as its Prime Rate, whether or not such rate is publicly announced. The Prime Rate may not be the lowest rate charged by the Bank or Credit Facility Issuer for commercial or other extensions of credit.

“Prime Rate Margin” means 0.50% (50 basis points) per annum.

“Prior Bonds” means City of Franklin Economic Development Revenue Refunding and Improvement Bonds, Series 2010 (The Franklin United Methodist Home, Inc. Project).

“Project” means the Project, as defined in the Agreement, and includes the refunding of the Prior Bonds and the Series 2014 Project.

“Project Costs” means Project Costs as defined in the Agreement.

“Project Fund” means the trust fund so designated which is established pursuant to Section 4.01.

“Purchase Date” means (a) if the Interest Rate Mode is the Weekly Rate, any Business Day as set forth in Section 3.01(a)(i) hereof, (b) if the Interest Rate Mode is the Semi-Annual Rate, any Interest Payment Date, (c) if the Interest Rate Mode is the Long-Term Rate, the final Interest Payment Date for each Long-Term Rate Period, (d) if the Interest Rate Mode is the Adjusted LIBOR Rate, December __, 20__ (unless such date is extended in accordance with the provisions of the Bondowner Agreement), and (e) each day that Bonds are subject to mandatory purchase pursuant to Section 3.01(b).

“Qualifying Alternate Credit Facility” means an Alternate Credit Facility in connection with which the Trustee shall have received, (a) if the Bonds are then rated by a Rating Service, written evidence (or such other evidence satisfactory to the Trustee) from the Rating Service then rating the Bonds to the effect that such Rating Service has reviewed the proposed Alternate Credit Facility and that the substitution of the Alternate Credit Facility will not, by itself, result in (i) a permanent withdrawal of its rating of the Bonds or (ii) the reduction of the current rating of the Bonds, or (b) if the Bonds are not then rated by a Rating Service, written evidence (or such other evidence satisfactory to the Trustee) that the Alternate Credit Facility would be issued by a Credit Facility Issuer which, or the parent corporation of which, has a long-term debt rating assigned by a Rating Service which is equal to or better than the rating of the Credit Facility Issuer being replaced.

“Rate Period” means any period during which a single interest rate is in effect for a Bond.

“Rating Service” means Moody’s, if the Bonds are rated by Moody’s at the time, and S&P, if the Bonds are rated by S&P at the time, and its successors and assigns.

“Rebate Amount” as of any date means the Excess Earnings as of such date, or such other amount as may be due to the United States pursuant to Section 148(f) of the Code.

“Rebate Fund” means the Rebate Fund created in Section 5.05 hereof.

“Record Date” means, as the case may be, the applicable Regular or Special Record Date.

“Redemption Premium Account” means the Redemption Premium Account created under Section 5.01 hereof.

“Regular Record Date” means, with respect to any Interest Period, the close of business on the last Business Day of such Interest Period.

“Reimbursement Agreement” means any agreement of the Borrower with a Credit Facility Issuer setting forth the obligations of the Borrower to such Credit Facility Issuer arising out of any payments under a Credit Facility and which provides that it shall be deemed to be a Reimbursement Agreement for the purpose of this Indenture.

“Remarketing Agent” means the Remarketing Agent selected as provided in Section 12.01. “Principal Office” of the Remarketing Agent means the office designated as such in writing to the Borrower, the Trustee and the Tender Agent.

“Remarketing Agreement” means any remarketing agreement between the Borrower and a Remarketing Agent.

“Remarketing Proceeds Account” means the Remarketing Proceeds Account created under Section 5.01 hereof.

“Reserve Percentage” means for any LIBOR Rate Interest Period, that percentage which is specified three (3) Business Days before the first day of such LIBOR Rate Interest Period by the Board of Governors of the Federal Reserve System (or any successor) or any other governmental or quasi-governmental authority with jurisdiction over the Bank for determining the maximum reserve requirement (including, but not limited to, any marginal reserve requirement) for the Bank with respect to liabilities constituting of or including (among other liabilities) Eurocurrency liabilities in an amount equal to that portion of the Loan affected by such LIBOR Rate Interest Period and with a maturity equal to such LIBOR Rate Interest Period.

“Revenues” means (a) the Loan Payments (including the Trustee’s right to receive the same), (b) all amounts payable and/or paid to the Trustee with respect to the principal or redemption price of, or interest on, the Bonds (i) by the Borrower as required under the Agreement, (ii) upon deposit in the Bond Fund from the proceeds of the Bonds, and (iii) by the Credit Facility Issuer under a Credit Facility, (c) investment income with respect to any moneys held by the Trustee in the Bond Fund, and (d) any other money deposited in, or transferred to, the Bond Fund or the Project Fund, and, as to each (a) through (d) inclusive, all accounts, receipts, revenues, income and other moneys received by or on behalf of the Trustee from any source, and all rights to receive the same, whether in the form of accounts, accounts receivable, contract rights, chattel paper, instruments, general intangibles, deposit accounts, financial assets, securities accounts and securities entitlements and all income derived therefrom and all proceeds thereof, whether now existing or hereafter created or acquired. (As used herein, the terms “accounts,” “contract rights,” “chattel paper,” “instruments,” “financial assets,” “general intangibles,” “deposit accounts,” “securities accounts,” “securities entitlements” and “proceeds” shall have the meanings ascribed thereto in the Uniform Commercial Code as in effect in the State of Indiana from time to time.) The term “Revenues” does not include any moneys or investments in the Rebate Fund.

“S&P” means Standard & Poor’s Ratings Group, a New York corporation, its successors and assigns, and, if such entity shall be dissolved or liquidated or shall no longer perform the

functions of a securities rating agency, "S&P" shall be deemed to refer to any other nationally recognized securities rating agency designated by the Trustee, with the consent of the Borrower.

"Securities Act" means the Securities Act of 1933, as amended.

"Semi-Annual Rate" means the Interest Rate Mode for the Bonds in which the interest rate on the Bonds is determined in accordance with Section 2.02(c)(ii).

"Semi-Annual Rate Period" means any period beginning on, and including, the Conversion Date to the Semi-Annual Rate and ending on, and including, the day preceding the next Interest Payment Date thereafter and each successive six (6) month period thereafter until the day preceding Conversion to a different Interest Rate Mode or the maturity of the Bonds.

"Series 2014 Project" means the construction and installation of certain facilities of the Borrower, as further described in the Agreement.

"Special Record Date" means such date as may be fixed for the payment of defaulted interest in accordance with Section 2.08.

"State" means the State of Indiana.

"Tax Compliance Certificate" means the Tax Compliance Certificate of the Issuer, dated as of the date of the Bonds, together with the Tax Compliance Certificate of the Borrower and certificate of the Bank attached thereto.

"Tender Agent" means the initial and any successor tender agent appointed in accordance with Section 12.02 hereof. "Principal Office" of the Tender Agent means the office thereof designated as such in writing to the Trustee, the Borrower and the Remarketing Agent.

"Trustee" means The Huntington National Bank and its successor hereunder. "Principal Office" of the Trustee means the principal corporate trust office of the Trustee, which office at the date of acceptance by the Trustee of the duties and obligations imposed on the Trustee by this Indenture is located in Indianapolis, Indiana.

"Unassigned Issuer's Rights" means Unassigned Issuer's Rights as defined in the Agreement.

"Weekly Rate" means the Interest Rate Mode for the Bonds in which the interest rate on the Bonds is determined weekly in accordance with Section 2.02(c)(i).

"Weekly Rate Period" means the period beginning on, and including, the date of issuance of the Bonds, and ending on, and including, the next Wednesday (except if the date of issuance of the Bonds is a Wednesday then the first Weekly Rate Period shall begin and end on such Wednesday) and thereafter the period beginning on, and including, any Thursday and ending on, and including, the next Wednesday.

The words “hereof,” “herein,” “hereto,” “hereby” and “hereunder” (except in the form of Bond) refer to the entire Indenture. Unless otherwise noted, all Section and Article references are to sections and articles in this Indenture.

ARTICLE II

The Bonds

Section 2.01. Amount, Terms and Issuance of Bonds. The Bonds shall, except as provided in Section 2.10, be limited to \$27,000,000 in aggregate principal amount, of which \$27,000,000 is presently outstanding, and shall contain substantially the terms recited in the form of Bond above. No Bonds may be issued under this Indenture except in accordance with this Article II.

The Issuer has delivered \$27,000,000 principal amount of Bonds for the purpose of making a loan to assist the Borrower in (i) the refunding of the Prior Bonds, (ii) the refinancing of certain taxable debt, (iii) the financing the acquisition, construction, expansion, renovation and equipping of the facilities of the Borrower, as further described in the Agreement, and (iv) the financing the costs of issuance of the Series 2014 Project.

The Bonds may bear such endorsement or legend satisfactory to the Trustee as may be required to conform to usage or law with respect thereto.

Section 2.02. (a) Designation, Denominations and Maturity. The Bonds have been designated "Economic Development Revenue Refunding and Improvement Bonds, Series 2014 (The Franklin United Methodist Home, Inc. Project)." The Bonds are issuable only in denominations of \$100,000 and any larger denomination constituting an integral multiple of \$5,000.

All Bonds shall be dated the date of their authentication. Each Bond shall bear interest from the Interest Payment Date to which interest has accrued and has been paid, or if prior to the first Interest Payment Date for the Bonds, from the date of the original issuance of the Bonds until payment of the principal or redemption price thereof shall have been made or provided for in accordance with the provisions of this Indenture, whether upon maturity, redemption or otherwise.

The Bonds mature on December __, ____.

The Bonds shall be issued in a single bond certificate for each maturity in the name of the Bank, as the original Bondholder. Upon a Conversion or at the written direction of the Bank, the Bonds may be issued to a Depository to be held in a book entry only system. At such time as the Bonds are issued to a Depository: (i) the Bonds will be registered in the name of the Depository or its nominee, as Bondholder, and immobilized in the custody of the Depository; (ii) unless otherwise requested by the Depository, there will be a single Bond certificate for each Bond maturity; and (iii) the Bonds will not be transferable or exchangeable, except for transfer to another Depository or another nominee of a Depository, without further action by the Issuer as set forth in the next succeeding paragraph of this Section. While the Bonds are in book entry only form, Bonds in the form of physical certificates shall only be delivered to the Depository.

At any time that a book entry system is in effect for the Bonds, except as hereinafter provided with respect to Beneficial Ownership Interests, the Issuer and Trustee shall recognize and treat the Depository, or its nominee, as the holder of Bonds for all purposes, including

payment of Bond Service Charges, giving of notices, and enforcement of remedies. The crediting of payments of Bond Service Charges on the Bonds and the transmittal of notices and other communications by the Depository to the Direct Participants in whose Depository account the Bonds are recorded, and such crediting and transmittal by Direct Participants to Indirect Participants or Beneficial Owners and by Indirect Participants to Beneficial Owners, are the respective responsibilities of the Depository and the Direct Participants and Indirect Participants and are not the responsibility of the Issuer or the Trustee; provided, however, that the Issuer and the Trustee understand that neither the Depository or its nominee shall provide any consent requested of holders of Bonds pursuant to this Indenture, and that the Depository will mail an omnibus proxy (including a list identifying the Direct Participants) to the Issuer which assigns the Depository's, or its nominee's, voting rights to the Direct Participants to whose accounts at the Depository the Bonds are credited as of the record date for mailing of requests for such consents. Upon receipt of such omnibus proxy, the Issuer shall promptly provide such omnibus proxy (including the list identifying the Direct Participants attached thereto) to the Trustee, who shall then treat such Direct Participants as Bondholders for purposes of obtaining any consents pursuant to the terms of this Indenture.

As long as the Bonds are registered in the name of a Depository, or its nominee, the Trustee agrees to comply with the terms and provisions of the Letter of Representations, including the provisions of the Letter of Representations with respect to any delivery of the Bonds to the Trustee, which provisions shall supersede the provisions of this Indenture with respect thereto.

If any Depository determines not to continue to act as a Depository for the Bonds held in a book entry system, the Borrower may attempt to have established a securities depository/book entry system relationship with another Depository under this Indenture. If the Borrower does not or is unable to do so, the Borrower and the Trustee, after the Trustee has made provision for notification of the Beneficial Owners by appropriate notice to the then Depository, shall permit withdrawal of the Bonds from the Depository and shall authenticate and deliver Bond certificates in fully registered form to the assignees of the Depository or its nominee or to the Beneficial Owners. Such withdrawal, authentication and delivery shall be at the cost and expense (including costs of printing or otherwise preparing and delivering such replacement Bonds) of the Borrower. Such replacement Bonds shall be in the denominations specified in the first paragraph of this Section 2.02, with a minimum denomination of \$100,000.

(b) Interest Rates on the Bonds. The Bonds shall bear interest in one Interest Rate Mode at all times. Subject to subsection (g) below, the Bonds shall bear interest at the Adjusted LIBOR Rate for the period from their original issuance date until converted to a different Interest Rate Mode as provided in subsection (e) below. The first Interest Payment Date shall be the Interest Payment Date in February, 2015. During each Interest Period for each Interest Rate Mode, the interest rate for the Bonds shall be determined in accordance with Section 2.02(c) and shall be payable on the Interest Payment Date for such Interest Period; provided that the interest rate borne by the Bonds shall not exceed the lesser of (i) twelve percent (12%) per annum or (ii) while the Bonds are entitled to the benefits of a Credit Facility, the maximum interest rate with respect to the Bonds specified in the Credit Facility. Interest on the Bonds at the interest rate or rates for the Weekly Rate shall be computed upon the basis of a 365 or 366-day year, as applicable, for the actual number of days elapsed. Interest on the Bonds at the interest rate or

rates for the Semi-Annual Rate and the Long-Term Rate shall be computed upon the basis of a 360-day year, consisting of twelve 30-day months. Interest on the Bonds at the interest rate or rates for the Adjusted LIBOR Rate shall be computed upon the basis of a 360-day year for the actual number of days elapsed. Each Bond shall bear interest on principal not paid on the date due under this Indenture and, to the extent permitted by law, on interest not paid on the date due under this Indenture at the Default Rate computed from the date of the Default or Event of Default.

(c) Interest Rate Modes. Interest Rates on the Bonds shall be determined as follows:

(i) If the Interest Rate Mode for the Bonds is the Weekly Rate, the interest rate on the Bonds for a particular Weekly Rate Period shall be the rate established by the Remarketing Agent no later than 5:00 p.m. (New York, New York time) on the Wednesday preceding the Weekly Rate Period (or the 7th day preceding the Conversion of the Interest Rate Mode to the Weekly Rate), or, if such day is not a Business Day, on the next succeeding Business Day, as the minimum rate of interest necessary, in the judgment of the Remarketing Agent, to enable the Remarketing Agent to sell the Bonds on such Business Day at a price equal to the principal amount thereof, plus accrued interest, if any, thereon.

(ii) If the Interest Rate Mode for the Bonds is the Semi-Annual Rate, the interest rate on the Bonds for a particular Semi-Annual Rate Period shall be the rate established by the Remarketing Agent no later than 3:00 p.m. (New York, New York time) on the 10th Business Day next preceding the first day of such Semi-Annual Rate Period as the minimum rate of interest necessary, in the judgment of the Remarketing Agent, to enable the Remarketing Agent to sell the Bonds on such first day at a price equal to the principal amount thereof.

(iii) If the Interest Rate Mode for the Bonds is the Long-Term Rate, the interest rate on the Bonds for a particular Long-Term Rate Period shall be the rate established by the Remarketing Agent not later than the 15th Business Day preceding the first day of such Long-Term Rate Period as the minimum rate of interest necessary, in the judgment of the Remarketing Agent, to enable the Remarketing Agent to sell the Bonds on such first day at a price equal to the principal amount thereof.

(iv) If the Interest Rate Mode for the Bonds is the Adjusted LIBOR Rate, the interest rate on the Bonds for a particular LIBOR Rate Interest Period shall be the rate established by the Bank on the first Business Day of the Applicable LIBOR Rate Interest Period.

(v) The Remarketing Agent shall provide the Borrower, the Trustee and the Tender Agent with Immediate Notice of all interest rates determined pursuant to (i), (ii) and (iii) above and shall provide the Rating Service with Immediate Notice of any Conversion of the Interest Rate Mode pursuant to subsection 2.02(d) hereof. The Bank shall provide the Borrower and the Trustee with Immediate Notice of all interest rates determined pursuant to (iv) above.

(vi) If for any reason the interest rate on a Bond is not determined pursuant to (i), (ii), (iii) or (iv) above, the interest rate for such Bond for the next succeeding Rate Period shall be the interest rate in effect for such Bond for the preceding Rate Period.

(d) Long-Term Rate Periods.

(i) Selection of Long-Term Rate Period. The Long-Term Rate Period shall be established by the Borrower in the notice given pursuant to Section 2.02(e) hereof (the first such Long-Term Rate Period commencing on the Conversion Date for the Bonds to a Long-Term Rate) and thereafter each successive Long-Term Rate Period shall be the same as that so established by the Borrower until a different Long-Term Rate Period is specified by the Borrower in accordance with this Section or until the occurrence of a Conversion Date. Each Long-Term Rate Period shall be one year or more in duration and shall end on the day next preceding an Interest Payment Date; provided that if the first Long-Term Rate Period commences on a Conversion Date other than a June 1 and December 1, such first Long-Term Rate Period shall be of a duration as close as possible to (but not in excess of) such Long-Term Rate Period and shall terminate on a day preceding an Interest Payment Date; and further provided that no Long-Term Rate Period shall extend beyond the maturity date of the Bonds.

(ii) Change of Long-Term Rate Period. The Borrower may change from one Long-Term Rate Period to another Long-Term Rate Period on any Conversion Date by notifying the Trustee, the Issuer, the Credit Facility Issuer, the Tender Agent and the Remarketing Agent at least 4 Business Days prior to the 30th day prior to the proposed effective date of the change. Such notice shall specify the last day of the next Long-Term Rate Period which shall be the earlier of the day before the maturity date of the Bonds or the day immediately preceding a June 1 or December 1 and which is one year or more after the effective date and, if such change is conditional, the interest rate limitations. Any such notice shall be accompanied by an opinion of Counsel stating that such change is authorized by this Indenture and, if the change is from a Long-Term Rate Period of one year to a Long-Term Rate Period of more than one year, an opinion of nationally recognized bond counsel that such change will not affect the exclusion from gross income for federal income tax purposes of the interest on the Bonds. Any change by the Borrower of the Long-Term Rate Period may be made conditional on the interest rate being within certain limits established by the Borrower. The Remarketing Agent shall establish what would be the interest rate for the proposed Long-Term Rate Period in accordance with Section 2.02(c). If the interest rate established by the Remarketing Agent is not within the limits established, then the change in the Long-Term Rate Period may be cancelled by the Borrower, in which case the Borrower's notice of the proposed change shall be of no effect and the Bonds shall not be subject to any mandatory purchase pursuant to Section 3.01(b). Notice of such cancellation shall be promptly given to all Bondholders.

(iii) Notice of Long-Term Rate Period. The Trustee shall notify the Bondholders of any change in the Long-Term Rate Period pursuant to Section 2.02(d)(ii) by first class mail, postage prepaid, at least 30 but not more than 60 days before the effective date of such change. The notice will state:

(A) whether the change in the Long-Term Rate Period is conditional and, if conditional, the interest rate limitations set by the Borrower,

(B) that the interest rate for the new Long-Term Rate Period will be determined by the Remarketing Agent not later than the 15th Business Day preceding the first day of the new Long-Term Rate Period,

(C) the effective date of the new Long-Term Rate Period; and

(D) that the Bonds will be subject to mandatory purchase on the effective date in accordance with Section 3.01(b).

Any notice provided under this Section 2.02(d)(iii) shall be for informational purposes only and shall not waive or otherwise affect the mandatory purchase of the Bonds at the end of any Long-Term Rate Period as set forth in Section 3.01(b) hereof.

(e) Conversion of Interest Rate.

(i) Conversion Directed by the Borrower. The Interest Rate Mode for the Bonds is subject to Conversion to a different Interest Rate Mode from time to time in whole (and not in part) by the Borrower, such right to be exercised by notifying the Trustee, the Bank, if the Bank is the Bondholder, the Credit Facility Issuer, if any, the Tender Agent and the Remarketing Agent, if any, at least 4 Business Days prior to the 30th day prior to the effective date of such proposed Conversion. Such notice shall specify (A) the effective date, (B) the proposed Interest Rate Mode, (C) if the Conversion is to the Long-Term Rate, the end of the Long-Term Rate Period and (D) if such Conversion is conditional, the interest rate limitations. The notice must be accompanied by (i) an opinion of Counsel stating that the Conversion is authorized by this Indenture and, if the Conversion is from an Interest Rate Mode of one year or less to an Interest Rate Mode of more than one year or from an Interest Rate Mode of more than one year to an Interest Rate Mode of one year or less, an opinion of nationally recognized bond counsel that such Conversion will not affect the exclusion from gross income for federal income tax purposes of the interest on the Bonds, and (ii) if the stated amount of the Credit Facility, if any, to be held by the Trustee after such Conversion is increased over that of the then current Credit Facility, an opinion of reputable bankruptcy counsel stating that payments of principal and interest on the Bonds from funds drawn on such Credit Facility will not constitute avoidable preferences with respect to the bankruptcy of the Borrower under the Bankruptcy Code. Any Conversion by the Borrower of the Interest Rate Mode to the Long-Term Rate may be made conditional on the initial interest rate determined for such Interest Rate Mode being within certain limits established by the Borrower. The Remarketing Agent shall establish what would be the interest rate for the proposed Interest Rate Mode in accordance with Section 2.02(c). If the interest rate established by the Remarketing Agent is not within the limits established, then such Conversion may be cancelled by the Borrower, in which case, the Borrower's notice of Conversion shall be of no effect and the Bonds shall not be subject to any mandatory purchase pursuant to Section 3.01(b). Notice of such cancellation shall be given promptly to all Bondholders.

(ii) Appointment of Remarketing Agent. Prior to any Conversion of the interest rate on the Bonds from an Adjusted LIBOR Rate to another Interest Rate Mode, the Borrower shall have entered into a Remarketing Agreement with a Remarketing Agent in accordance with the provisions of Section 12.01 of this Indenture.

(iii) Limitations. Any Conversion of the Interest Rate Mode for the Bonds pursuant to paragraph (i) above must comply with the following:

(A) the Conversion Date must be an Interest Payment Date which is a date on which the Bonds are subject to optional redemption pursuant to Section 8.01(a), (b), (c) or (d);

(B) the Conversion Date must be a Business Day; and

(C) the Credit Facility, if any, to be held by the Trustee must cover accrued interest for the Bonds for 98 days, if the Conversion is to the Weekly Rate, or for 183 days, if the Conversion is to the Semi-Annual Rate or the Long-Term Rate.

(iv) Notice to Bondholders of Conversion of Interest Rate. The Trustee shall notify the Bondholders of each Conversion by first class mail, postage prepaid, at least 30 days but not more than 60 days before the Conversion Date. The notice will state:

(A) that the Interest Rate Mode will be converted and what the new Interest Rate Mode will be;

(B) the Conversion Date;

(C) if the Conversion is to the Long-Term Rate, whether the conversion is conditional and, if conditional, the interest rate limitations set by the Borrower; and

(D) that the Bonds will be subject to mandatory purchase on the Conversion Date in accordance with Section 3.01(b).

If the Conversion is to the Long-Term Rate, the notice will also state the information required by Section 2.02(d)(iii). Any notice provided under this Section 2.02(e)(iv) shall be for informational purposes only and shall not waive or otherwise affect the mandatory purchase of the Bonds on a Conversion Date as set forth in Section 3.01(b) hereof.

(v) Cancellation of Conversion of Interest Rate Mode. Notwithstanding any provision of this Section 2.02, the Interest Rate Mode shall not be converted if (A) the Remarketing Agent has not determined the initial interest rate for the new Interest Rate Mode in accordance with this Section 2.02 or (B) the Trustee shall receive written notice prior to such Conversion that either of the opinions required under Section 2.02(e)(i) has been rescinded. If the Trustee shall have sent any notice to the Bondholders regarding a Conversion of the Interest Rate Mode under Section 2.02(e)(iv), the Trustee shall promptly notify all Bondholders of such rescission and the cancellation of any mandatory purchase pursuant to Section 3.01(b).

(f) Binding Effect of Determination and Computations. The determination of each interest rate in accordance with the terms of this Indenture shall be conclusive and binding upon the owners of the Bonds, the Issuer, the Borrower, the Trustee, each Paying Agent, the Tender Agent, the Remarketing Agent and the Credit Facility Issuer, if any.

(g) Adjusted LIBOR Rate Unascertainable; Illegality; Increased Costs; Deposits Not Available. If the Bank determines (which determination shall be conclusive and binding upon the Trustee, the Issuer and the Borrower, absent manifest error) (i) that Dollar deposits in an amount approximately equal to the aggregate unpaid principal amount of the Bonds for the

designated LIBOR Rate Interest Period are not generally available at such time in the London Interbank Eurodollar Market for deposits in Dollars, (ii) that the rate at which such deposits are being offered will not adequately and fairly reflect the cost to the Bank of maintaining an Adjusted LIBOR Rate on the aggregate unpaid principal amount of the Bonds or of funding the same for such LIBOR Rate Interest Period due to circumstances affecting the London Interbank Eurodollars Market generally, (iii) that reasonable means do not exist for ascertaining a LIBOR Rate, or (iv) that an Adjusted LIBOR Rate would be in excess of the maximum interest rate which Borrower may by law pay, then, in any such event, the Bank shall so notify Trustee and the Borrower and all portions of the aggregate unpaid principal amount of the Bonds shall, as of the date of such notification with respect to an event described in clause (ii) or (iv) above, or as of the expiration of the applicable LIBOR Rate Interest Period with respect to an event described in clause (i) or (iii) above, bear interest at the Adjusted Prime Rate until such time as the situations described above are no longer in effect.

Section 2.03. Registered Bonds Required; Bond Registrar and Bond Register. All Bonds shall be issued in fully registered form. The Bonds shall be registered upon original issuance and upon subsequent transfer or exchange as provided in this Indenture.

The Borrower shall designate one or more persons to act as “Bond Registrar” for the Bonds provided that the Bond Registrar appointed for the Bonds shall be either the Trustee or a person which would meet the requirements for qualification as a successor trustee imposed by Section 11.13. The Borrower hereby appoints The Huntington National Bank as Bond Registrar. Any person other than the Trustee undertaking to act as Bond Registrar shall first execute a written agreement, in form satisfactory to the Trustee, to perform the duties of a Bond Registrar under this Indenture, which agreement shall be filed with the Trustee.

The Bond Registrar shall act as registrar and transfer agent for the Bonds. The Issuer shall cause to be kept at an office of the Bond Registrar a register (herein sometimes referred to as the “Bond Register”) in which, subject to such reasonable regulations as it, the Trustee or the Bond Registrar may prescribe, the Issuer shall provide for the registration of the Bonds and for the registration of transfers of the Bonds. The Issuer shall cause the Bond Registrar to designate, by a written notification to the Trustee, a specific office location (which may be changed from time to time, upon similar notification) at which the Bond Register is kept. If the Bond Registrar is the Trustee, such location shall be the principal corporate trust office of the Trustee.

The Bond Registrar shall forthwith following each Regular Record Date and at any other time as reasonably requested by the Trustee, the Tender Agent or the Remarketing Agent, certify and furnish to the Trustee, the Tender Agent, the Remarketing Agent and any Paying Agent as the Trustee shall specify, the names, addresses, and holdings of Bondholders and any other relevant information reflected in the Bond Register, and the Trustee, the Tender Agent, the Remarketing Agent and any such Paying Agent shall for all purposes be fully entitled to rely upon the information so furnished to them and shall have no liability or responsibility in connection with the preparation thereof.

Section 2.04. Transfer and Exchange. As provided in Section 2.03, the Borrower shall cause a Bond Register to be kept at the designated office of the Bond Registrar. Upon surrender for registration of transfer of any Bond at such office, the Issuer shall execute and the Trustee or

its Authenticating Agent shall authenticate and deliver in the name of the transferee or transferees, one or more new fully registered Bonds of authorized denomination for the aggregate principal amount which the registered owner is entitled to receive.

At the option of the registered owner, Bonds may be exchanged for other Bonds of any other authorized denomination, of a like aggregate principal amount, upon surrender of the Bonds to be exchanged at any such office or agency. Whenever any Bonds are so surrendered for exchange, the Issuer shall execute, and the Trustee or the Authenticating Agent shall authenticate and deliver, the Bonds which the Bondholder making the exchange is entitled to receive.

All Bonds presented for registration of transfer, exchange, redemption or payment (if so required by the Issuer, the Bond Registrar or the Trustee) shall be accompanied by a written instrument or instruments of transfer or authorization for exchange, in form and with guaranty of signature satisfactory to the Bond Registrar, duly executed by the owner or by his attorney duly authorized in writing.

No service charge shall be made to a Bondholder for any exchange or registration of transfer of Bonds, but the Issuer, the Borrower or the Bond Registrar may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto.

Neither the Issuer nor the Bond Registrar on behalf of the Issuer shall be required (i) to register the transfer or exchange of any Bond during a period beginning at the opening of business 15 days before the date of redemption of Bonds selected for redemption and ending at the close of business on the day of such redemption (ii) to register the transfer or exchange of any Bond so selected for redemption in whole or in part, or (iii) other than pursuant to Article III, to register any transfer or exchange of any Bond with respect to which the owner has submitted a demand for purchase in accordance with Section 3.01(a) or which has been purchased pursuant to Section 3.01(b).

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

Section 2.05. Delivery of Bonds. Upon the execution and delivery of this Indenture, and satisfaction of the conditions established by the Issuer and the Bank for delivery of the Bonds, the Issuer shall execute the Bonds and deliver them to the Trustee. Thereupon, the Trustee shall authenticate the Bonds and deliver them to the Bank, as directed by the Issuer in accordance with this Section 2.05.

Before the Trustee delivers any Bonds, the Trustee shall have received a request and authorization to the Trustee on behalf of the Issuer, signed by the Authorized Official, to authenticate and deliver the Bonds to, or on the order of, the Bank upon payment to the Trustee of the amount specified therein (including without limitation, any accrued interest), which amount shall be deposited as provided in Sections 4.01 and 5.01 hereof.

Section 2.06. Execution. The Bonds shall be executed by the manual or facsimile signature of the Authorized Official of the Issuer.

Bonds executed as above provided may be issued and shall, upon request of the Issuer, be authenticated by the Trustee or the Authenticating Agent, notwithstanding that any officer signing such Bonds or whose facsimile signature appears thereon shall have ceased to hold office at the time of issuance or authentication or shall not have held office at the date of the Bond.

Section 2.07. Authentication; Authenticating Agent. No Bond shall be valid for any purpose until the Certificate of Authentication thereon shall have been duly executed as provided in this Indenture, and such authentication shall be conclusive proof that such Bond has been duly authenticated and delivered under this Indenture and that the owner thereof is entitled to the benefit of the trust hereby created.

If the Bond Registrar is other than the Trustee, the Trustee may appoint the Bond Registrar as an Authenticating Agent with the power to act on the Trustee's behalf and subject to its direction in the authentication and delivery of Bonds in connection with the registration of transfers and exchanges under Section 2.04 hereof, and the authentication and delivery of Bonds by an Authenticating Agent pursuant to this Section shall, for all purposes of this Indenture, be deemed to be the authentication and delivery "by the Trustee." The Trustee shall, however, itself authenticate all Bonds upon their initial issuance and any Bonds issued in substitution for other Bonds pursuant to Sections 2.10 and 2.11. The Trustee shall be entitled to be reimbursed for payments made to any Authenticating Agent as reasonable compensation for its services.

Any corporation into which any Authenticating Agent may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, consolidation or conversion to which any Authenticating Agent shall be a party, or any corporation succeeding to the corporate trust business of any Authenticating Agent, shall be the successor of the Authenticating Agent hereunder, if such successor corporation is otherwise eligible as a Bond Registrar under Section 2.03, without the execution or filing or the taking of any further act on the part of the parties hereto or the Authenticating Agent or such successor corporation.

Any Authenticating Agent may at any time resign by giving written notice of resignation to the Trustee and the Borrower. The Trustee may at any time terminate the agency of any Authenticating Agent by giving written notice of termination to such Authenticating Agent, the Borrower and the Issuer. Upon receiving such a notice of resignation or upon such a termination, or in case at any time any Authenticating Agent shall cease to be eligible under this Section, the Trustee may appoint a successor Authenticating Agent, shall give written notice of such appointment to the Borrower and shall mail notice of such appointment to all owners of Bonds as the names and addresses of such owners appear on the Bond Register.

Section 2.08. Payment of Principal and Interest Rights Preserved. Except as otherwise provided below, the principal or redemption price of any Bond shall be payable, upon surrender of such Bond, in any coin or currency of the United States of America which, at the time of payment, is legal tender for the payment of public and private debts, at the Principal Office of any Paying Agent, including funds evidenced by wire transfer. Except as otherwise provided below, interest on any Bond on each Interest Payment Date in respect thereof shall be payable by

check mailed to the address of the person entitled thereto as such address shall appear in the Bond Register; provided that at the written request of the owner of at least \$1,000,000 aggregate principal amount of Bonds received by the Bond Registrar at least one Business Day before the corresponding Record Date, interest accrued on the Bonds will be payable by wire transfer within the United States in immediately available funds to the bank account number of such owner specified in such request and entered by the Bond Registrar on the Bond Register; and provided further that interest payable at maturity (or redemption) shall be paid only upon presentation and surrender of such Bond.

Interest on any Bond which is payable, and is punctually paid or duly provided for, on any Interest Payment Date shall be paid to the person in whose name that Bond is registered at the close of business on the Regular Record Date for such interest.

Notwithstanding anything herein to the contrary, when any Bond is registered in the name of a Depository or its nominee, the principal and redemption price of and interest on such Bond shall be payable in same day funds delivered or transmitted to the Depository or its nominee by 2:30 p.m. eastern time on any date on which the principal and redemption price of and interest on any Bond is due and payable.

In addition to the above and notwithstanding anything herein to the contrary, when any Bond bears interest at an Adjusted LIBOR Rate and the provisions of the Bondowner Agreement and Section 4.1 of the Agreement so provide, the principal and redemption price and interest on such Bond shall be payable directly from the Borrower to the Bondholder, in the manner provided for in the Bondowner Agreement, and acknowledged by the Issuer and Trustee, whether or not such Bond is surrendered for payment.

Any interest on any Bond which is payable, but is not punctually paid or provided for, on any Interest Payment Date (herein called "Defaulted Interest") shall forthwith cease to be payable to the owner of such Bond on the relevant Regular Record Date by virtue of having been such owner, and such Defaulted Interest shall be paid to the person in whose name the Bond is registered at the close of business on a Special Record Date to be fixed by the Trustee, such date to be no more than 15 nor fewer than 10 days prior to the date of proposed payment. The Trustee 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 Bondholder at his address as it appears in the Bond Register, not fewer than 10 days prior to such Special Record Date.

Subject to the foregoing provisions of this Section 2.08, each Bond delivered under this Indenture upon registration of transfer of or exchange for or in lieu of any other Bond shall carry the rights to interest accrued and unpaid, and to accrue, which were carried by such other Bond.

Section 2.09. Persons Deemed Owners. The Issuer, the Borrower, the Trustee, any Paying Agent, the Bond Registrar, the Tender Agent and any Authenticating Agent may deem and treat the person in whose name any Bond is registered as the absolute owner thereof (whether or not such Bond shall be overdue and notwithstanding any notation of ownership or other writing thereon made by anyone other than the Issuer, the Borrower, the Trustee, any Paying Agent, the Bond Registrar, the Tender Agent or the Authenticating Agent) for the purpose of receiving payment of or on account of the principal of (and premium, if any, on), and

(subject to Section 2.08) interest on, such Bond, and for all other purposes, and neither the Issuer, the Borrower, the Trustee, the Tender Agent, any Paying Agent, the Bond Registrar nor the Authenticating Agent shall be affected by any notice to the contrary. All such payments so made to any such registered owner, or upon his order, shall be valid and, to the extent of the sum or sums so paid, effectual to satisfy and discharge the liability for moneys payable upon any such Bond.

Section 2.10. Mutilated, Destroyed, Lost or Stolen Bonds.

(a) If any Bond shall become mutilated, lost, stolen or destroyed, the affected Bondholder shall be entitled to the issuance of a substitute Bond only as follows:

(1) in the case of a lost, stolen or destroyed Bond, the Bondholder shall (i) provide notice of the loss, theft or destruction to the Issuer, the Borrower and the Trustee within a reasonable time after the Bondholder receives notice of the loss, theft or destruction, (ii) request the issuance of a substitute Bond and (iii) provide evidence, satisfactory to the Issuer, the Borrower and the Trustee, of the ownership and the loss, theft or destruction of the affected Bond;

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

(3) in all cases, the Bondholder shall provide indemnity against any and all claims arising out of or otherwise related to the issuance of substitute Bonds pursuant to this Section satisfactory to the Issuer, the Borrower, the Trustee and any Credit Facility Issuer.

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

(b) Every substituted Bond issued pursuant to this Section 2.10 shall constitute an additional contractual obligation of the Issuer and shall be entitled to all the benefits of this Indenture equally and proportionately with any and all other Bonds duly issued hereunder unless the Bond alleged to have been destroyed, lost or stolen shall be at any time enforceable by a bona fide purchaser for value without notice. In the event the Bond alleged to have been destroyed, lost or stolen shall be enforceable by anyone, the Issuer may recover the substitute Bond from the Bondholder to whom it was issued or from anyone taking under the Bondholder except a bona fide purchaser for value without notice.

(c) All Bonds shall be held and owned upon the express condition that the foregoing provisions are exclusive with respect to the replacement or payment of mutilated, destroyed, lost or stolen Bonds, and shall preclude any and all other rights or remedies, notwithstanding any law

or statute existing or hereafter enacted to the contrary with respect to the replacement or payment of negotiable instrument or investment or other securities without their surrender.

Section 2.11. Temporary Bonds. Pending preparation of definitive Bonds, or by agreement with the purchasers of all Bonds, the Issuer may issue, and, upon its request, the Trustee shall authenticate, in lieu of definitive Bonds one or more temporary printed or typewritten Bonds of substantially the tenor recited above in any denomination authorized under Section 2.02. Upon request of the Issuer, the Trustee shall authenticate definitive Bonds in exchange for and upon surrender of an equal principal amount of temporary Bonds. Until so exchanged, temporary Bonds shall have the same rights, remedies and security hereunder as definitive Bonds.

Section 2.12. Cancellation of Surrendered Bonds. Bonds surrendered for payment, redemption, transfer or exchange and Bonds surrendered to the Trustee by the Issuer, or by the Borrower on behalf of the Issuer, for cancellation shall be canceled by the Trustee and destroyed with certification of such destruction being provided to the Borrower.

Section 2.13. Source of Payment of Bonds. (i) The Bonds shall be special obligations of the Issuer and the Bond Service Charges thereon shall be payable equally and ratably solely from the Revenues, and (ii) the payment of Bond Service Charges on the Bonds shall be secured by the assignment of and security interest in the Credit Facility Account, if any, Redemption Premium Account, Remarketing Proceeds Account and Defeasance Account of the Bond Fund, and all deposits and investments thereof, and the grant of a security interest in the Project Fund and all moneys and investments in the Project Fund and the Revenues (other than such accounts of the Bond Fund, all moneys and investments therein and the proceeds of the Credit Facility, if any) hereunder and by this Indenture. The principal of, and any accrued interest on, the Bonds shall also be payable from moneys derived by the Trustee from drawings under the Credit Facility, if any, related to the Bonds. Notwithstanding anything to the contrary in the Bond Legislation, the Bonds or this Indenture, the Bonds do not and shall not represent or constitute a debt or pledge of the faith and credit or the taxing power of the Issuer or of the State or of any political subdivision, municipality or other local agency thereof and are not and will not be secured by an obligation or pledge of any moneys raised by taxation.

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ARTICLE III

Purchase and Remarketing of Bonds

Section 3.01. Purchase of Bonds on Demand; Mandatory Purchase.

(a) Purchase of Bonds on Demand of Owner.

(i) During Weekly Rate Period. If the Interest Rate Mode for the Bonds is the Weekly Rate, any Bond shall be purchased on the demand of the owner thereof, on any Business Day at a purchase price equal to the principal amount thereof, plus accrued interest, if any, to the Purchase Date, upon written notice to the Tender Agent, at its Principal Office on or before 4:00 p.m. (New York, New York time) on a Business Day not later than the 7th calendar day prior to the Purchase Date, which notice (A) states the number and principal amount (or portion thereof in an authorized denomination) of such Bond to be purchased, (B) states the Purchase Date on which such Bond shall be purchased and (C) irrevocably requests such purchase and agrees to deliver such Bond, duly endorsed in blank for transfer, with all signatures guaranteed, to the Tender Agent at or prior to 12:00 Noon (New York, New York time) on such Purchase Date.

The Tender Agent shall promptly, but in no event later than 4:00 p.m. (New York, New York time) on the next succeeding Business Day, provide the Remarketing Agent and the Trustee with Immediate Notice of the receipt of the notice referred to in the preceding paragraph. Upon its receipt of such Immediate Notice from the Tender Agent, the Remarketing Agent shall promptly provide the Borrower with Immediate Notice of the receipt of the notice referred to in the preceding paragraph.

(ii) During Semi-Annual Rate Period. If the Interest Rate Mode for the Bonds is the Semi-Annual Rate, any Bond shall be purchased, on the demand of the owner thereof, on any Interest Payment Date for a Semi-Annual Rate Period at a purchase price equal to the principal amount thereof, upon written notice to the Tender Agent, at its Principal Office on a Business Day not later than the 8th Business Day prior to such Purchase Date, which notice (A) states the number and principal amount (or portion thereof in an authorized denomination) of such Bond to be purchased, (B) states the Purchase Date on which such Bond shall be purchased and (C) irrevocably requests such purchase and agrees to deliver such Bond, duly endorsed in blank for transfer, with all signatures guaranteed, to the Tender Agent at or prior to 12:00 Noon (New York, New York time) on such Purchase Date.

The Tender Agent shall promptly, but in no event later than 4:00 p.m. (New York, New York time) on the next succeeding Business Day, provide the Remarketing Agent and Trustee with Immediate Notice of the receipt of the notice referred to in the preceding paragraph.

(iii) During Long-Term Rate Period. Bonds shall not be purchased upon the demand of the owner thereof during any Long-Term Rate Period in whole or in part.

(iv) During LIBOR Rate Interest Period. If the Interest Rate Mode for the Bonds is the Adjusted LIBOR Rate, any Bond shall be purchased, on the demand of the owner thereof, on December __, 20__ (unless such date is extended in accordance with the provisions

of the Bondowner Agreement), at a purchase price equal to the principal amount thereof, plus accrued interest, if any; provided, however, that any such extension of such purchase date shall be effective only if the Bank gives notice to the Borrower and the Trustee of such extension not later than one hundred and eighty (180) days prior to the Redemption Date (as defined in the Bondowner Agreement). If such a notice of extension is not delivered prior to the Redemption Date as provided in this paragraph, the Bonds shall be redeemed in whole on the Redemption Date, and Obligor shall be required to deliver the Purchase Price (as defined in the Bondowner Agreement) to the Bondowner in immediately available funds no later than 3:00 p.m. (Grand Rapids, Michigan time) on the Redemption Date.

(v) Upon Event of Default during LIBOR Rate Interest Period. If the Interest Rate Mode for the Bonds is the Adjustable LIBOR Rate, the Bonds shall be purchased on the demand of the owners thereof, on any Business Day selected by the owners upon an Event of Default under the Bondowner Agreement as provided in Section 10.02 hereof, at a purchase price equal to the principal amount thereof, plus accrued interest, if any, upon written notice to the Borrower and to the Trustee.

(vi) Purchase of Portions of Bonds. Notwithstanding any other provision of this Section 3.01(a), the owner of a Bond may demand purchase of a portion of such Bond only if the portion to be purchased and the portion to be retained by the owner will be in authorized denominations.

(b) Mandatory Purchases of Bonds.

(i) Mandatory Purchase on Conversion Date. The Bonds shall be subject to mandatory purchase at a purchase price equal to the principal amount thereof, plus, if the Interest Rate Mode is the Long-Term Rate, the redemption premium which would be payable under Section 8.01(c) if the Bonds were redeemed on the Purchase Date, plus accrued interest, if any, thereon to the Purchase Date on each Conversion Date for any Conversion. Notwithstanding such mandatory purchase, any Bondholder or Beneficial Owner may elect to retain its Bonds or Beneficial Ownership Interest by delivering to the Remarketing Agent a written notice no later than 11:00 a.m. (New York, New York time), on the eighth Business Day prior to such Purchase Date, which notice shall state that (a) such Bondholder or book entry interest owner has received notice that the Bonds are being converted to bear interest at the applicable Interest Rate Mode, (b) unless the interest rate on the Bonds is being converted to the Weekly Rate, such Bondholder or Beneficial Owner understands the purchase implications for the purchase of Bonds on demand of such Bondholder, as described in Section 3.01(a) hereof, (c) such Bondholder or Beneficial Owner is aware that any securities rating on the Bonds may be withdrawn or lowered, and (d) such Bondholder or Beneficial Owner affirmatively elects to hold its Bonds or Beneficial Ownership Interests and receive interest at the applicable Interest Rate Mode, provided however, the Bondholder may not elect to retain its Bonds or Beneficial Ownership Interest if the Conversion is to the Adjusted LIBOR Rate.

(ii) Mandatory Purchase Upon Delivery of an Alternate Credit Facility. While the Bonds bear interest at the Weekly or Semi-Annual Rate, the Bonds shall be subject to mandatory purchase at a purchase price equal to the principal amount thereof plus accrued interest, if any, thereon to the Purchase Date, upon delivery of an Alternate Credit Facility. The

Purchase Date will be the Interest Payment Date which is also the date of delivery of the Alternate Credit Facility, as described in Section 6.03 hereof.

Notwithstanding such mandatory purchase, any Bondholder or Beneficial Ownership Interests may elect to retain its Bonds or Beneficial Ownership Interests by delivering to the Remarketing Agent a written notice no later than 11:00 a.m. (New York, New York time), on the eighth Business Day prior to such Purchase Date, which notice shall state that (a) such Bondholder or Beneficial Owner has received notice of that the Borrower is delivering an Alternate Credit Facility to the Trustee pursuant to Section 6.03, (b) such Bondholder or Beneficial Owner affirmatively elects to retain its Bonds or Beneficial Ownership Interests and (c) such Bondholder or Beneficial Owner is aware that any securities rating on the Bonds may be withdrawn or lowered.

(iii) Mandatory Purchase for Failure to Provide Qualifying Alternate Credit Facility. While the Bonds bear interest at the Long-Term Rate and are subject to optional redemption by the Issuer pursuant to Section 8.01(c) hereof, the Bonds shall be subject to mandatory purchase at a purchase price equal to the principal amount thereof, plus the redemption premium, if any, which would be payable under Section 8.01(c) if the Bonds were redeemed on the Purchase Date, plus accrued interest, if any, thereon to the Purchase Date, upon the termination of the then current Credit Facility (whether by expiration according to its terms or upon delivery of an Alternate Credit Facility) unless such Credit Facility is replaced with a Qualifying Alternate Credit Facility. Any premium to be paid in connection with such mandatory purchase, if not covered by the then current Credit Facility, shall be paid from Available Moneys deposited by the Borrower into the Redemption Premium Account of the Bond Fund. If there are no such Available Moneys, the then current Credit Facility may not be replaced unless replaced with a Qualifying Alternate Credit Facility. While the Bonds bear interest at the Long-Term Rate but are not yet subject to optional redemption by the Issuer pursuant to Section 8.01(c) hereof, upon the termination of the then current Credit Facility (whether by expiration according to its terms or upon delivery of an Alternate Credit Facility) the Borrower must replace the then current Credit Facility with a Qualifying Alternate Credit Facility. While the Bonds bear interest at the Long-Term Rate but are not yet subject to optional redemption pursuant to Section 8.01(c), the Bonds shall not be subject to mandatory purchase under this Section 3.01(b)(iii). The Purchase Date will be the Interest Payment Date immediately preceding (by at least 15 calendar days) the date of expiration or replacement of the then current Credit Facility.

(iv) Mandatory Purchase Upon Expiration of the then Current Credit Facility. If the then current Credit Facility is expiring and the Borrower shall fail to provide for the delivery to the Trustee of an Alternative Credit Facility in accordance with the provisions of Section 6.03 hereof, all Bonds and Beneficial Ownership Interests shall be subject to mandatory purchase at the applicable purchase price on the Interest Payment Date preceding (by at least 15 calendar days) the date of expiration of the then current Credit Facility.

(v) Notice of Mandatory Purchase. Notice of any mandatory purchase pursuant to this Section 3.01(b) shall be given by the Trustee thirty (30) days prior to the date of purchase in the same manner as a notice of redemption pursuant to Section 8.05 hereof; provided that failure to receive notice by mailing, or any defect in that notice, as to any Bond shall not

affect the validity of the proceedings for the purchase of any other Bond. In addition, any notice for mandatory purchase pursuant to Sections 3.01(b)(i) and 3.01(b)(ii), shall inform the Bondholders of their right to elect to retain as described in each applicable Section.

(c) Payment of Purchase Price. The purchase price of Bonds purchased pursuant to Section 3.01 shall be payable upon delivery of such Bond to the Tender Agent; provided that such Bond must be delivered to the Tender Agent on or prior to 12:00 Noon (New York, New York time) for payment by the close of business on the Purchase Date in immediately available funds; provided, however, that if the Purchase Date is not a Business Day, the purchase price shall be payable on the next succeeding Business Day.

Any Bond delivered for payment of the purchase price shall be accompanied by an instrument of transfer thereof in form satisfactory to the Tender Agent executed in blank by the owner thereof and with all signatures guaranteed by a bank, trust company or member firm of The New York Stock Exchange, Inc. The Tender Agent may refuse to accept delivery of any Bond for which an instrument of transfer satisfactory to it has not been provided and shall have no obligation to pay the purchase price of such Bond until a satisfactory instrument is delivered.

The Tender Agent shall hold all Bonds delivered pursuant to this Section 3.01 in trust for the benefit of the owners thereof until moneys representing the purchase price of such Bonds shall have been delivered to or for the account of or to the order of such Bondholders, and thereafter shall deliver such Bonds to the purchasers thereof. All amounts received by the Trustee from a drawing under a Credit Facility for purchase of Bonds shall be transferred immediately to the Tender Agent. The Tender Agent shall also hold all such amounts from a drawing under a Credit Facility that it shall have received from the Trustee in a separate and segregated account pending payment of the purchase price of Bonds as set forth in Section 3.03 and neither the Issuer, the Borrower, any Guarantor, any Affiliate of the Borrower or of any Guarantor, nor any Insider of any of them shall have any right to take, control or receive the moneys and investments therein.

Section 3.02. Remarketing of Bonds.

(a) Upon the receipt by the Remarketing Agent of any notice pursuant to Section 3.01(a)(i), (ii) or (iii), the Remarketing Agent, subject to the terms of the Remarketing Agreement, shall offer for sale, and shall use its best efforts to sell (other than to the Issuer, the Borrower or their Affiliates), the Bonds in respect of which such notice has been given. Unless otherwise instructed by the Issuer or the Borrower, the Remarketing Agent will offer for sale and use its best efforts to sell any Bonds purchased pursuant to Section 3.01(b). Any such Bonds shall be offered: (i) at 100% of the principal amount thereof, plus interest accrued, if any, to the Purchase Date, and (ii) pursuant to terms calling for payment of the purchase price on such Purchase Date against delivery of such Bonds; provided that the Remarketing Agent shall not sell any Bond if the amount to be received from the sale of such Bond (including accrued interest, if any) plus the amount available to be drawn by the Trustee under the Credit Facility, if any, with respect to the Available Moneys available to the Trustee for such purpose is less than the purchase price (including accrued interest, if any) to be paid for such Bond. The Remarketing Agent shall direct any person to whom such Bonds (or authorized portions thereof) are remarketed pursuant to this Section to deliver the purchase price thereof in immediately

available funds to the Trustee at its principal office on or before 9:00 a.m. (New York, New York time) on the Purchase Date. Upon receipt and pending disbursement thereof, the Trustee shall deposit such moneys in the Remarketing Proceeds Account. The Trustee, the Tender Agent, the Remarketing Agent or the Credit Facility Issuer may purchase any Bonds offered pursuant to this Section 3.02 for its own account. Each of the Issuer and the Borrower acknowledges that they shall have no interest in any proceeds of the remarketing of Bonds, all of which shall be held in trust by the Trustee or the Tender Agent for the sole benefit of the holders of the Bonds and, to the extent that the holders have been paid with draws on a Credit Facility, for the benefit of the Credit Facility Issuer. The Remarketing Agent shall, no later than 9:30 a.m. (New York, New York time) on the Purchase Date, give oral or telephonic notice to the Tender Agent and the Trustee of the Bonds remarketed pursuant to this Section and the Purchase Date therefor, such notice to be promptly confirmed by telex, telegram or telecopier to the Borrower and the Credit Facility Issuer.

(b) Upon receipt by the Borrower and the Trustee of any notice pursuant to Section 3.01(a)(iv) hereof, the Borrower shall use its best efforts to arrange for the sale and transfer of the Bonds to another qualified banking institution on or prior to the Purchase Date. The purchase price for the Bonds shall be equal to 100% of the principal amount thereof, plus interest accrued, if any, to the Purchase Date and shall be deposited into the Remarketing Proceeds Account pursuant to Section 3.03(a)(i) hereof. If the Borrower is unable to provide for such purchase, the Borrower shall, in accordance with Section 2.02(e) hereof, arrange for the Conversion of the Interest Rate Mode on the Bonds, on or prior to the Purchase Date, to an Interest Rate Mode other than an Adjusted LIBOR Rate.

(c) The Remarketing Agent shall, subject to the terms of the Remarketing Agreement, offer for sale, and use its best efforts to sell, on behalf of the Issuer, Bonds held pursuant to Section 3.05. Any such Bonds shall be offered at 100% of the principal amount thereof, plus interest accrued to the sale date.

Section 3.03. Purchase of Bonds; Undelivered Bonds.

(a) On each date Bonds are to be purchased pursuant to Section 3.01, the Tender Agent shall purchase, but only from the funds listed below, such Bonds from the owners thereof. Funds for the payment of such purchase price shall be derived from the following sources in the order of priority indicated, provided that funds derived from Section 3.03(a)(i) and (ii) shall not be combined with funds derived from Section 3.03(a)(iii) to purchase any one Bond (or authorized denomination thereof):

(i) Proceeds deposited in the Remarketing Proceeds Accounts from the remarketing of such Bonds to persons other than the Issuer, the Borrower, any Guarantor, or any Affiliate of any of them or any Insider of the foregoing (exclusive of any premium) pursuant to Section 3.02(a) or (b);

(ii) Available Moneys furnished by the Trustee to the Tender Agent representing proceeds of a drawing by the Trustee under a Credit Facility;

(iii) Available Moneys deposited by the Borrower into the Redemption Premium Account, if necessary, to pay any premium included in the Purchase Price;

(iv) Moneys paid by the Borrower to pay the purchase price furnished by the Trustee to the Tender Agent.

(b) In the event that any holder of a Bond who shall have given notice demanding purchase pursuant to Section 3.01(a), or which is subject to mandatory purchase pursuant to Section 3.01(b), shall fail to deliver such Bond to the Tender Agent at the place and on the applicable date and time specified, or shall fail to deliver such Bond properly endorsed, such Bond shall constitute an Undelivered Bond. If funds in the amount of the purchase price of the Undelivered Bond are available for payment to the holder thereof on the date and at the time specified, from and after the date and time of that required delivery, (i) the Undelivered Bond shall no longer be deemed to be Outstanding under this Indenture; (ii) interest shall no longer accrue thereon; and (iii) funds in the amount of the purchase price of the Undelivered Bonds shall be held by the Tender Agent, without liability for interest thereon, for the benefit of the holder thereof (and in no event for the benefit of the Issuer, the Borrower, any Guarantor, any Affiliate of any of them, any Insider of the foregoing, the Remarketing Agent, the Tender Agent or any other party). Neither the Issuer, the Borrower, any Guarantor, any Affiliate of any of them nor any Insider of the foregoing shall have any right whatsoever to take, control or receive moneys held by the Tender Agent. Any funds held by the Tender Agent as described in clause (iii) of the preceding sentence shall be held uninvested. Any moneys deposited with and held by the Tender Agent not so applied to the payment of Bonds, if any, within two years after the Purchase Date of such Bonds shall be paid by the Tender Agent to the Borrower and thereafter the former holders of such Bonds shall be entitled to look only to the Borrower for payment, and then only to the extent of the amount so repaid, and the Borrower shall not be liable for any interest thereon and shall not be regarded as a trustee of such money.

Section 3.04. Delivery of Remarketed or Purchased Bonds.

(a) Bonds and Beneficial Ownership Interests purchased pursuant to Section 3.03 shall be delivered as follows:

(i) Bonds sold by the Remarketing Agent to persons or entities other than the Issuer or the Borrower shall be delivered to the purchasers thereof. With respect to Beneficial Ownership Interests sold by the Remarketing Agent pursuant to Section 3.02 hereof, the Remarketing Agent and the Trustee shall take such actions as may be necessary to reflect the transfer of such Beneficial Ownership Interests to the purchasers thereof in the book entry system maintained by the Depository.

(ii) Bonds purchased or to be purchased with moneys described in Section 3.03(a)(ii) shall be delivered to the Tender Agent to be held pursuant to Section 3.05. With respect to Beneficial Ownership Interests purchased with moneys described in Section 3.03(a)(ii), the Remarketing Agent and the Trustee shall take such actions as may be necessary to reflect the transfer of such Beneficial Ownership Interests to the purchasers thereof in the book entry system maintained by the Depository.

(iii) Bonds purchased with moneys described in Section 3.03(a)(iii) shall, at the direction of the Borrower, be (A) delivered to or held by the Tender Agent for the account of the Borrower, (B) delivered to the Trustee for cancellation or (C) delivered to the Borrower. With respect to Beneficial Ownership Interests purchased with moneys described in Section 3.03(a)(iii), the Remarketing Agent and the Trustee shall take such actions as may be necessary to reflect the transfer of such Beneficial Ownership Interests to the purchasers thereof in the book entry system maintained by the Depository.

(iv) A Bond purchased by a qualified banking institution pursuant to section 3.02(b) hereof shall be delivered to the purchaser thereof.

(b) If, on any date prior to the release of Bonds held by or for the account of the Borrower pursuant to Section 3.04(a)(iii), all Bonds are called for redemption pursuant to Section 8.01 or an acceleration of the Bonds pursuant to Section 10.02 occurs, such Bonds shall be deemed to have been paid and shall thereupon be cancelled by the Trustee.

(c) Bonds or Beneficial Ownership Interests (other than Bonds pledged to a Credit Facility Issuer) delivered as provided in this Section shall be registered (or recorded through the Depository) in the manner directed by the recipient thereof.

Section 3.05. Bonds Pledged to a Credit Facility Issuer. While a Credit Facility is held by the Trustee, the Bond Registrar shall, as directed by such Credit Facility, register (or the Depository shall record) in the name of either the Credit Facility Issuer or the Borrower any Bonds delivered to the Tender Agent pursuant to Section 3.04(a)(ii). The Bond Registrar shall reflect on the Bond Register that any such Bonds registered in the name of the Borrower are pledged to the Credit Facility Issuer. Thereafter, the Tender Agent shall hold such Bonds on behalf of such Credit Facility Issuer as pledgee of such Bonds unless and until the Tender Agent shall have received from the Credit Facility Issuer written notice or telephonic notice, promptly confirmed in writing, which specifies that the Tender Agent shall deliver such Bonds to the Borrower or the Remarketing Agent and that the Credit Facility has been reinstated (in principal and interest) by an amount corresponding to such released Bonds. Upon receipt of such notice, the Tender Agent shall deliver such Bonds to the Borrower or the Remarketing Agent.

Section 3.06. Drawings on a Credit Facility. Except as provided in Section 3.08 hereof, on each day on which Bonds are to be purchased pursuant to Section 3.01 hereof while a Credit Facility is held by the Trustee, except to the extent that the Trustee shall have received telephonic notification from the Remarketing Agent on or prior to 9:30 a.m. (New York, New York time) on the Purchase Date to the effect that such Bonds shall have been remarketed pursuant to Section 3.02 hereof and that the moneys described in Section 3.03(a)(i) hereof will be sufficient to pay the purchase price of such Bonds, the Trustee shall by 10:00 a.m. (New York, New York time) on the Purchase Date draw under the Credit Facility an amount equal to the purchase price of such Bonds which cannot be purchased from the proceeds of remarketing then on deposit in the Remarketing Proceeds Account and immediately upon receipt of such proceeds furnish the proceeds of such drawing to the Tender Agent, and shall further provide Immediate Notice of such drawing to the Issuer and the Borrower. If less than the full purchase price is received for the Bonds that are to be remarketed, the Trustee shall, by 10:00 a.m. (New York, New York time) on the Purchase Date, draw under the Credit Facility an amount which,

together with the remarketing proceeds of the Bonds sold by the Remarketing Agent and received by the Trustee, will be equal to the purchase price of such Bonds and immediately upon the receipt of such proceeds furnish the proceeds of such drawing to the Tender Agent.

Section 3.07. Delivery of Proceeds of Sale. The proceeds of the sale by the Remarketing Agent of any Bonds held by it for the account of the Borrower, or delivered to it by any Bondholder or the Tender Agent, shall be deposited in the Remarketing Proceeds Account.

Section 3.08. Limitation on Purchase and Remarketing. Anything in this Indenture to the contrary notwithstanding, there shall be no remarketing of Bonds pursuant to Section 3.02 hereof if there shall have occurred and be continuing an Event of Default. Any purchase of Bonds pursuant to Section 3.01(a) hereof after an Event of Default shall have occurred and be continuing shall be made only with proceeds of a drawing under the Credit Facility, if any, and any Bonds so purchased shall remain pledged to the Credit Facility Issuer until the Event of Default shall have been cured or waived or the Bonds are accelerated pursuant to Section 10.02 hereof.

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ARTICLE IV

Project Fund; Proceeds of Bonds

Section 4.01. Creation of Project Fund; Proceeds of Bonds.

(a) There is hereby created by the Issuer and ordered maintained as separate deposit accounts (except when invested as provided hereinafter) in the custody of the Trustee, to be maintained on the books and records of the depository or financial institution in the name of the Trustee as the Trustee hereunder, trust funds designated “City of Franklin - The Franklin United Methodist Home, Inc. Project Fund.”

Section 4.02 Disbursements from and Records of Project Fund. Moneys, if any, in the Project Fund shall be disbursed in accordance with the provisions of the Agreement. The Trustee is hereby authorized to make each disbursement required by the provisions of the Agreement. Disbursements from the Project Fund shall be made only to reimburse or pay the Borrower, or any person designated by the Borrower, for the Project Costs relating to the Series 2014 Project. Any disbursements from the Project Fund for the payment of Project Costs relating to the Series 2014 Project shall be made by the Trustee only upon the written order signed by the Designated Representative and approved by the Bank. Each such written order shall be in substantially the form of the disbursement request attached as Exhibit C to the Agreement, shall be consecutively numbered and may be accompanied by invoices or other documentation supporting the payments or reimbursements requested. That amount shall be released to the Borrower, or the person designated by the Borrower, upon receipt by the Trustee of a written direction from the Bank to release that amount.

Any moneys remaining in the Project Fund after the payment in full of the Project Costs, promptly shall be used, as directed by the Designated Representative with the approval of the Bank, for permitted expenditures as set forth in the Agreement.

The Trustee shall cause to be kept and maintained adequate records pertaining to the Project Fund and all disbursements therefrom. If reasonably requested by the Borrower, the Trustee shall file copies of the records pertaining to the Project Fund and disbursements therefrom with the Borrower.

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ARTICLE V

Bond Fund; Investment of Funds; Rebate Fund

Section 5.01. Bond Fund.

(a) There is hereby created by the Issuer and ordered established as a separate deposit account with the Trustee, to be maintained on the books and records of the depository or financial institution in the name of the Trustee as trustee hereunder, a trust fund to be designated "City of Franklin - The Franklin United Methodist Home, Inc. Project Bond Fund," the moneys in which, in accordance with Section 5.01(c), the Trustee shall make available to the Paying Agent or Agents, to pay (i) the principal or redemption price of Bonds as they mature or become due, upon surrender thereof and (ii) the interest on Bonds as it becomes payable. There are hereby established with the Trustee within the Bond Fund the following separate and segregated accounts, to be designated the "Credit Facility Account," "Remarketing Proceeds Account," "Redemption Premium Account" and "Defeasance Account."

(b) The Trustee shall deposit into the Bond Fund all payments by the Borrower in respect to Bond Service Charges and all other moneys received by the Trustee under and pursuant to the provisions of this Indenture, the Agreement or any of the provisions of the Bondowner Agreement or Reimbursement Agreement, as applicable, when accompanied by directions from the person depositing such moneys that such moneys are to be paid into the Bond Fund and shall deposit into the following specified accounts of the Bond Fund the following:

(i) into the Credit Facility Account, all moneys drawn by the Trustee under a Credit Facility which account shall hold no other moneys;

(ii) into the Remarketing Proceeds Account, all amounts representing the proceeds from a remarketing of the Bonds which account shall hold no other moneys;

(iii) into the Redemption Premium Account, all amounts deposited to pay premiums on the Bonds which account shall hold no other moneys; and

(iv) into the Defeasance Account, all amounts deposited to pay and discharge the Bonds pursuant to Section 15.01 hereof which account shall hold no other moneys.

Neither the Issuer, the Borrower, any Guarantor, any Affiliate of the Borrower or of any Guarantor nor any Insider of any of them shall have any title or other interest beneficial or otherwise, in nor any right whatsoever to take or control (other than the right of the Borrower to direct investments pursuant to Section 5.03 hereof) any of the moneys, investments or earnings in the Credit Facility Account, the Redemption Premium Account, the Remarketing Proceeds Account, the Defeasance Account or any subaccounts of any of the foregoing accounts, or the moneys and Eligible Investments therein, including any proceeds thereof, all of which shall be held in trust by the Trustee for the sole benefit of the Bondholders, until all Bond Service Charges are paid and thereafter for the benefit of the Credit Facility Issuer, if any; provided, however, that any amounts which were deposited in the Redemption Premium Account of the Bond Fund for the purpose of causing such amounts to constitute Available Moneys and which remain after all of the outstanding Bonds shall be deemed paid and discharged under this

Indenture, shall be retained by the Trustee and shall not be paid to or for the benefit of the Borrower, any Guarantor, any Affiliate of the Borrower or of any Guarantor or any Insider of any of them, which shall have no right to take or control such amounts. If the Bonds are then rated by a Rating Service or Rating Services, no moneys in the Redemption Premium Account or the Defeasance Account may be used to pay Bond Service Charges on the Bonds until the Borrower delivers to such Rating Service or Rating Services an opinion of nationally recognized counsel experienced in bankruptcy matters to the effect that payments on the Bonds from such moneys will not constitute voidable preferences under the U.S. Bankruptcy Code in the event a petition in bankruptcy is subsequently filed by or against the Borrower or the Issuer.

The Trustee shall establish separate subaccounts within the Redemption Premium Account and the Defeasance Account for each deposit (including any investment income thereon) made into the Bond Fund so that the Trustee may at all times ascertain the date and source of deposit of the funds in such accounts and the Trustee shall assure moneys having different dates of deposit and held in separate subaccounts shall not be commingled.

(c) Except as provided in Section 10.11, moneys in the Bond Fund shall be used solely for the payment of the principal or redemption price of the Bonds and interest on the Bonds from the following source or sources but only in the following order of priority:

(i) Available Moneys held in the Credit Facility Account, provided that, in no event, shall moneys held in the Credit Facility Account be used to pay any amount which may be due on Bonds held pursuant to Section 3.05;

(ii) Available Moneys held on deposit in the Redemption Premium Account;

(iii) any other Available Moneys in the Bond Fund; and

(iv) any other amounts available in the Bond Fund.

(d) To the extent moneys described under Section 5.01(c)(i) are not available in the Bond Fund to pay principal or redemption price of the Bonds and interest on the Bonds on any maturity date, Interest Payment Date, redemption date or Purchase Date (other than Bonds held pursuant to Section 3.05, except for interest payments on Bonds that were not held pursuant to Section 3.05 on the Record Date for such payment), the Trustee shall, on or before 11:00 a.m., New York, New York time, on the Business Day prior to such due date, draw upon or demand payment under the Credit Facility, if any, then held by the Trustee in a manner so as to provide immediately available funds by the close of business on such date in an amount necessary to make the required payments of the principal of and premium, if applicable and if payable from a draw on the Credit Facility, and interest on the Bonds on such maturity date, Interest Payment Date, redemption date or to purchase the Bonds tendered or deemed tendered on such Purchase Date. Upon receipt of such moneys from the Credit Facility Issuer, the Trustee shall (i)(a) deposit the amount representing a drawing on a Credit Facility for the payment of principal of and interest on the Bonds in the Credit Facility Account of the Bond Fund, and apply the same to the payment of such principal and interest due on the Bonds or, (b) use the proceeds of the draw to pay the purchase price of the Bonds in accordance with Section 3.06 hereof, and (ii) pay, on behalf of the Borrower, but only from and to the extent of any amounts described in Section

5.01(c)(iii) and Section 5.01(c)(iv) then on deposit in the Bond Fund, any and all amounts then due and payable under the Reimbursement Agreement. Any payment made by the Trustee on behalf of the Borrower described in clause (ii) of the immediately preceding sentence shall be made by wire transfer of immediately available funds to the account of the Credit Facility Issuer on the date the Trustee receives moneys pursuant to a drawing upon the Credit Facility.

Section 5.02. Revenues to Be Held for All Bondholders; Certain Exceptions. Until applied as provided in this Indenture to the payment of Bonds or transferred to the Borrower pursuant to Section 16.02 or Section 5.06, Revenues shall be held by the Trustee in trust in the Bond Fund for the benefit of the owners of all Outstanding Bonds, except that (i) any portion of the Revenues representing principal or redemption price of any Bonds, and interest on any Bonds previously matured or called for redemption in accordance with Article VIII of this Indenture, shall be held for the benefit of the owners of such Bonds only. Anything in this Indenture to the contrary notwithstanding, neither the Borrower, any Guarantor, any Affiliate of the Borrower or of any Guarantor, nor any Insider of any of the foregoing shall have any right to take, control or receive moneys from the Credit Facility Account, the Redemption Premium Account, the Remarketing Proceeds Account, the Defeasance Account, or in any subaccounts of any of the foregoing accounts or the moneys and Eligible Investments therein, which shall be held in trust by the Trustee first, for the sole benefit of the holders of the Bonds and then, to the extent that the holders of the Bonds are paid through draws under a Credit Facility, for the Credit Facility Issuer to the extent of such draws.

Section 5.03. Investment of Project Fund, Bond Fund and Rebate Fund. Moneys in the Project Fund, Bond Fund (except moneys in the Credit Facility Account, Defeasance Account, Remarketing Proceeds Account, but including moneys in the Redemption Premium Account) and the Rebate Fund shall be invested and reinvested by the Trustee in Eligible Investments, at the oral (confirmed in writing) or written direction of the Designated Representative, subject to the requirements of Section 2.2 of the Agreement. At no time shall any funds constituting gross proceeds of the Bonds be used in any manner to cause or result in a prohibited payment under applicable regulations pertaining to, or in any other fashion as would constitute failure of compliance with, Section 148 of the Code. Investments of moneys in the Bond Fund shall mature or be redeemable at the option of the Trustee at the times and in the amounts necessary to provide moneys to pay Bond Service Charges as they become due at stated maturity or by redemption. Each investment of moneys in the Rebate Fund shall mature or be redeemable at such time as may be necessary to make payments from the Rebate Fund.

Subject to any directions from the Designated Representative with respect thereto, from time to time, the Trustee may sell those investments and reinvest the proceeds therefrom in Eligible Investments maturing or redeemable as aforesaid. Any of those investments may be purchased from or sold to the Trustee, the Bond Registrar, an Authenticating Agent or a Paying Agent, or any bank, trust company or savings and loan association affiliated with any of the foregoing. The Trustee shall sell or redeem investments credited to the Bond Fund to produce sufficient moneys applicable hereunder to and at the times required for the purposes of paying Bond Service Charges when due as aforesaid, and shall do so without necessity for any order on behalf of the Issuer and without restriction by reason of any order. An investment made from moneys credited to the Project Fund, Bond Fund or the Rebate Fund shall constitute part of that respective Fund. The Project Fund, Bond Fund and the Rebate Fund shall be credited with all

proceeds of sale and income from investment of moneys credited thereto. For purposes of this Indenture, those investments shall be valued at face amount or market value, whichever is less.

Moneys deposited in the Credit Facility Account in the Bond Fund shall be invested by the Trustee only in obligations described under clause (a) of the definition of Eligible Investments. Proceeds received from the remarketing of the Bonds and deposited in the Remarketing Proceeds Account shall be invested by the Trustee only in obligations described under clause (a) or (b) of the definition of Eligible Investments (provided that obligations described under clause (b) of such definition must be prerefunded or escrowed to maturity with obligations described in clause (a) of such definition and be rated “Aaa” by Moody’s Investors Service and/or “AAA” by Standard & Poor’s Ratings Group). Such obligations shall be noncallable, and shall mature in 30 days or less and at the times and in the amounts necessary to make payments of Bond Service Charges on, or the purchase price of, Bonds when due or the aforesaid moneys shall be held uninvested in their respective accounts pending application pursuant to the terms of Article III or Section 5.04 hereof, as applicable, provided that the holding of such moneys uninvested will not cause the Bonds to be deemed “arbitrage bonds” within the meaning of Section 148 of the Code. Moneys deposited in the Defeasance Account in the Bond Fund shall be invested by the Trustee in accordance with Section 15.01 hereof.

Section 5.04. Moneys to be Held in Trust. Except where moneys have been deposited with or paid to the Trustee pursuant to an instrument restricting their application to particular Bonds, all moneys required or permitted to be deposited with or paid to the Trustee or any Paying Agent under any provision of this Indenture, the Agreement or the Credit Facility, if any, and any investments thereof, shall be held by the Trustee or that Paying Agent in trust pursuant to the terms of this Indenture. Except for (i) moneys deposited with or paid to the Trustee or any Paying Agent for the redemption of Bonds, notice of the redemption of which shall have been duly given, (ii) moneys held by the Trustee pursuant to Section 3.03(b) hereof, and (iii) moneys in the Rebate Fund, all moneys described in the preceding sentence held by the Trustee or any Paying Agent shall be subject to the provisions hereof while so held.

Section 5.05. Creation of Rebate Fund. There is created by the Issuer and ordered maintained as a separate deposit account in the custody of the Trustee a fund to be designated “City of Franklin - The Franklin United Methodist Home, Inc. Rebate Fund.” Notwithstanding any provision contained in this Indenture, the amounts credited to the Rebate Fund shall be free and clear of any lien during the term of this Indenture.

The Borrower shall calculate, within 30 days after the end of each 5th Bond Year for the Bonds and within 30 days after payment in full of all outstanding Bonds, the Rebate Amount as of the end of that Bond Year or the date of such payment in full. The Borrower shall notify the Trustee in writing of the Rebate Amount. If the amount then on deposit in the account in the Rebate Fund is in excess of the Rebate Amount (less the Rebate Amounts, if any, previously paid to the United States pursuant to this Section), the Trustee shall forthwith pay that excess amount to the Borrower. If the amount then on deposit in the applicable account in the Rebate Fund is less than the Rebate Amount (less the Rebate Amounts, if any, previously paid to the United States pursuant to this Section), the Borrower shall, within 5 days, pay to the Trustee for deposit in the Rebate Fund an amount sufficient to cause the applicable account in the Rebate Fund to contain an amount equal to the Rebate Amount (less the Rebate Amounts, if any, previously paid

to the United States pursuant to this Section). Within 45 days after the end of the 5th Bond Year and every 5th Bond Year thereafter, the Trustee, acting on behalf of the Issuer and at the written direction of the Borrower, shall pay to the United States in accordance with Section 148(f) of the Code from the moneys then on deposit in the applicable account in the Rebate Fund an amount equal to 90% (or such greater percentage not in excess of 100% as the Borrower may direct the Trustee to pay) of the Rebate Amount as of the end of such 5th Bond Year (less the Rebate Amounts, if any, previously paid to the United States pursuant to this Section). Within 60 days after the payment in full of all outstanding Bonds, the Trustee, at the written direction of the Borrower, shall pay to the United States in accordance with Section 148(f) of the Code from the moneys then on deposit in the applicable account in the Rebate Fund an amount equal to 100% of the Rebate Amount as of the date of such payment (less the Rebate Amounts, if any, previously paid to the United States pursuant to this Section). Any moneys remaining in the applicable account in the Rebate Fund following such payment shall be paid to the Borrower. All computations of Rebate Amounts pursuant to this Section and Section 3.8 of the Agreement shall treat the amount or amounts, if any, previously paid to the United States pursuant to this Section and Section 3.8 of the Agreement as amounts on deposit in the Rebate Fund.

If all the gross proceeds of the Bonds, within the meaning of Section 148(f) of the Code (other than gross proceeds in a bona fide debt service fund within the meaning of Section 148 of the Code), are expended for the governmental purpose for which the Bonds were issued so as to meet the exceptions to the rebate requirements set forth in Section 148(f)(4)(B) of the Code (6-month exception) or in Treasury Regulations §1.148-7(d) (18-month exception) as further described in the Tax Compliance Agreement, the provisions of this Section 5.06 and Section 3.8 of the Agreement shall be deemed as met.

The procedures provided in this Section may be modified to the extent necessary to comply with relevant regulations, temporary regulations and proposed regulations under Section 148 of the Code, as determined in an opinion of nationally recognized bond counsel delivered to the Trustee.

Section 5.06. Repayment to the Borrower or the Credit Facility Issuer from Amounts Remaining in the Bond Fund. Any amounts remaining in the Bond Fund (i) after all of the outstanding Bonds shall be deemed paid and discharged under the provisions of this Indenture, and (ii) after payment of all fees, charges and expenses of the Trustee, the Registrar and any Paying Agents or Authenticating Agents and of all other amounts required to be paid under this Indenture and the Agreement, shall be paid to the Credit Facility Issuer, if any, as provided in Section 8.2 of the Agreement to the extent that those amounts are in excess of those necessary to effect the payment and discharge of the outstanding Bonds and otherwise shall be paid to the Borrower; provided, however, that notwithstanding any provision to the contrary in this Indenture or elsewhere, any moneys in the Credit Facility Account, the Defeasance Account, the Remarketing Proceeds Account or the Redemption Premium Account may not be paid to the Borrower; and provided, further, that any amounts which were deposited in the Redemption Premium Account of the Bond Fund for the purpose of causing such amounts to constitute Available Moneys and which remain after all of the Outstanding Bonds shall be deemed paid and discharged under this Indenture, shall be retained by the Trustee and shall not be paid to or for the benefit of the Borrower, who shall have no right to take or control such amounts.

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ARTICLE VI

Credit Facilities

Section 6.01. Credit Facility. The Borrower shall, upon Conversion to an Interest Rate Mode, other than an Adjusted LIBOR Rate, provide a Credit Facility to the Trustee. The Credit Facility shall provide for direct payments to or upon the order of the Trustee as hereinafter set forth and shall be the irrevocable obligation of the Credit Facility Issuer to pay to or upon the order of the Trustee, upon request and in accordance with the terms thereof, up to (a) an amount equal to the principal amount of the Bonds (i) to pay the principal of the Bonds when due whether at stated maturity, upon redemption or acceleration or (ii) to enable the Tender Agent to pay the purchase price or portion of the purchase price equal to the principal amount of Bonds purchased pursuant to Section 3.01 to the extent remarketing proceeds are not available for such purpose, plus (b) an amount equal to 98 days' interest accrued on the Bonds if the Bonds will bear interest at a Weekly Rate after the Conversion, or 183 days' interest accrued on the Bonds if the Bonds will bear interest at a Semi-Annual Rate or Long-Term Rate after the Conversion, at the maximum rate per annum specified in such Credit Facility (i) to pay interest on the Bonds when due or (ii) to enable the Tender Agent to pay the portion of the purchase price of the Bonds purchased pursuant to Section 3.01 equal to the interest accrued, if any, on such Bonds to the extent remarketing proceeds are not available for such purpose. The Credit Facility shall not expire prior to the first par redemption date plus 15 days (or the first redemption date plus 15 days if the Credit Facility covers redemption premium). On or before the date of delivery of a Credit Facility to the Trustee, the Borrower shall provide the Trustee with (a) an opinion of Counsel stating that the delivery of such Credit Facility to the Trustee is authorized under this Indenture and complies with the terms hereof, (b) an opinion of counsel to the issuer or provider of such Credit Facility stating that such Credit Facility is a legal, valid and binding obligation of such issuer or obligor that is enforceable against such issuer or provider in accordance with its terms, and (c) an opinion of counsel that the delivery of such Credit Facility shall not adversely affect the exclusion of interest on the Bonds for federal income tax purposes.

The Credit Facility shall provide that if, in accordance with the terms of the Indenture, the Bonds shall become immediately due and payable pursuant to any provision of the Indenture, the Trustee shall be entitled to draw on the Credit Facility to the extent of the aggregate principal amount of the Bonds then Outstanding plus, to the extent available under the Credit Facility, an amount sufficient to pay interest on all Outstanding Bonds, less amounts for which the Credit Facility shall not have been reinstated.

Section 6.02. Expiration. If at any time there shall cease to be any Bonds Outstanding hereunder, the Trustee shall promptly surrender the current Credit Facility to the Credit Facility Issuer for cancellation. The Trustee shall comply with the procedures set forth in the Credit Facility relating to the termination thereof.

Section 6.03. Alternate Credit Facilities. When a Credit Facility is in effect, the Borrower may, at its option, provide for the delivery to the Trustee of an Alternate Credit Facility which, if the Interest Rate Mode is the Long-Term Rate, shall be a Qualified Alternate

Credit Facility. Such Alternate Credit Facility shall have a term of not less than one year and set forth a maximum interest rate on the Bonds with respect to which drawings may be made. The Borrower shall give the Trustee an irrevocable written notice of its intention to replace the then current Credit Facility with an Alternate Credit Facility at least 35 days before the date of delivery of such Alternate Credit Facility stated in such notice. The date of delivery of the Alternate Credit Facility must be an Interest Payment Date that precedes by at least fifteen (15) days the stated expiration date of the then current Credit Facility. On or before the date of delivery of an Alternate Credit Facility to the Trustee, the Borrower shall provide the Trustee with (a) an opinion of Counsel stating that the delivery of such Alternate Credit Facility to the Trustee is authorized under this Indenture and complies with the terms hereof, (b) an opinion of counsel to the issuer or provider of such Alternate Credit Facility stating that such Credit Facility is a legal, valid and binding obligation of such issuer or obligor that is enforceable against such issuer or provider in accordance with its terms, (c) an opinion of counsel that the delivery of such Alternate Credit Facility shall not adversely affect the exclusion of interest on the Bonds for federal income tax purposes and (d) if the stated amount of the Alternate Credit Facility is increased over that of the Credit Facility being replaced, an opinion of Counsel stating that payments of principal and interest on the Bonds from funds drawn on such Credit Facility will not constitute avoidable preferences with respect to the subsequent bankruptcy of the Issuer or the Borrower under the Bankruptcy Code.

The Trustee shall then accept such Alternate Credit Facility and surrender the previously held Credit Facility, if any, to the previous Credit Facility Issuer for cancellation promptly on or after the 5th Business Day after the Alternate Credit Facility becomes effective, but not earlier than the 5th Business Day following the last Interest Payment Date covered by the Credit Facility to be cancelled. If the Trustee is required hereunder to draw upon a Credit Facility in connection with a purchase, or to pay Bond Service Charges, on the date of delivery of an Alternate Credit Facility, the Trustee shall draw upon the then current Credit Facility, not the Alternate Credit Facility which has been delivered. Each Alternate Credit Facility shall have a term of not less than 1 year.

Section 6.04. Notices of Expiration and/or Replacement of Credit Facility.

(a) The Trustee shall notify the Bondholders and the Rating Service of the expiration of the term of the Credit Facility (whether by expiration according to its terms or upon delivery of an Alternate Credit Facility) which will subject the Bonds to mandatory purchase in accordance with Section 3.01(b) by first class mail delivered to each Bondholder's registered address at least 30 days but not more than 60 days before any Purchase Date resulting from such expiration. The notice will state (i) that the Credit Facility is expiring according to its terms or will expire upon delivery of an Alternate Credit Facility, and (ii) the Purchase Date for the Bonds.

(b) The Trustee shall notify the Bondholders and the Rating Service of the replacement of a Credit Facility with any Qualifying Alternate Credit Facility which will not subject the Bonds to mandatory purchase in accordance with Section 3.01(b)(iii) by first class mail delivered to each Bondholder's registered address at least 30 days but not more than 60 days prior to the effective date of such replacement.

ARTICLE VII

Investment or Deposit of Moneys

Section 7.01. Deposits. All moneys received by the Trustee under this Indenture shall be held by the Trustee as secured party for the benefit of the Bondholders and the Credit Facility Issuer, if any, until or unless invested or deposited as provided in Section 5.03. All deposits with the Trustee shall be secured as required by applicable law for such trust deposits. The Trustee may deposit such moneys with any other depository which is authorized to receive them and is subject to supervision by public banking authorities.

Section 7.02. Project Fund and Bond Fund as Deposit Accounts or Securities Accounts. All money and investments in, or investments of monies in, the Project Fund and in the Bond Fund shall be maintained at all times in separate account. For purposes of the Uniform Commercial Code as in effect in Indiana, the Trustee shall at all times maintain each of the Project Fund and the Bond Fund as a “securities account” or a “deposit account” (as the case may be) in the “control” of the Trustee consistent with the Indenture and the Trustee, or any department or division of the Trustee, shall act as the “securities intermediary” as to such securities account or shall by the depository bank with respect to any deposit account. The Trustee hereby agrees that, as securities intermediary, it (i) will treat all property in the securities accounts as “financial assets” and (ii) will not enter into any security, custody, account control, or other agreement under which it agrees to comply with “entitlement orders” originated from any other party with respect to money and investments in the Project Fund and the Bond Fund other than with the Bank, if the Bank is the registered owner of the Bonds, and the Credit Facility Issuer, if any. The financial assets in the Project Fund and the Bond Fund will not be subject to deduction, lien set-off, banker’s lien, or any other right in favor of any person other than (i) the Trustee under this Indenture for the benefit of the Bondholders, the Credit Facility Issuer, if any, and itself (including for any ordinary fees and charges in connection with maintaining such securities accounts), and (ii) the Credit Facility Issuer, if any, under other agreements with the Trustee and/or the Borrower. The Trustee shall at all times cause all deposits, accounts, subaccounts, funds and investments to be held in its name as Trustee hereunder so as to establish “control” required for purposes of perfection under the Uniform Commercial Code as in effect in the State of Indiana from time to time. For purposes of this Indenture, the terms “control,” “financial assets,” “entitlement order,” “securities account,” and “securities intermediary” shall have the meaning ascribed to them in the Uniform Commercial Code as in effect in Indiana from time to time, and perfection and priority shall be governed by applicable Indiana law.

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ARTICLE VIII

Redemption of Bonds

Section 8.01. Redemption Dates and Prices. The Bonds shall be subject to redemption prior to maturity in the amounts, at the times and in the manner provided in this Article VIII. Payments of the redemption price of any Bond shall be made in immediately available funds on the redemption date and, except as otherwise provided in Section 2.08 hereof, only upon the surrender to the Paying Agent of any Bond so redeemed.

(a) Whenever the Interest Rate Mode for the Bonds is the Weekly Rate or the Semi-Annual Rate, the Bonds shall be subject to redemption at the option of the Issuer, upon the direction of the Borrower, in whole on any date or in part on any Interest Payment Date, at a redemption price of 100% of the principal amount thereof plus the accrued interest thereon to the date of redemption.

(b) Whenever the Interest Rate Mode for the Bonds is the Adjusted LIBOR Rate, the Bonds shall be subject to redemption at the option of the Issuer, upon the direction of the Borrower, in whole or in part on any date, at a redemption price of 100% of the principal amount thereof plus the accrued interest thereon to the date of redemption, which redemption price shall be paid in accordance with Section 2.08 hereof and Section 4.1 of the Agreement.

(c) Whenever the Interest Rate Mode for the Bonds is the Long-Term Rate, the Bonds shall be subject to redemption prior to the end of the then current Long-Term Rate Period at the option of the Issuer, upon the direction of the Borrower, at any time during the redemption periods and at the redemption prices set forth below, plus interest accrued to the redemption date (which redemption price and accrued interest shall be paid only from Available Moneys):

- (i) If the duration of the Long-Term Rate Period is five years or less, Bonds shall not be eligible for optional redemption at any time during the Long-Term Rate Period.
- (ii) If the duration of the Long-Term Rate Period is greater than five years, Bonds may be optionally redeemed, with the redemption period beginning on that date which marks the expiration of one-half (1/2) of the Long-Term Rate Period, or, if such day is not a Business Day, the next succeeding Business Day. The redemption price, expressed as a percentage of principal amount, shall be 102%, declining by 1% on each succeeding anniversary of the first day of the redemption period until reaching 100% and thereafter 100%.

If, at the time of the Issuer's notice of Conversion of the Interest Rate Mode for the Bonds to the Long-Term Rate pursuant to Section 2.02(e), the Issuer provides a certification of the Remarketing Agent to the Trustee and the Issuer that the foregoing schedule is not consistent with prevailing market conditions, the foregoing redemption periods and redemption prices may be revised, effective as of the Conversion Date, as determined by the Remarketing Agent in its judgment, taking into account the then prevailing market conditions, as stipulated in such certification, which shall be appended by the Trustee to its counterpart of this Indenture.

(d) Extraordinary Optional Redemption During Long-Term Rate Period. Whenever the Interest Rate Mode for the Bonds is a Long-Term Rate, the Bonds shall be subject to redemption by the Issuer, upon the direction of the Borrower, at any time in whole, at a redemption price of 100% of the principal amount thereof, without premium, plus accrued interest to the redemption date upon occurrence of any of the events described in Section 6.2 of the Agreement. Any such redemption shall be made not more than 1 year from the date of such determination by the Borrower.

(e) Mandatory Redemption Upon a Determination of Taxability. Upon the occurrence of a Determination of Taxability, the Bonds are subject to mandatory redemption in whole by the Issuer from the proceeds of the Borrower paying advance Loan Payments pursuant to Sections 4.1 and 6.3 of the Agreement at a redemption price equal to one hundred percent (100%) of the outstanding principal amount thereof, plus interest accrued to the redemption date, at the earliest practicable date selected by the Trustee, after consultation with the Borrower, but in no event later than 90 days following the Trustee's being notified of or otherwise becoming aware of a Determination of Taxability.

(f) Redemption Premium. Any premium payable on redemption may be paid only from moneys satisfying the requirements of Section 5.01(c)(iii). The Borrower may call any Bonds for redemption pursuant to this subsection (e) which would require a payment of a premium only if the Trustee can draw under a Credit Facility and has in the Redemption Premium Account moneys that satisfy the requirements of Section 5.01(c)(iii), which together constitute an aggregate amount sufficient to pay such premium and the principal of and interest on the Bonds so called to the date of redemption.

Section 8.02. Issuer Direction of Optional Redemption. The Trustee shall call the Bonds for optional redemption when and only when it shall have been notified by the Issuer to do so, at the direction of the Borrower, or by written notice from the Borrower to the Trustee and the Bank on behalf of the Issuer. So long as a Credit Facility is then held by the Trustee, the Trustee shall only call Bonds for optional redemption if it has Available Moneys in the Redemption Premium Account of the Bond Fund or will receive Available Moneys from the proceeds of refunding bonds or from drawings under a Credit Facility, in the aggregate, sufficient to pay the redemption price of the Bonds to be called for redemption, plus accrued interest thereon. Notice of any optional redemption shall specify the principal amount of Bonds to be redeemed and the redemption date. The Issuer will give notice to the Trustee at least 5 days prior to the day on which the Trustee is required to give notice of such optional redemption to the Bondholders.

Section 8.03. Mandatory Sinking Fund Requirements.

(a) The Issuer shall redeem the Bonds prior to maturity in part by lot, as selected by the Trustee, on December 1, in the years set forth below and in the respective principal amounts listed opposite each such year, at a redemption price equal to 100% of the principal amount thereof, plus interest accrued thereon from the most recent Interest Payment Date to the date fixed for redemption:

<u>Date of Redemption</u>	<u>Principal Amount to be Redeemed</u>
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*Final maturity.

(b) The principal amount of Bonds so to be redeemed in any year shall be reduced, upon written request of the Borrower, by an amount equal to the principal amount of the Bonds of the same maturity as those subject to mandatory redemption: (i) surrendered uncanceled and in transferable form by the Borrower to the Trustee not less than 30 days prior to such redemption date, or (ii) redeemed (not less than 30 days prior to such redemption date) in or prior to such year pursuant to Section 8.01, if, in each case, such Bonds shall not have previously served as the basis for any such reduction.

Section 8.04. Selection of Bonds to be Called for Redemption. Except as otherwise provided herein or in the Bonds, if less than all the Bonds are to be redeemed, the particular Bonds to be called for redemption shall be selected by any method determined by the Trustee to be fair and reasonable; provided, however, that in connection with any redemption of Bonds the Trustee shall first select for redemption any Bonds held pursuant to Section 3.05 prior to any selection by lot. The Trustee shall treat any Bond of a denomination greater than \$5,000 as representing that number of separate Bonds each of the denomination of \$5,000 as can be obtained by dividing the actual principal amount of such Bond by \$5,000; provided that at any time, no \$5,000 portion of a Bond shall be redeemed if it results in the unredeemed portion of the Bond being less than \$100,000.

Section 8.05. Notice of Redemption.

(a) When required to redeem Bonds under any provision of this Article VIII, or when directed to do so by the Issuer or the Borrower on behalf of the Issuer, the Trustee shall cause notice of the redemption to be given by first class mail, postage prepaid, to all registered owners of Bonds to be redeemed at their registered addresses not more than 60 and not fewer than 30 days prior to the redemption date. Failure to mail any such notice or defect in the mailing thereof in respect of any Bond shall not affect the validity of the redemption of any other Bond. Notices of such redemptions shall also be mailed to the Remarketing Agent, if any, the Tender Agent and the Credit Facility Issuer, if any, (and the Rating Service, if the Bonds are then rated by a Rating Service). Any such notice shall be given in the name of the Borrower, shall identify the Bonds to be redeemed (and, in the case of partial redemption of any Bonds, the respective principal amounts thereof to be redeemed), shall specify the redemption date and the redemption price and when any interest accrued to the redemption date will be payable, and shall state that on the redemption date the redemption price of the Bonds called for redemption will be payable and from that date interest will cease to accrue. The Trustee shall at all reasonable times make available to any interested party complete information as to Bonds which have been redeemed or called for redemption. The payment of the redemption price of the Bonds called for redemption

shall be made in the same manner as the payment of principal of and interest on the Bonds as provided in Section 2.08 of this Indenture.

(b) If at the time of mailing of notice of any optional redemption in connection with a refunding of the Bonds the Borrower shall not have deposited with the Trustee moneys sufficient to redeem all the Bonds called for redemption, such notice may state that it is conditional in that it is subject to the deposit of the proceeds of refunding notes with the Trustee not later than the redemption date, and such notice and such optional redemption shall be of no effect unless such moneys are so deposited.

(c) Notice of any redemption hereunder with respect to Bonds held under a book entry system shall be given by the Registrar or the Trustee only to the Depository, or its nominee, as the holder of such Bonds. Selection of book entry interests in the Bonds called for redemption is the responsibility of the Depository and any failure of any Direct Participant, Indirect Participant or Beneficial Owner to receive such notice and its contents or effect will not affect the validity of such notice or any proceedings for the redemption of such Bonds.

Section 8.06. Bonds Redeemed in Part. While the Bonds are held in the custody of Bondholder, any Bond which is to be redeemed only in part may be surrendered at a place stated for the surrender of Bonds called for redemption in the notice provided for in Section 8.05 (with due endorsement by, or a written instrument of transfer in form satisfactory to the Trustee duly executed by, the owner thereof or his attorney duly authorized in writing) and the Issuer may execute and the Trustee may authenticate and deliver to the owner of such Bond without service charge, a new Bond or Bonds, of any authorized denomination as requested by such owner in aggregate principal amount equal to and in exchange for the unredeemed portion of the principal of the Bond so surrendered, provided, however, that surrender of Bonds shall not be required to effectuate any redemption hereunder. In lieu of a physical surrender of the Bonds, the Bondholder shall note the redemption date, principal amount redeemed on such date and the current outstanding principal amount of Bonds on the Redemption Register attached to the Bond upon any redemption in part; provided, further, that failure to complete the Redemption Register shall not affect the validity of any partial redemption of the Bonds. While the Bonds are held by a Depository, if less than all of an outstanding Bond of one maturity in a book entry system is to be called for redemption, the Trustee shall give notice to the Depository or the nominee of the Depository that is the holder of such Bond, and the selection of the beneficial interests in that Bond to be redeemed shall be at the sole discretion of the Depository and its participants.

Section 8.07. Purchase in Lieu of Redemption. The Issuer and, by their acceptance of the Bonds, the Bondholders, irrevocably grant to the Borrower the option to purchase any Bond which is redeemable by optional redemption pursuant to Section 8.01 at a purchase price no less than the redemption price to be paid to Bondholders upon optional redemption. The Borrower may exercise such option by written request delivered to the Trustee and any Credit Facility Issuer within the time period specified in Section 8.05 as though such written request were a written request of the Issuer for redemption, and the Trustee shall thereupon give the owners of the Bonds to be purchased notice of such purchase in the manner specified in such Section as though such purchase were a redemption and the purchase of such Bonds shall be mandatory and enforceable against the Bondholders. On the date fixed for purchase pursuant to any exercise of such option, the purchase price of the Bonds then being purchased shall be paid to the

Bondholders by the Trustee from moneys drawn under the Credit Facility, if any, and otherwise from immediately available funds provided by the Borrower, and the Trustee shall pay the same to the Bondholders of such Bonds against delivery. Following such purchase, the Trustee shall cause such Bonds to be registered in the name of the Borrower or its nominee and shall deliver them to the Borrower or its nominee or, in the event the Credit Facility Issuer has not been reimbursed for the draw on the Credit Facility, the Trustee shall cause the Bonds to be registered in the name of the Credit Facility Issuer or its nominee and shall deliver them to the Credit Facility Issuer or its nominee. In the case of the purchase of less than all of the Bonds, the particular Bonds to be purchased shall be selected in accordance with the provisions of the Indenture as though such purchase were a redemption; or in such other manner as the Borrower shall direct, provided such selection method is described in the written request to the Trustee. No purchase of Bonds pursuant to this paragraph shall operate to extinguish the indebtedness evidenced by the purchased Bonds.

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ARTICLE IX

Covenants and Agreements of the Issuer

Section 9.01. Covenants and Agreements of the Issuer. In addition to any other covenants and agreements of the Issuer contained in this Indenture or the Bond Legislation, the Issuer further covenants and agrees with the Bondholders and the Trustee as follows:

(a) Payment of Bond Service Charges. The Issuer will cause to be paid all Bond Service Charges solely from the Revenues as provided herein, on the dates, at the places and in the manner provided in this Indenture. The Issuer and any of its officials, officers or employees shall have no monetary liability arising out of the obligations of the Issuer hereunder or in connection with any covenant, representation or warranty made by the Issuer herein, and neither the Issuer nor its officials shall be obligated to pay any amounts in connection with the transactions contemplated hereby other than from Revenues or other moneys received from the Borrower.

(b) Revenues and Assignment of Revenues. The Issuer will not pledge, assign or grant a security interest in the Revenues or create or authorize to be created any debt, lien or charge thereon, other than the pledge and assignment thereof and grant of a security interest therein under this Indenture.

(c) Recordings and Filings. At the expense of the Borrower, the Issuer will reasonably cooperate with the Borrower in order for the Borrower to perform its obligation to cause this Indenture, and any related instruments or documents relating to the assignment made and security interest granted by it under this Indenture to secure the Bonds, to be recorded and filed in the manner and in the places which may be required by law in order to preserve and protect fully the security of the Bondholders and the rights of the Trustee hereunder. The Trustee shall be entitled to request and receive from the Borrower, no less frequently than each fifth (5th) anniversary of the date of issuance of the Bonds, an opinion of counsel, addressed to the Trustee, stating that all such necessary recordings or filings have been completed at the Borrower's expense. The Issuer is not responsible for the preparation, filing or recording any instrument, document or financing statement or for the maintenance of any security interest intended to be perfected thereby. Upon request by the Borrower, the Issuer will execute such instruments in connection with such filing or recording.

(d) Inspection of Project Books. All books, instruments and documents in the Issuer's possession directly relating to the Project and the Revenues shall be open to inspection at all times during the Issuer's regular business hours by any accountants or other agents of the Trustee or the Credit Facility Issuer, if any, which the Trustee or the Credit Facility Issuer may designate from time to time.

(e) Register. At reasonable times and under reasonable regulations established by the Registrar, the Register may be inspected and copied by the Borrower, the Trustee, by Bondholders of 25% or more in principal amount of the Bonds then outstanding, or a designated representative thereof.

(f) Rights and Enforcement of the Agreement. The Trustee may enforce, in its name or in the name of the Issuer, all rights of the Issuer for and on behalf of the Bondholders, except for Unassigned Issuer's Rights, and may enforce all covenants, agreements and obligations of the Borrower under and pursuant to the Agreement, regardless of whether the Issuer is in default in the pursuit or enforcement of those rights, covenants, agreements or obligations. The Issuer, however, will do all things and take all actions on its part necessary to comply with covenants, agreements, obligations, duties and responsibilities on its part to be observed or performed under the Agreement, and will take all actions within its authority to keep the Agreement in effect in accordance with the terms thereof.

(g) Issuer Not to Adversely Affect Exclusion From Gross Income of Interest on the Bonds. The Issuer covenants that it (i) will take, or require to be taken, all actions that may be required of the Issuer for the interest on the Bonds to be and remain excluded from gross income for federal income tax purposes and (ii) will not take or authorize to be taken any actions that would adversely affect that exclusion under the provisions of the Code.

Section 9.02. Observance and Performance of Covenants, Agreements, Authority and Actions. The Issuer will observe and perform faithfully at all times all covenants, agreements, authority, actions, undertakings, stipulations and provisions to be observed or performed on its part under the Agreement, this Indenture, the Bond Legislation and the Bonds which are executed, authenticated and delivered under this Indenture, and under all proceedings of its Legislative Authority pertaining thereto.

The Issuer represents and warrants that:

(a) It is duly authorized by the Constitution and laws of the State, including particularly and without limitation the Act, to issue the Bonds, to execute and deliver this Indenture and the Agreement and to provide the security for payment of the Bond Service Charges in the manner and to the extent set forth in this Indenture.

(b) All actions required on its part to be performed for the issuance, sale and delivery of the Bonds and for the execution and delivery of this Indenture and the Agreement have been or will be taken duly and effectively.

(c) The Bonds will be valid and enforceable special obligations of the Issuer according to their terms.

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ARTICLE X

Events of Default and Remedies

Section 10.01. Events of Default Defined. Each of the following shall be an “Event of Default” hereunder:

(a) Payment of the principal or redemption price of any Bond is not made when it becomes due and payable hereunder at maturity or upon call for redemption; or

(b) Payment of any interest on any Bond is not made when it becomes due and payable hereunder; or

(c) If no Credit Facility is then held by the Trustee, failure by the Issuer to observe and perform any covenant, condition or agreement on its part to be observed or performed hereunder, other than any such failure which results in an Event of Default under Section 10.01(a), (b) or (f) of this Indenture, for a period of 30 days after written notice of such failure requesting such failure to be remedied, given to the Issuer and the Borrower by the Trustee, unless the Trustee shall agree in writing to an extension of such time prior to its expiration, which notice may be given by the Trustee in its discretion and shall be given by the Trustee at the written request of the Bondholders of not less than 25 percent in aggregate principal amount of Bonds then outstanding; or

(d) If Trustee receives notice from the Bank, if the Bank is the registered owner of the Bonds, that an Event of Default under the Bondowner Agreement has occurred and is continuing and the Trustee is to accelerate the maturity of the Bonds; or

(e) The Trustee receives notice from the Credit Facility Issuer, if any, of the Credit Facility then held by the Trustee that an Event of Default under the Reimbursement Agreement has occurred and is continuing and the Trustee is to accelerate the maturity of the Bonds; or

(f) If payment of the purchase price of any Bond required to be purchased pursuant to Section 3.01 is not made when such payment becomes due and payable hereunder; or

(g) If a Credit Facility is then held by the Trustee, the Credit Facility Issuer fails to honor any proper drawing under the Credit Facility; or

(h) If a Credit Facility is then held by the Trustee, a decree or order of a court or agency or supervisory authority, having jurisdiction in the premises for the appointment of a conservator or receiver or liquidator in any insolvency, readjustment of debt, marshalling or assets and liabilities or similar proceeding, or for the winding-up or liquidation of its affairs, shall have been entered against the Credit Facility Issuer or the Credit Facility Issuer shall have consented to the appointment of a conservator or receiver or liquidator in any insolvency, readjustment of debt, marshalling of assets and liabilities or similar proceedings of or relating to the Credit Facility Issuer or of or relating to all or substantially all of its property and the lapse of 60 days during which an Alternate Credit Facility complying with the terms hereof has not been delivered to the Trustee; or

(i) The occurrence and continuance of an Event of Default as defined in Section 7.1 of the Agreement.

Section 10.02. Acceleration and Annulment Thereof. If any Event of Default under Section 10.01(e) or Section 10.01(h) occurs, then the Trustee shall immediately declare the principal of all Bonds then Outstanding immediately due and payable; and upon such declaration the said principal, together with interest accrued thereon to the date of acceleration (which date shall be within the period for which an interest drawing sufficient to pay the interest accrued on the Bonds to such date is available under the Credit Facility, if any, but in any event within ten (10) calendar days from the date of such declaration), shall become immediately due and payable at the place of payment provided in such declaration without notice, declaration, or demand, anything in this Indenture or in the Bonds to the contrary notwithstanding. If any Event of Default under Section 10.01(d) occurs, then either, at the direction of the Bank (i) the Trustee shall immediately declare the principal of all Bonds then Outstanding immediately due and payable, and upon such declaration the said principal, together with interest accrued thereon to the date of acceleration, shall become immediately due and payable at the place of payment provided in such declaration without notice, declaration, or demand, anything in this Indenture or in the Bonds to the contrary notwithstanding, or (ii) the Bank shall exercise its option to demand the purchase of the Bonds pursuant to Section 3.01(a)(v) hereof. If any other Event of Default occurs and is continuing, the Trustee may, and upon request of the owners of 25% in principal amount of all Bonds then Outstanding shall, by notice in writing to the Issuer and the Borrower, declare the principal of all Bonds then Outstanding to be immediately due and payable; and upon such declaration the said principal, together with interest accrued thereon to the date of payment (which date shall be within the period for which an interest drawing sufficient to pay the interest accrued on the Bonds is available under the Credit Facility but in any event within ten (10) calendar days from the date of such declaration), shall become due and payable immediately at the place of payment provided therein, anything in the Indenture or in the Bonds to the contrary notwithstanding. Upon the occurrence of any acceleration hereunder, the Trustee shall immediately exercise such rights as it may have under (i) this Indenture to declare all payments hereunder and under the Bonds to be due and payable immediately and (ii) under the Agreement to declare all payments thereunder to be due and payable immediately, and to the extent it has not already done so, shall immediately draw upon the Credit Facility, if any, to the extent permitted by the terms thereof.

Immediately after any acceleration hereunder, the Trustee, to the extent it has not already done so, shall notify in writing the Issuer, the Borrower, the Credit Facility Issuer, the Tender Agent, the Remarketing Agent and the Rating Service of the occurrence of such acceleration. Within 5 days of the occurrence of any declaration of acceleration hereunder, the Trustee shall notify by first class mail, postage prepaid, the owners of all Bonds Outstanding of the occurrence of such acceleration.

If, after the principal of the Bonds has become due and payable, all arrears of interest upon the Bonds are paid by the Borrower, and the Borrower also performs all other things in respect to which it may have been in default hereunder and pays the reasonable charges of the Trustee and the Bondholders, including reasonable attorneys' fees, then, and in every such case, the owners of a majority in principal amount of the Bonds then Outstanding, by notice to the Borrower and to the Trustee, may annul such acceleration and its consequences, and such

annulment shall be binding upon the Trustee and upon all owners of Bonds issued hereunder; provided, however, that the Trustee shall not annul any declaration resulting from (i) an Event of Default specified in Section 10.01(e) without the prior written consent of the Credit Facility Issuer, (ii) an Event of Default specified in Section 10.01(d) without the prior written consent of the Bank or (iii) any Event of Default which has resulted in a drawing under the Credit Facility unless the Trustee has received written confirmation from the Credit Facility Issuer that the Credit Facility has been reinstated to an amount equal to the amount thereof prior to such drawing. No such annulment shall extend to or affect any subsequent default or impair any right or remedy consequent thereon. The Trustee shall forward a copy of any notice from Bondholders received by it pursuant to this paragraph to the Borrower and to the Credit Facility Issuer. Immediately upon such annulment, the Trustee shall cancel, by notice to the Issuer, the Borrower and to the Credit Facility Issuer, any demand for acceleration of payments hereunder and under the Bonds made by the Trustee pursuant to this Section 10.02. The Trustee shall promptly give written notice of such annulment to the Issuer, the Borrower, the Credit Facility Issuer, the Tender Agent, the Remarketing Agent, and, if notice of the acceleration of the Bonds shall have been given to the Bondholders, shall give notice thereof to the Bondholders.

Section 10.03. Other Remedies. If any Event of Default occurs and is continuing, the Trustee, before or after the principal of the Bonds becomes immediately due and payable, may enforce each and every right granted to it under this Indenture and under any supplements or amendments hereto or the Agreement. In exercising such rights, the Trustee shall take such action as, in the judgment of the Trustee applying the standards described in Section 11.06, would best serve the interests of the Bondholders.

As assignee of the Agreement (except for the Unassigned Issuer's Rights), the Trustee is empowered to enforce each remedy, right and power granted to the Issuer under the Agreement. In exercising any remedy, right or power thereunder or hereunder, the Trustee shall take any action which would best serve the interests of the Bondholders in the judgment of the Trustee.

Section 10.04. Legal Proceedings by Trustee. If any Event of Default has occurred and is continuing, the Trustee in its discretion may, and upon the written request of the owners of 25% in principal amount of all Bonds then Outstanding and receipt of indemnity to its satisfaction shall, in its own name:

- A. By mandamus, or other suit, action or proceeding at law or in equity, enforce all rights of the Bondholders;
- B. Bring suit upon the Bonds or the Credit Facility, if any;
- C. By action or suit in equity require the Borrower to account as if it were the trustee of an express trust for the Bondholders; and
- D. By action or suit in equity enjoin any acts or things which may be unlawful or in violation of the rights of the Bondholders.

Section 10.05. Discontinuance of Proceedings by Trustee. If any proceeding commenced by the Trustee on account of any default is discontinued or is determined adversely to the Trustee, then the Borrower, the Credit Facility Issuer, if any, the Trustee and the

Bondholders shall be restored to their former positions and rights hereunder as though no such proceedings had been commenced.

Section 10.06. Bondholders May Direct Proceedings. The owners of a majority in principal amount of the Bonds Outstanding shall have the right, after furnishing indemnity satisfactory to the Trustee, to direct the method and place of conducting all remedial proceedings by the Trustee hereunder, provided that such direction shall not be in conflict with any rule of law or with this Indenture or unduly prejudice the rights of minority Bondholders.

Section 10.07. Limitations on Actions by Bondholders; Rights of Credit Facility Issuer. No Bondholder shall have any right to bring suit on the Credit Facility. No Bondholder shall have any right to pursue any other remedy hereunder unless:

- (a) the Trustee shall have been given written notice of an Event of Default,
- (b) the owners of at least 25% in principal amount of all Bonds then Outstanding shall have requested the Trustee, in writing, to exercise the powers hereinabove granted or to pursue such remedy in its or their name or names,
- (c) the Trustee shall have been offered indemnity satisfactory to it against costs, expenses and liabilities, except that no offer of indemnification shall be required for a declaration of acceleration under Section 10.02 or for a drawing under the Credit Facility, if any, and
- (d) the Trustee shall have failed to comply with such request within a reasonable time.

Notwithstanding anything contained herein to the contrary, so long as the Credit Facility Issuer is not in default of its obligations hereunder and under the Credit Facility, the Credit Facility Issuer and not the Bondholders shall be treated as the Owner of the Bonds entitled to the benefits of such Credit Facility for the purpose of any request, consent, vote or other action of Bondholder hereunder.

Section 10.08. Trustee May Enforce Rights Without Possession of Bonds. All rights under the Indenture and the Bonds may be enforced by the Trustee without the possession of any Bonds or the production thereof at the trial or other proceedings relative thereto, and any proceeding instituted by the Trustee shall be brought in its name for the ratable benefit of the owners of the Bonds.

Section 10.09. Remedies Not Exclusive. No remedy herein conferred is intended to be exclusive of any other remedy or remedies, and each remedy is in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute.

Section 10.10. Delays and Omissions Not to Impair Rights. No delays or omission in respect of exercising any right or power accruing upon any default shall impair such right or power or be a waiver of such default, and every remedy given by this Article X may be exercised from time to time and as often as may be deemed expedient.

Section 10.11. Application of Moneys in Event of Default. Any moneys received by the Trustee under this Article X shall be applied in the following order; provided that any moneys received by the Trustee from a drawing on the Credit Facility shall be applied to the extent permitted by the terms thereof only as provided in (B) below with respect to the principal of, and interest accrued on, Bonds other than Bonds held by the Borrower after purchase thereof pursuant to Section 3.04(a)(iii) and other than Bonds held pursuant to Section 3.05:

A. To the payment of the reasonable costs of the Trustee, including counsel fees, any disbursements of the Trustee with interest thereon at the rate of 12% per annum and its reasonable compensation; and

B. To the payment of principal or redemption price (as the case may be) and interest then owing on the Bonds, and in case such moneys shall be insufficient to pay the same in full, then to the payment of principal or redemption price and interest ratably, without preference or priority of one over another or of any installment of interest over any other installment of interest;

C. To the reimbursement of the Credit Facility Issuer for unreimbursed draws under the Credit Facility; and

D. To the payment of reasonable costs and expenses of the Bank or Credit Facility Issuer, including counsel fees, incurred in connection with the Event of Default.

The surplus, if any, shall be paid to the Borrower or the person lawfully entitled to receive the same as a court of competent jurisdiction may direct.

Section 10.12. Subrogation Rights of Credit Facility Issuer The Credit Facility Issuer shall be subrogated to the rights possessed under this Trust Indenture by the Bondholders to the extent the Credit Facility is drawn upon and the amount of such drawing is not subsequently reimbursed to the Credit Facility Issuer pursuant to the provisions of the Reimbursement Agreement. For purposes of the subrogation rights of the Credit Facility Issuer hereunder, (a) any reference to the Bondholders shall mean the Credit Facility Issuer, (b) any principal or interest on the Bonds paid with moneys collected pursuant to the Credit Facility shall be deemed to be unpaid hereunder, and (c) the Credit Facility Issuer may exercise any rights it would have as a Bondholder. The subrogation rights granted to the Credit Facility Issuer in this Trust Indenture are not intended to be exclusive of any other remedy or remedies available to the Credit Facility Issuer and such subrogation rights shall be cumulative and in addition to every other remedy given hereunder, under the Reimbursement Agreement or under any other agreement or instrument with respect to the reimbursement of moneys paid by the Credit Facility Issuer under the Credit Facility or with respect to security for the obligations of the Borrower under the Reimbursement Agreement, and every other remedy now or hereafter existing at law or in equity or by statute.

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ARTICLE XI

The Trustee

Section 11.01. Acceptance of Trust. The Trustee accepts and agrees to execute the trusts hereby created, but only upon the additional terms set forth in this Article, to all of which the parties hereto and the Bondholders agree.

Section 11.02. No Responsibility for Recitals, etc. The recitals, statements and representations in the Indenture or in the Bonds, save only the Trustee's Certificate of Authentication upon the Bonds, have been made by the Issuer and not by the Trustee; and the Trustee shall be under no responsibility for the correctness thereof, or for the validity, priority, recording or re-recording, filing or re-filing of this Indenture or the Agreement or any financing statements, amendments thereto or continuation statements, or for insuring the Project or collecting any insurance moneys, or for the validity of the execution by the Issuer of this Indenture or of any supplements thereto or instruments of further assurance, or for the validity or sufficiency of the security afforded by this Indenture or the Bonds issued hereunder or intended to be secured hereby, or as to the maintenance of the security hereof. The Trustee shall not be bound to ascertain or inquire as to the performance or observance of any covenants, conditions or agreements on the part of the Issuer or on the part of the Issuer hereunder, except as expressly provided herein or in the Agreement. Except as otherwise expressly provided herein, the Trustee shall have no obligation to perform any of the duties of the Issuer under the Agreement.

The Trustee shall not be accountable for the application of the proceeds of any Bonds authenticated or delivered hereunder which has been made by or on behalf of the Issuer or the Borrower.

The permissive right of the Trustee to do things enumerated in this Indenture shall not be construed as a duty.

Unless otherwise provided herein, all moneys received by the Trustee under this Indenture shall be held in trust for the purposes for which those moneys were received, until those moneys are used, applied or invested as provided herein; provided, that those moneys (other than such moneys as are required by the terms hereof to be deposited into the Credit Facility Account, Redemption Premium Account or Defeasance Account in the Bond Fund and proceeds received from the remarketing of the Bonds) need not be segregated from other moneys, except to the extent required by this Indenture or by law. The Trustee shall not have any liability for interest on any moneys received hereunder, except to the extent expressly provided herein or agreed with the Issuer or the Borrower.

Section 11.03. Trustee May Act Through Agents; Answerable Only for Willful Misconduct or Negligence. The Trustee may exercise any powers hereunder and perform any duties required of it through attorneys, agents, officers or employees, and shall be entitled to advice of Counsel concerning all questions hereunder. The Trustee shall not be answerable for the default or misconduct of any attorney or agent selected by it with reasonable care. Except as otherwise provided herein, the Trustee shall not be answerable for the exercise of any discretion

or power under the Indenture nor for anything whatsoever in connection with the trust hereunder, except only its own willful misconduct or negligence.

Section 11.04. Compensation and Indemnity. (a) The Borrower shall pay the Trustee reasonable compensation for its services hereunder, and also all its reasonable expenses and disbursements, including the reasonable fees and out-of-pocket expenses of counsel for the Trustee, as provided in the Agreement. If the Borrower shall have failed to make any such payment, the Trustee shall have, in addition to any other rights hereunder, a claim, prior to the Bondholders, for the payment of its compensation and indemnification and the reimbursement of its expenses and any advances made by it upon the moneys and obligations in the Bond Fund, except for moneys or obligations held by the Trustee for the payment of particular Bonds or the proceeds of any drawing under the Credit Facility.

(b) The Borrower agrees to indemnify the Trustee for and to hold the Trustee harmless against all liabilities, claims, costs, losses and expenses incurred without negligence or bad faith on the part of the Trustee on account of any action taken or omitted to be taken by the Trustee in accordance with the terms of this Indenture or the Bonds, or at the request of or with the consent of the Borrower, including, without limitation, the costs and expenses of the Trustee in defending itself against any action, claim or proceeding in connection with any of the foregoing.

Section 11.05. Notice of Default; Right to Investigate. The Trustee shall, within 10 days after the occurrence of an Event of Default, give written notice by first class mail to registered owners of Bonds and to the Issuer, the Borrower and the Remarketing Agent of all Defaults known to the Trustee, unless such Defaults have been remedied; provided that in the case of a Default under Section 10.01, the Trustee may withhold such notice so long as it in good faith determines that such withholding is in the interest of the Bondholders. The Trustee shall not be deemed to have notice of any Default under Section 10.01 (other than payment Defaults) unless notified in writing of such Default by the owners of at least 25% in principal amount of all Bonds then Outstanding, or by the Credit Facility Issuer. The Trustee may, however, at any time require of the Issuer, or the Borrower on behalf of the Issuer, full information as to the performance of any covenant hereunder; and, if information satisfactory to it is not forthcoming, the Trustee may make or cause to be made, at the expense of the Borrower, an investigation into the affairs of the Borrower related to this Indenture.

Section 11.06. Obligation to Act. Except during the continuance of an Event of Default, the Trustee undertakes to perform such duties and only such duties as are specifically set forth in this Indenture, and no implied covenants or obligations shall be read into this Indenture against the Trustee. If any Event of Default shall have occurred and be continuing, the Trustee shall exercise such of the rights and remedies vested in it by this Indenture and shall use the same degree of care in its exercise as a prudent person would exercise or use in the circumstances in the conduct of his own affairs. The Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Indenture at the request or direction of any of the Bondholders pursuant to this Indenture (other than the Trustee's obligation to draw under a Credit Facility, make payments when due to Bondholders from funds available under this Indenture and accelerate the Bonds when required by Article X of this Indenture) unless such

Bondholders shall have offered to the Trustee reasonable security or indemnity against the costs, expenses and liabilities which might be incurred in compliance with such request or direction.

Section 11.07. Reliance. The Trustee may act on any requisition, resolution, notice, telegram, request, consent, waiver, certificate, statement, affidavit, voucher, note, or other paper or document which it in good faith believes to be genuine and to have been passed or signed by the proper persons or to have been prepared and furnished pursuant to any of the provisions of the Indenture, including without limitation, any direction of the Tender Agent or the Remarketing Agent to draw on the Credit Facility; and the Trustee shall be under no duty to make any investigation as to any statement contained in any such instrument, but may accept the same as conclusive evidence of the accuracy of such statement.

Section 11.08. Trustee May Deal in Bonds. The Trustee may in good faith buy, sell, own, hold and deal in any of the Bonds and may join in any action which any Bondholders may be entitled to take with like effect as if the Trustee were not a party to this Indenture. The Trustee may also engage in or be interested in any financial or other transaction with the Issuer or the Borrower; provided that if the Trustee determines that any such relation is in conflict with its duties under this Indenture, it shall eliminate the conflict or resign as Trustee.

Section 11.09. Construction of Ambiguous Provisions. The Trustee may construe any ambiguous or inconsistent provisions of the Indenture, and any construction by the Trustee shall be binding upon the Bondholders.

Section 11.10. Resignation of Trustee. The Trustee may resign and be discharged of the trusts created by the Indenture by written resignation filed with the Issuer and the Borrower not fewer than 30 days before the date when it is to take effect; provided that notice of such resignation is mailed to the owners of the Bonds not fewer than three weeks prior to the date when the resignation is to take effect and that such resignation shall take effect only subsequent to the acceptance of the appointment by a successor trustee. The Borrower shall provide notice of the appointment of a successor trustee to the Rating Service.

Section 11.11. Removal of Trustee. Any Trustee hereunder may be removed at any time by an instrument appointing a successor to the Trustee so removed, executed by the owners of a majority in principal amount of the Bonds then Outstanding and filed with the Trustee, the Borrower and the Issuer.

The Trustee may also be removed at any time for any breach of trust or for acting or proceeding in violation of, or for failing to act or proceed in accordance with, any provision of this Indenture with respect to the duties and obligations of the Trustee by any court of competent jurisdiction upon the application of the Issuer or the owners of not less than 20 percent in aggregate principal amount of the Bonds Outstanding.

No removal shall take effect until a successor Trustee has accepted its appointment pursuant to Section 11.12 hereof. The Borrower shall provide notice of the appointment of a successor trustee to the Rating Service.

Section 11.12. Appointment of Successor Trustee. If the Trustee or any successor trustee resigns or is removed or dissolved, or if its property or business is taken under the control

of any state or federal court or administrative body, a vacancy shall forthwith exist in the office of the Trustee, and the Issuer, with the consent of the Bank, if the Bank is the Bondholder, and the Credit Facility Issuer, if any, which consent shall not be unreasonably withheld, shall appoint a successor and shall mail notice of such appointment to registered owners of the Bonds. The Borrower shall provide notice of the appointment of a successor trustee to the Rating Service. If the Issuer fails to make such appointment promptly, the owners of a majority in principal amount of the Bonds then Outstanding may do so.

If no appointment of a successor Trustee shall be made pursuant to the foregoing provisions of this Section 11.12, the holder of any Bond outstanding hereunder or any retiring Trustee may apply to any court of competent jurisdiction to appoint a successor Trustee. Such court may thereupon, after such notice, if any as such court may deem proper and prescribe, appoint a successor Trustee.

Section 11.13. Qualification of Successor. A successor trustee shall be a national banking association with trust powers or a bank and trust company or a trust company having capital and surplus of at least \$20,000,000 (or a combined capital and surplus in excess of \$5,000,000 and the obligations of which, whether now in existence or hereafter incurred, are fully guaranteed by a corporation organized and doing business under the laws of the United States, and State or Territory thereof or of the District of Columbia, that has a combined capital and surplus of at least \$50,000,000), if there be one able and willing to accept the trust on reasonable and customary terms.

Section 11.14. Instruments of Succession. Any successor trustee shall execute, acknowledge and deliver to the Issuer an instrument accepting such appointment hereunder; and thereupon such successor trustee, without any further act, deed or conveyance, shall become fully vested with all the estates, properties, rights, powers, trusts, duties and obligations of its predecessor in the trust hereunder, with like effect as if originally named Trustee herein. The Trustee ceasing to act hereunder shall pay over to the successor trustee all moneys held by it hereunder; and, upon request of the successor trustee, the Trustee ceasing to act and the Issuer shall execute and deliver an instrument transferring to the successor trustee all the estates, properties, rights, powers and trusts hereunder of the Trustee ceasing to act.

Section 11.15. Merger of Trustee. Any corporation into which any Trustee hereunder may be merged or with which it may be consolidated, or any corporation resulting from any merger or consolidation to which any Trustee hereunder shall be a party, shall be the successor trustee under the Indenture, without the execution or filing of any paper or any further act on the part of the parties hereto, anything herein to the contrary notwithstanding.

Section 11.16. Trustee Not Required to Expend or Risk Own Funds. No provision of this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

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ARTICLE XII

The Remarketing Agent and the Tender Agent

Section 12.01. The Remarketing Agent.

(a) Prior to a Conversion to an Interest Rate Mode other than an Adjusted LIBOR Rate, the Borrower shall enter into a Remarketing Agreement with the Remarketing Agent. The Remarketing Agent, by written instrument delivered to the Trustee, shall accept the duties and obligations imposed on it under this Indenture.

(b) In addition to the other obligations imposed on the Remarketing Agent hereunder, the Remarketing Agent shall agree to keep such books and records as shall be consistent with prudent industry practice and make such books and records available for inspection by the Issuer and the Trustee at all reasonable times.

(c) If at any time a Remarketing Agent is unable or unwilling to act as a Remarketing Agent, such Remarketing Agent, upon 60 days' prior written notice to the Issuer, the Trustee, the Tender Agent, the Borrower and any other Remarketing Agent, may resign. Any Remarketing Agent may be removed at any time by the Borrower, by written notice delivered to the Trustee and such Remarketing Agent. Upon resignation or removal of a Remarketing Agent, the Borrower shall either appoint a successor Remarketing Agent or authorize the remaining Remarketing Agent or Agents to act alone in such capacity, in which case all reference in this Indenture to the Remarketing Agent shall mean the remaining Remarketing Agent or Agents. If the remaining Remarketing Agent resigns or is removed, the Borrower shall appoint a substitute Remarketing Agent or Agents. The Borrower shall provide Immediate Notice of the appointment of a substitute Remarketing Agent or Agents to the Rating Service.

(d) In the event that the Borrower shall fail to appoint a successor Remarketing Agent or Agents, upon the resignation or removal of the remaining Remarketing Agents or upon its dissolution, insolvency or bankruptcy, the Trustee may either appoint a Remarketing Agent or Agents or itself act as Remarketing Agent until the appointment of a successor Remarketing Agent or Agents in accordance with this Section 12.01; provided, however, that the Trustee, in its capacity as Remarketing Agent, shall not be required to sell Bonds.

Section 12.02. The Tender Agent.

(a) The Tender Agent shall be The Huntington National Bank, having a corporate trust office in Indianapolis, Indiana. The Issuer shall appoint any successor Tender Agent for the Bonds, as necessary, subject to the conditions set forth in Section 12.02(b) hereof and shall provide notice of such appointment to the Rating Service. Any successor Tender Agent shall designate its Principal Office and signify its acceptance of the duties and obligations imposed upon it hereunder by a written instrument of acceptance delivered to the Trustee, the Issuer, the Bank, if the Bank is the Bondholder, and the Credit Facility Issuer in which the Tender Agent will agree, particularly:

(i) to hold all Bonds delivered to it pursuant to Section 3.01 hereof, as agent and bailee of, and in escrow for the benefit of, the respective owners thereof until moneys

representing the purchase price of such Bonds shall have been delivered to or for the account of or to the order of such owners;

(ii) to hold all moneys (without investment thereof) delivered to it hereunder for the purchase of Bonds pursuant to Section 3.01 hereof as agent and bailee of, and in escrow for the benefit of, the person or entity which shall have so delivered such moneys until the Bonds purchased with such moneys shall have been delivered to or for the account of such person or entity;

(iii) to hold Bonds for the account of the Issuer as contemplated by Section 3.04(a)(iii) hereof;

(iv) to hold Bonds purchased pursuant to Section 3.01 with moneys representing the proceeds of a drawing under the Credit Facility to be held pursuant to Section 3.05 as agent and bailee; and

(v) to keep such books and records as shall be consistent with prudent industry practice and to make such books and records available for inspection by the Trustee and the Issuer at all reasonable times.

(b) The Tender Agent shall be a national banking association with trust powers or a bank and trust company or a trust company and a corporation duly organized under the laws of the United States of America or any state or territory thereof, and, if the Bonds are rated by Moody's, having a combined capital and surplus of at least \$20,000,000 (or a combined capital and surplus in excess of \$5,000,000 and the obligations of which, whether now in existence or hereafter incurred, are fully guaranteed by a corporation organized and doing business under the laws of the United States, any State or Territory thereof or of the District of Columbia, that has a combined capital and surplus of at least \$50,000,000) and authorized by law to perform all the duties imposed upon it by this Indenture. The Tender Agent may at any time resign and be discharged of the duties and obligations created by this Indenture by giving at least 60 days' notice to the Trustee, the Issuer, the Bank, if the Bank is the Bondholder, the Credit Facility Issuer and the Remarketing Agent. In the event that the Issuer shall fail to appoint a successor Tender Agent, upon the resignation or removal of the Tender Agent, the Trustee shall either appoint a Tender Agent or itself act as Tender Agent until the appointment of a successor Tender Agent. The Tender Agent may be removed at any time by an instrument signed by the Issuer and the Bank, if the Bank is the Bondholder, filed with the Trustee, the Remarketing Agent and the Credit Facility Issuer, if any.

In the event of the resignation or removal of the Tender Agent, the Tender Agent shall deliver any Bonds and moneys held by it in such capacity to its successor or, if there is no successor, to the Trustee.

Section 12.03. Notices. The Trustee shall, within 10 days of the resignation or removal of the Remarketing Agent or the Tender Agent or the appointment of successor Remarketing Agent or Tender Agent, give notice thereof by first class mail, postage prepaid, to the owners of the Bonds.

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ARTICLE XIII

Acts of Bondholders; Evidence of Ownership

Section 13.01. Acts of Bondholders; Evidence of Ownership. Any action to be taken by Bondholders may be evidenced by one or more concurrent written instruments of similar tenor signed or executed by such Bondholders in person or by agent appointed in writing. The fact and date of the execution by any person of any such instrument may be proved by acknowledgment before a notary public or other officer empowered to take acknowledgments or by an affidavit of a witness to such execution. Where such execution is by an officer of a corporation or a member of a partnership, on behalf of such corporation or partnership, such certificate or affidavit shall also constitute sufficient proof of his authority. The fact and date of the execution of any such instrument or writing, or the authority of the person executing the same, may also be proved in any other manner which the Trustee deems sufficient. The ownership of the Bonds shall be proved by the Bond Register. Any action by the owner of any Bond shall bind all future owners of the same Bond in respect of anything done or suffered by the Issuer or the Trustee in pursuance thereof. Notwithstanding the foregoing, if a Credit Facility is outstanding and so long as the Credit Facility Issuer has not dishonored a proper drawing (which drawing strictly complied with, and conforms to, the terms and conditions of the Credit Facility) under the Credit Facility, the Credit Facility Issuer shall be deemed the owner of 100% of the Bonds secured by the Credit Facility for the purposes of any action, notice, direction or consent permitted to be taken by the Bondholders other than amendments to Articles II, III or VIII hereof.

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ARTICLE XIV

Amendments and Supplements

Section 14.01. Amendments and Supplements Without Bondholders' Consent. This Indenture may be amended or supplemented at any time and from time to time, without the consent of the Bondholders (except when the Bank is the Bondholder, in which case the consent of the Bank shall always be required, which consent shall not be withheld unreasonably), but with the consent of the Credit Facility Issuer, if any, which consent shall not be withheld unreasonably, by a supplemental indenture authorized by a resolution of the Issuer, executed by the Issuer and the Trustee and filed with the Trustee, for one or more of the following purposes:

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

(b) for any purpose not inconsistent with the terms of this Indenture or to cure any ambiguity or to correct or supplement any provision contained herein or in any supplemental indenture which may be defective or inconsistent with any other provision contained herein or in any supplemental indenture, or to make such other provisions in regard to matters or questions arising under this Indenture which shall not adversely affect the interests of the owners of the Bonds;

(c) to permit the Bonds to be converted to certificateless securities or securities represented by a master certificate held in trust, ownership of which, in either case, is evidenced by book entries on the books of the Bond Registrar, for any period of time;

(d) to permit the appointment of a co-trustee under this Indenture;

(e) to authorize different authorized denominations of the Bonds and to make correlative amendments and modifications to this Indenture regarding exchangeability of Bonds of different authorized denominations, redemptions of portions of Bonds of particular authorized denominations and similar amendments and modifications of a technical nature;

(f) to modify, alter, supplement or amend this Indenture in such manner as shall permit the qualification hereof under the Trust Indenture Act of 1939, as from time to time amended;

(g) to modify, alter, amend or supplement this Indenture in any other respect which is not materially adverse to the Bondholders; or

(h) To make amendments to the provisions hereof relating to arbitrage matters under Section 148 of the Code, if, in the opinion of nationally recognized bond counsel selected by the Borrower and approved by the Trustee, those amendments would not cause the interest on the Bonds outstanding to be included in gross income of the Bondholders for federal income tax purposes which amendments may, among other things, change the responsibility for making the relevant calculations.

Before the Issuer and the Trustee shall enter into any supplemental indenture pursuant to this Section 14.01, there shall have been delivered to the Trustee an opinion of Counsel stating that such supplemental indenture is authorized under this Indenture, and that such supplemental indenture will, upon the execution and delivery thereof, be valid and binding upon the Issuer in accordance with its terms. The Trustee shall provide notice to the Rating Service and Bondholders of any material amendment or supplement to the Indenture pursuant to this Section 14.01.

Section 14.02. Amendments with Bondholders' and Credit Facility Issuer's Consent. This Indenture may be amended from time to time, except with respect to (1) the principal, redemption price, purchase price, interest payable upon any Bonds, (2) the Interest Payment Dates, the dates of maturity or the redemption or purchase provisions of any Bonds, and (3) this Article XIV, by a supplemental indenture consented to by the Credit Facility Issuer and by the Issuer and approved by the owners of at least a majority in aggregate principal amount of the Bonds then Outstanding which would be affected by the action proposed to be taken. This Indenture may be amended with respect to the matters enumerated in clauses (1) through (3) of the preceding sentence with the unanimous consent of all Bondholders, the Credit Facility Issuer and the Issuer. The Trustee shall provide notice to the Rating Service of any material amendment or supplement to the Indenture pursuant to this Section 14.02.

Section 14.03. Amendment of Credit Facility. The Trustee shall notify Bondholders and the Rating Service of a proposed amendment of the Credit Facility which would materially adversely affect the interests of the Bondholders and may consent thereto with the consent of the owners of at least a majority in aggregate principal amount of the Bonds then Outstanding which would be affected by the action proposed to be taken; provided, that the Trustee shall not, while the Interest Rate Mode is the Long-Term Rate, without the unanimous consent of the owners of all Bonds then Outstanding, consent to any amendment which would (1) decrease the amount payable under the Credit Facility or (2) reduce the term of the Credit Facility.

Section 14.04. Trustee Authorized to Join in Amendments and Supplements; Reliance on Counsel. The Trustee is authorized to join with the Issuer in the execution and delivery of any supplemental indenture or amendment permitted by this Article XIV and in so doing shall be fully protected by an opinion of Counsel that such supplemental indenture or amendment is so permitted and has been duly authorized by the Issuer and that all things necessary to make it a valid and binding agreement have been done; provided that certain amendments may, by agreement between the Trustee and the Credit Facility Issuer, require the prior consent of the Credit Facility Issuer.

Section 14.05. Amendments Not Requiring Consent of Bondholders. Without the consent of or notice to the Bondholders (except when the Bank is the Bondholder, in which case the consent of the Bank shall always be required, which consent shall not be withheld unreasonably), the Issuer and the Trustee may, with the written consent of the Credit Facility Issuer (which shall be required only if there exists no wrongful dishonor of any drawing presented under the Credit Facility or Alternate Credit Facility then in effect), consent to any amendment, change or modification of the Agreement as may be required (i) by the provisions of the Agreement or this Indenture, (ii) for the purpose of curing any ambiguity, inconsistency or formal defect or omission in the Agreement, (iii) in connection with an amendment or to effect

any purpose for which there could be an amendment of this Indenture pursuant to Section 14.01 hereof, or (v) in connection with any other change therein which is not to the prejudice of the Trustee or the Bondholders of the Bonds, in the judgment of the Trustee.

Section 14.06. Amendment Requiring Consent of Bondholders. Except for the amendments, changes or modifications contemplated in Section 14.05 hereof, neither the Issuer nor the Trustee shall consent to

(a) any amendment, change or modification of the Agreement which would change the amount or time as of which Loan Payments are required to be paid, without the giving of notice as provided in this Section of the proposed amendment, change or modification and receipt of the written consent thereto of the Credit Facility Issuer (which shall be required only if there exists no wrongful dishonor of any drawing presented under the Credit Facility or Alternate Credit Facility then in effect) and the Bondholders of all of the then outstanding Bonds, or

(b) any other amendment, change or modification of the Agreement or the Credit Facility without the giving of notice as provided in this Section of the proposed amendment, change or modification and receipt of the written consent thereto of the Credit Facility Issuer and the Bondholders of not less than a majority in aggregate principal amount of the Bonds then outstanding.

The consent of the Bondholders shall be obtained as provided in Section 14.02 hereof with respect to Supplemental Indentures.

If the Issuer and the Borrower shall request at any time the consent of the Trustee to any proposed amendment, change or modification of the Agreement contemplated in subparagraphs (a) or (b), upon being indemnified satisfactorily with respect to expenses, the Trustee shall cause notice of the proposed amendment, change or modification to be provided in the manner which is required by Section 14.02 hereof with respect to notice of Supplemental Indentures. The notice shall set forth briefly the nature of the proposed amendment, change or modification and shall state that copies of the instrument or document embodying it are on file at the principal corporate trust office of the Trustee for inspection by all Bondholders.

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ARTICLE XV

Defeasance

Section 15.01. Defeasance.

(a) When the principal or redemption price (as the case may be) of, and interest on, all Bonds issued hereunder have been paid, or provision has been made for payment of the same, together with the compensation of the Trustee and all other sums payable hereunder by the Issuer when provision also shall be made for the payment of all other sums payable under the Agreement, then, the right, title and interest of the Trustee shall thereupon cease and the Trustee, on demand of the Issuer, shall release this Indenture and shall execute such documents to evidence such release as may be reasonably required by the Issuer and shall turn over to the Issuer or to such person, body or authority as may be entitled to receive the same all balances then held by it hereunder. If payment or provision therefor is made with respect to less than all of the Bonds, the particular Bonds (or portion thereof) for which provision for payment shall have been considered made shall be selected by lot by the Trustee, and thereupon the Trustee shall take similar action for the release of this Indenture with respect to such Bonds.

(b) Provision for the payment of Bonds shall be deemed to have been made when the Trustee holds in the Defeasance Account, in trust and irrevocably set aside exclusively for such payment in the Defeasance Account, (i) moneys sufficient to make such payment and any payment of the purchase price of Bonds pursuant to Section 3.01; provided, that if a Credit Facility is then held by the Trustee, any such moneys necessary for the payment of Bonds not yet due shall constitute Available Moneys and/or (ii) Governmental Obligations maturing as to principal and interest in such amounts and at such times as will provide sufficient moneys (without consideration of any reinvestment thereof) to make such payment and any payment of the purchase price of Bonds pursuant to Section 3.01, and which are not subject to prepayment, redemption or call prior to their stated maturity; provided, that if a Credit Facility is then held by the Trustee, such Governmental Obligations shall have been on deposit with the Trustee in a separate and segregated account for a period of 123 days during which no Event of Bankruptcy has occurred, or shall have been purchased with Available Moneys.

No Bonds in respect of which a deposit under clause (i) or (ii) above has been made shall be deemed paid within the meaning of this Article unless the Trustee is satisfied that the amounts deposited are sufficient to make all payments that might become due on the Bonds; provided that notwithstanding any other provision of this Indenture, any Bonds purchased with such moneys pursuant to Section 3.01 shall be surrendered to the Trustee for cancellation and shall not be remarketed. Notwithstanding the foregoing, no delivery to the Trustee under this subsection (b) shall be deemed a payment of any Bonds which are to be redeemed prior to their stated maturity until such Bonds shall have been irrevocably called or designated for redemption on a date thereafter on which such Bonds may be redeemed in accordance with the provisions of this Indenture and proper notice of such redemption shall have been given in accordance with Article VIII or the Issuer shall have given the Trustee, in form satisfactory to the Trustee, irrevocable instructions to give, in the manner and at the times prescribed by Article VIII, notice of redemption. Neither the obligations nor moneys deposited with the Trustee pursuant to this Section shall be withdrawn or used for any purpose other than, and shall be segregated and held

in trust for, the payment of the principal of, redemption price of and interest on the Bonds with respect to which such deposit has been made. In the event that such moneys or obligations are to be applied to the payment of principal or redemption price of any Bonds more than 60 days following the deposit thereof with the Trustee, the Trustee shall mail a notice stating that such moneys or obligations have been deposited and identifying the Bonds for the payment of which such moneys or obligations are being held and to the Rating Service, if the Bonds are then rated by a Rating Service.

(c) Anything in Article XIV to the contrary notwithstanding, if moneys or Governmental Obligations have been deposited or set aside with the Trustee pursuant to this Article for the payment of the principal or redemption price of the Bonds and the interest thereon and the principal or redemption price of such Bonds and the interest thereon shall not have in fact been actually paid in full, no amendment to the provisions of this Article shall be made without the consent of the owner of each of the Bonds affected thereby.

Notwithstanding the foregoing, those provisions relating to the purchase of Bonds, the maturity of Bonds, interest payments and dates thereof, and the Trustee's remedies with respect thereto, and provisions relating to exchange, transfer and registration of Bonds, replacement of mutilated, destroyed, lost or stolen Bonds, the safekeeping and cancellation of Bonds, non-presentment of Bonds, the holding of moneys in trust, and repayments to the Issuer from the Bond Fund and the duties of the Trustee in connection with all of the foregoing and the fees, expenses and indemnities of the Trustee, shall remain in effect and shall be binding upon the Trustee, the Issuer and the Bondholders notwithstanding the release and discharge of the lien of this Indenture.

Section 15.02. Release of Indenture. If (i) the Issuer shall pay all of the outstanding Bonds, or shall cause them to be paid and discharged, or if there otherwise shall be paid to the Bondholders of the outstanding Bonds, all Bond Service Charges due or to become due thereon, and (ii) provision also shall be made for the payment of all other sums payable hereunder or under the Agreement, then, this Indenture shall cease, determine and become null and void (except for those provisions surviving by reason of Section 15.03 hereof in the event the Bonds are deemed paid and discharged pursuant to Section 15.02 hereof), and the covenants, agreements and obligations of the Issuer hereunder shall be released, discharged and satisfied.

Thereupon, and subject to the provisions of Section 15.03 hereof if applicable,

(i) the Trustee shall release this Indenture (except for those provisions surviving by reason of Section 15.03 hereof in the event the Bonds are deemed paid and discharged pursuant to Section 15.01 hereof), and shall execute and deliver to the Issuer any instruments or documents in writing as shall be requisite to evidence that release and discharge or as reasonably may be requested by the Issuer,

(ii) the Trustee and any other Paying Agents shall assign and deliver to the Issuer any property subject at the time to the lien of this Indenture which then may be in their possession, except amounts in the Bond Fund required (a) to be paid to the Borrower or the Credit Facility Issuer under Section 5.06 hereof, or (b) to be held by the Trustee and the Paying Agents under Section 5.06 hereof or otherwise for the payment of Bond Service Charges,

(iii) the Trustee shall return the Credit Facility to the Credit Facility Issuer; and

(iv) the Trustee shall notify the Rating Agency of the release of this Indenture and the payment and discharge of the Bonds.

Section 15.03. Survival of Certain Provisions. Notwithstanding the foregoing, any provisions of the Bond Legislation and this Indenture which relate to the maturity of Bonds, interest payments and dates thereof, optional and mandatory redemption provisions, exchange, transfer and registration of Bonds, replacement of mutilated, destroyed, lost or stolen Bonds, the safekeeping and cancellation of Bonds, non-presentment of Bonds, the holding of moneys in trust, and repayments to the Borrower and the Credit Facility Issuer from the Bond Fund, the rebate of moneys to the United States in accordance with Section 5.05 hereof, and the duties of the Trustee and the Registrar in connection with all of the foregoing, shall remain in effect and be binding upon the Trustee, the Registrar, the Authenticating Agents, Paying Agents and the Bondholders notwithstanding the release and discharge of this Indenture. The provisions in this Article shall survive the release, discharge and satisfaction of this Indenture.

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ARTICLE XVI

Miscellaneous Provisions

Section 16.01. Non-Recourse Provision. Notwithstanding anything to the contrary contained herein, for payment of the obligations of the Issuer under this Indenture and the Bonds, the Trustee, the Bondholders and any other party entitled to seek payment from the Issuer under or to enforce this Indenture and the Bonds will be entitled to look solely to any Credit Facility held by the Trustee under this Indenture, all amounts on deposit with and held by the Trustee for the benefit of the Bondholders, subject to the terms of this Indenture, the Project, and such collateral, if any, as may now or hereafter be given to secure the payment of the obligations of the Issuer under this Indenture and the Bonds, and no other property or assets of the Issuer or any officer of the Issuer shall be subject to levy, execution or other enforcement procedure for the satisfaction of the remedies hereunder, or for any payment required to be made under this Indenture and the Bonds, or for the performance of any of the covenants or warranties contained herein.

Section 16.02. Deposit of Funds for Payment of Bonds. If the principal or redemption price of any Bonds becoming due, either at maturity or by call for redemption or otherwise, together with all interest accruing thereon to the due date, has been paid or provision therefor made in accordance with Section 15.01, all interest on such Bonds shall cease to accrue on the due date and all liability of the Issuer with respect to such Bonds shall likewise cease, except as hereinafter provided. Thereafter the owners of such Bonds shall be restricted exclusively to the funds so deposited for any claim of whatsoever nature with respect to such Bonds, and the Trustee shall hold such funds in trust for such owners.

Moneys so deposited with the Trustee which remain unclaimed 2 years after the date payment thereof becomes due shall, at the request of the Issuer and if the Issuer is not at the time to the knowledge of the Trustee in default with respect to any covenant in the Indenture or the Bonds contained, be paid to the Issuer, and, upon the request of, and provision of adequate indemnification from the Issuer, the Trustee shall pay such moneys to the Issuer; and the owners of the Bonds for which the deposit was made shall thereafter be limited to a claim against the Issuer; provided, however, that the Trustee, before making payment to the Issuer, may, at the expense of the Issuer, cause a notice to be published once in an Authorized Newspaper, stating that the moneys remaining unclaimed will be returned to the Issuer after a specified date.

Section 16.03. Effect of Purchase of Bonds. No purchase of Bonds pursuant to Section 3.01 shall be deemed to be a payment or redemption of such Bonds or any portion thereof and such purchase will not operate to extinguish or discharge the indebtedness evidenced by such Bonds.

Section 16.04. Payments Due on Saturdays, Sundays and Holidays. If any Interest Payment Date, maturity date, or date fixed for redemption of any Bonds is not a Business Day, then payment of interest, principal and any redemption premium need not be paid by the Trustee on that date, but that payment may be made on the next succeeding Business Day with the same force and effect as if that payment were made on the Interest Payment Date, maturity date or date fixed for redemption and no interest shall accrue for the period after that date.

Section 16.05. No Rights Conferred on Others. Nothing herein contained shall confer any right upon any person other than the parties hereto, the Issuer, the Credit Facility Issuer and the owners of the Bonds.

Section 16.06 Illegal, etc. Provisions Disregarded. If any term or provision of this Indenture or the Bonds or the application thereof for any reason or circumstance shall to any extent be held invalid or unenforceable, the remaining provisions or the application of such term or provision to persons and situations other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term and provision hereof and thereof shall be valid and enforced to the fullest extent permitted by law.

Section 16.07. Substitute Notice. If for any reason it shall be impossible to make publication of any notice required hereby in a newspaper or newspapers, then such publication or other notice in lieu thereof as shall be made with the approval of the Trustee shall constitute a sufficient giving of such notice.

Section 16.08. Notices. Any notice to the Issuer, the Borrower or the Trustee shall be given in writing, either by registered mail, to be deemed effective 2 days after mailing, or by telegram, or by telephone, confirmed in writing, to:

The Borrower: The Franklin United Methodist Home, Inc.
1070 W. Jefferson St.
Franklin, Indiana 46131
Attention: Executive Director
Telephone: (317) 736-7185
Telecopy: (317) 736-1150

The Issuer: City of Franklin, Indiana
70 E. Monroe Street
Franklin, Indiana 46131
Attention: Clerk -Treasurer
Telephone: (317) 736-3609

The Trustee: The Huntington National Bank
Corporate Trust Department
45 North Pennsylvania Street (INHP22)
Indianapolis, IN 46204
Attention: Mark Hudson
Telephone: (317) 237-2542
Telecopy: (317) 229-4022

The Bank: The Huntington National Bank
50 Monroe Ave. NW
Grand Rapids, Michigan 49503
Attention: Tom Gibbons

Telephone: (616) 235-6454
Telecopy: (616) 771-0226

The Trustee or the Borrower, as applicable, shall provide to the Rating Service any information that the Rating Service may reasonably request in order to maintain the securities rating on the Bonds.

Section 16.09. Successors and Assigns. All the covenants, promises and agreements in this Indenture contained by or on behalf of the Issuer, or by or on behalf of the Trustee, shall bind and inure to the benefit of their respective successors and assigns, whether so expressed or not.

Section 16.10. Headings for Convenience Only. The descriptive headings in this Indenture are inserted for convenience only and shall not control or affect the meaning or construction of any of the provisions hereof.

Section 16.11. Counterparts. The Indenture may be executed in any number of counterparts, each of which when so executed and delivered shall constitute an original, but all of which, when taken together, shall constitute but one and the same instrument, and shall become effective when copies hereof shall be delivered to each of the parties hereto, which copies, when taken together, bear the signatures of each of the parties hereto.

Section 16.12. Credits Under Agreement. The Issuer shall be entitled to credits against its obligations under the Reimbursement Agreement as provided therein.

Section 16.13. Applicable Law. This Indenture shall be governed by and construed in accordance with the laws of the State.

IN WITNESS WHEREOF, the Issuer has executed this Indenture by one of its members and authorized officers and the Trustee has caused this Indenture to be executed in its name by its duly authorized officer, all as of the day and year first above written.

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SIGNATURE PAGE OF ISSUER
TO
INDENTURE OF TRUST
(THE FRANKLIN UNITED METHODIST HOME, INC.)

CITY OF FRANKLIN, INDIANA

By: _____
Mayor

ATTEST:

Clerk-Treasurer

SIGNATURE PAGE OF TRUSTEE
TO
INDENTURE OF TRUST

THE HUNTINGTON NATIONAL BANK

By: _____

Printed: _____

Title: _____