
TRUST INDENTURE

by and between

COULEE MEDICAL FOUNDATION, the Issuer

and

U.S. BANK NATIONAL ASSOCIATION, the Trustee

Relating to

\$23,165,000

Coulee Medical Foundation

Taxable Revenue Build America Bonds (Direct Pay)

(GNMA Collateralized-Coulee Medical Center)

Series 2009A

Dated as of October 1, 2009

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TRUST INDENTURE

THIS TRUST INDENTURE (this “Indenture”) is made and entered into as of October 1, 2009 by and among **COULEE MEDICAL FOUNDATION**, a Washington nonprofit corporation (together with any successors and assigns and any surviving, resulting or transferee entity, the “Issuer”) and **U.S. BANK NATIONAL ASSOCIATION**, a national banking association duly organized and existing under the laws of the United States and authorized to accept and execute trusts of the character herein set out, as trustee (together with any successors and assigns and any surviving, resulting or transferee entity, the “Trustee”).

RECITALS

WHEREAS, the Issuer was formed by the District pursuant to Chapter 24.03 of the Revised Code of the State of Washington and is intended by the District to comply with the requirements of Internal Revenue Service Revenue Ruling 63-20; and

WHEREAS, the Issuer is authorized under the resolution adopted by the Board of the Issuer on September 30, 2009 (the “Bond Resolution”), to issue revenue bonds to finance in whole, or in part, the cost of the acquisition, construction, alteration, repair, modernization, and other charges incident thereto in connection with any the cost of “project” or “facilities” (as defined in the Bond Resolution); and

WHEREAS, pursuant to the terms of a site lease dated as of October 29, 2009 (the “Site Lease”) by and between the District, as lessor, and the Issuer, as lessee, the Issuer will lease the real property which will be used as the site (the “Site”) for the Project from the District for a term of 50 years from the date thereof, and the Issuer will lease the Site together with all improvements and equipment back to the District to operate the Project pursuant to an operating lease dated as of October 29, 2009 (the “Operating Lease”) by and between the Issuer, as lessor, and the District, as lessee; and

WHEREAS, in furtherance of the purposes of the Bond Resolution, the Issuer has duly authorized the issuance of its \$23,165,000 aggregate principal amount of Taxable Revenue Build America Bonds (Direct Pay) (GNMA Collateralized-Coulee Medical Center), Series 2009A (the “Bonds”) on a draw down basis and on behalf of the District for the purpose of financing the acquisition, construction and equipping of the Issuer’s hospital facility known as Coulee Medical Center located in Grand Coulee, Washington; and

WHEREAS, pursuant to its lawful authority under the Bond Resolution, the Issuer has entered into a certain Financing Agreement of even date herewith (the “Financing Agreement”) among the Issuer, Douglas, Grant, Lincoln & Okanogan Counties Public Hospital District No. 6 (the “District”), the Trustee and Red Mortgage Capital, Inc., an Ohio corporation (the “Lender”), pursuant to which the Issuer agrees to issue the Bonds and to apply the proceeds thereof for the purpose of financing the costs of the Project; and

WHEREAS, to effect the financing of the Project, the Lender will originate a mortgage loan to the Issuer (the “Mortgage Loan”); the Mortgage Loan will be evidenced by the Issuer’s deed of trust note (the “Mortgage Note”) in favor of the Lender and secured by a leasehold deed of trust (the “Leasehold Mortgage”) on the Project; the Mortgage Loan as originated by the

Lender will be insured by the Federal Housing Administration (the “FHA”), an organizational unit within the United States Department of Housing and Urban Development (“HUD”) pursuant to Section 242 of the National Housing Act of 1934, as amended (the “National Housing Act”); and, to provide security for the Bonds, the Trustee will use the proceeds of the Bonds to purchase from the Lender fully modified mortgage-backed securities (the “GNMA Securities”) which will be guaranteed as to timely payment of principal and interest by the Government National Mortgage Association (“GNMA”); and

WHEREAS, the execution and delivery of this Indenture and the issuance and sale of the Bonds have been in all respects duly and validly authorized by a resolution duly adopted by the Issuer, and all things necessary to make the Bonds, when authenticated by the Trustee and issued as provided in this Indenture, the valid, binding and legal obligations of the Issuer according to the import thereof, and to constitute this Indenture a valid assignment and pledge of the Trust Estate (as herein defined) for payment of the principal of, premium, if any, and interest on the Bonds, have been done and performed, and the creation, execution and delivery of this Indenture, and the creation, execution and issuance of the Bonds, subject to the terms hereof, have in all respects been duly authorized;

NOW, THEREFORE, the Issuer, in consideration of the premises and the acceptance by the Trustee of the trusts hereby created and of the purchase and acceptance of the Bonds by the holders thereof, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, and in order to secure the payment of the principal of, premium, if any, and interest on the Bonds according to their tenor and effect and the performance and observance by the Issuer of all the covenants expressed or implied herein and in the Bonds, does hereby bargain, sell, convey, pledge and assign unto the Trustee in and to the following, subject only to the provisions of this Indenture permitting the application thereof to the purposes and on the terms and conditions set forth herein (such property being herein referred to as the “Trust Estate”), to wit:

GRANTING CLAUSES

I.

All right, title and interest of the Issuer in and to all Revenues (as herein defined), derived or to be derived by the Issuer or the Trustee for the account of the Issuer under the terms of this Indenture and the Financing Agreement (other than the Reserved Rights of the Issuer as defined herein), together with all other Revenues received by the Trustee for the account of the Issuer arising out of or on account of the Trust Estate;

II.

All right, title and interest of the Issuer in and to the GNMA Securities, including all payments and proceeds with respect thereto and any interest, profits or other income derived from the investment thereof;

III.

All funds, moneys and securities and any and all other rights and interests in property whether tangible or intangible from time to time hereafter by delivery or by writing of any kind conveyed, mortgaged, pledged, assigned or transferred as and for additional security hereunder for the Bonds by the Issuer or by anyone on its behalf or with its written consent to the Trustee, which is hereby authorized to receive any and all such property at any and all times and to hold and apply the same subject to the terms hereof;

PROVIDED, HOWEVER, that there shall be excluded from the Granting Clauses of this Indenture all the Reserved Rights of the Issuer, including all amounts paid or collected by the Issuer in connection therewith; all amounts on deposit in the Subsidy Escrow Fund; and all amounts on deposit in the Rebate Fund which shall be held for the sole benefit of the United States of America;

TO HAVE AND TO HOLD all the same with all privileges and appurtenances hereby conveyed and assigned, or agreed or intended so to be, to the Trustee and its successors in said trust and to them and their assigns forever;

IN TRUST NEVERTHELESS, upon the terms and trusts herein set forth, for the equal and proportionate benefit, security and protection of all holders from time to time of the Bonds issued under and secured by this Indenture without privilege, priority or distinction as to the lien or otherwise of any Bonds over any of the other Bonds, except as set forth in this Indenture;

PROVIDED, HOWEVER, that if the Issuer shall pay or cause to be paid to the holders of the Bonds the principal, interest and premium, if any, to become due thereon at the times and in the manner provided in Article IX and if the Issuer shall keep, perform and observe, or cause to be kept, performed and observed, all its covenants, warranties and agreements contained herein, and if the Rebate Amount (as herein defined) shall be paid in full, this Indenture and the estate and rights hereby granted shall cease and be void, and thereupon the Trustee shall cancel and discharge the lien of this Indenture and execute and deliver to the Issuer such instruments in writing as shall be requisite to satisfy the lien hereof, and reconvey to the Issuer any property at the time subject to the lien of this Indenture which may then be in its possession, except as provided in Section 4.11 hereof, and funds held by the Trustee for the payment of interest on, premium, if any, and principal of the Bonds and for payment of the Rebate Amount; otherwise this Indenture shall be and remain in full force and effect, and upon the trusts and subject to the covenants and conditions hereinafter set forth.

ARTICLE I

DEFINITIONS AND TERMS

Section 1.01. Definitions.

The terms defined in this Section 1.01 or in the Recitals hereto (except as herein otherwise expressly provided or unless the context otherwise requires) for all purposes of this Indenture and of any indenture supplemental hereto shall have the respective meanings specified in this Section 1.01 or in the Recitals hereto.

“*Acquisition Fund*” means the trust fund by that name established pursuant to Section 4.01 hereof.

“*Act of Bankruptcy*” means the filing of a petition in bankruptcy (or other commencement of a bankruptcy or similar proceeding) by or against any guarantor of the Issuer or such other Person, as applicable, under any applicable bankruptcy, insolvency or similar law as now or hereafter in effect.

“*Authorized Denomination*” means \$5,000 or any integral multiple of \$1,000 in excess thereof.

“*Authorized Issuer Representative*” means the President or Vice President of the Issuer, or such other person as shall be designated to the Trustee by a Certificate of the Issuer containing the specimen signature of such person, which certificate may designate an alternate or alternates.

“*Board*” means the board members of the Issuer or any governing body succeeding to the functions thereof.

“*Bond Counsel*” means Eichner & Norris PLLC, or any other firm of attorneys selected by the Issuer, of nationally recognized standing in matters pertaining to the validity of, and exclusion from gross income for federal income tax purposes of interest on, bonds issued by states and political subdivisions, and duly admitted to practice law before the highest court of any state of the United States of America.

“*Bond Fund*” means the trust fund by that name established pursuant to Section 4.01 hereof.

“*Bondholder*” or “*holder*” or “*registered owner*,” when used with respect to any Bond, means the person or persons in whose names such Bond is registered.

“*Bond Obligation*” means, as of any date of calculation, the aggregate principal amount of all outstanding Bonds.

“*Bond Purchase Agreement*” means the Bond Purchase Agreement with respect to the Bonds between the Issuer and the Underwriter.

“*Bond Register*” and “*Bond Registrar*” have the respective meanings specified in Section 2.07 hereof.

“*Bond Resolution*” means the resolution adopted by the Board of the Issuer on September 30, 2009, authorizing the issuance of the Bonds and the execution of this Indenture, the Financing Agreement and other documents in connection therewith.

“*Bonds*” means the \$23,165,000 Taxable Revenue Build America Bonds (Direct Pay) (GNMA Collateralized-Coulee Medical Center), Series 2009A, of which the Initial Draw Amount will be drawn on the Closing Date.

“*Bond Year*” means the initial period beginning on the date of issuance of the Bonds and ending on April 20, 2010, and each 12-month period thereafter beginning on April 21, 2011 and ending on April 20, 2036. The last Bond Year will end on the date of final payment of the Bonds.

“*Building Loan Agreement*” means the Building Loan Agreement dated the Closing Date between the Issuer and the Lender.

“*Business Day*” means a day, other than a Saturday or Sunday, on which (a) banks located in New York, New York, or in the city in which the Trust Office of the Trustee is located, are not required or authorized by law or executive order to close for business and (b) the New York Stock Exchange is not closed.

“*Certificate of the Issuer*,” “*Request of the Issuer*,” “*Requisition of the Issuer*” and “*Statement of the Issuer*” mean, respectively, a written certificate, request, requisition or statement signed in the name of the Issuer by an Authorized Issuer Representative. Any such instrument and supporting opinions or representations, if any, may, but need not, be combined in a single instrument with any other instrument, opinion or representation, and the two or more so combined shall be read and construed as a single instrument.

“*CLC*” means a construction loan certificate maturing on the CLC Maturity Date which is a GNMA Security which represents an amount advanced by the Lender (or, pursuant to Section 403(b)(ii), the Trustee) to the Issuer for Project Costs and which bears interest at the Pass-Through Rate.

“*CLC Maturity Date*” means November 15, 2012 or such later date as may be permitted by the provisions of Section 4.03(e) hereof.

“*Closing Date*” means the date of issuance of the Bonds and delivery of the Initial Draw Amount in exchange for the purchase price thereof.

“*Code*” means the Internal Revenue Code of 1986, as amended. Each reference to a section of the Code shall be deemed to include the United States Treasury Regulations in effect or proposed from time to time with respect thereto and applicable to the Project or the Bonds or the use of the proceeds thereof.

“*Commencement of Amortization*” means the date on which the Issuer will begin to repay principal of the Mortgage Loan, which shall be May 1, 2011.

“*Commitment*” means that certain Commitment for Insurance of Advances and any amendments thereto, dated June 30, 2009, from HUD relating to the Project.

“*Completion Date*” means the date of the completion of the construction and equipping of the Project, as that date shall be certified as provided in Section 3.4 of the Financing Agreement and which date is at least 60 days prior to the CLC Maturity Date, including any extensions of the CLC Maturity Date pursuant to Section 4.03(c) hereof.

“*Continuing Disclosure Agreement*” means the Continuing Disclosure Agreement, dated the date of issuance of the Bonds, between the Issuer and the Trustee, as dissemination agent.

“*Costs of Issuance*” means, with respect to any Bonds, all expenses incurred in connection with the authorization, sale, issuance and delivery of the Bonds to the extent not paid from other sources, including, without limitation, underwriter’s spread, discount or fees (including any premium on the resale of the first delivery of the Bonds), counsel fees (including Bond Counsel, Underwriter’s counsel, Issuer’s counsel (as it relates to the Bonds), Trustee’s counsel as well as any other specialized counsel fees incurred in connection with the issuance of the Bonds), rating agency fees, accountant fees related to issuance of the Bonds and printing costs (for the Bonds and preliminary and final offering materials) and Trustee’s acceptance and first-year annual administration fees, title insurance fees, and recording and filing fees.

“*Costs of Issuance Fund*” means the trust fund by that name established pursuant to Section 4.01 hereof.

“*Counsel*” means an attorney or firm whose members are attorneys duly admitted to practice law before the highest court of any state of the United States of America and, without limitation, may include independent legal counsel, Issuer attorney or general counsel for the Issuer or the Trustee, as appropriate.

“*Defaulted Interest*” means any interest on any Bond which is payable, but is not punctually paid or duly provided for, on any Interest Payment Date.

“*District*” means Douglas, Grant, Lincoln & Okanogan Counties Public Hospital District No. 6, a municipal corporation, organized as a public hospital district of the State of Washington pursuant to Title 70 Chapter 70.44 of Washington Revised Statutes, as amended.

“*District Resolution*” means Resolution No. 639, adopted by the Board of the District on September 30, 2009.

“*Draw Down Date*” means any date in which the Underwriter deposits, or causes to be deposited on its behalf, Bond proceeds in an amount equal to the par amount of additional Bonds drawn down hereunder plus accrued interest, to be deposited as set forth in Section 4.02 herein. The Underwriter shall provide the Trustee with written confirmation of the amounts deposited on each Draw Down Date, the amount to be drawn on the Bonds and the composition thereof. All

Bonds purchased by the Underwriter on a Draw Down Date shall be purchased by the Underwriter at a price of par, plus accrued interest.

“*Event of Default*” means any of the events so specified or defined in Section 6.01 hereof.

“*FHA*” means the Federal Housing Administration, an organizational unit within HUD, its successors and assigns.

“*FHA Loan Documents*” means, collectively, the Mortgage Note, the Leasehold Mortgage, the FHA Regulatory Agreement, the Building Loan Agreement, the Lease Documents and all other documents required in connection with the endorsement of the Mortgage Loan by FHA for Mortgage Insurance.

“*FHA Regulations*” means the regulations promulgated by FHA regarding insurance under Section 242 of the National Housing Act.

“*FHA Regulatory Agreement*” means the Regulatory Agreement for the Project to be dated not later than the Closing Date, by and between the Issuer and HUD, together with any and all Supplements thereto.

“*Final Advance*” means the final advance of the Mortgage Loan proceeds to the Issuer upon Final Endorsement.

“*Final Endorsement*” means the date on which the Mortgage Note is finally endorsed for mortgage insurance by FHA, following completion of the Project and compliance with the terms and conditions of the Commitment.

“*Financing Agreement*” means the Financing Agreement of even date herewith among the Issuer, the District, the Trustee and the Lender, together with any and all Supplements thereto.

“*Financing Documents*” means this Indenture, the Financing Agreement, the Bond Purchase Agreement, the Continuing Disclosure Agreement, the GNMA Guaranty Agreement, the GNMA Securities and the Lease Documents. In the event of any conflict between the Lease Documents and the other Financing Documents, the Lease Documents shall control.

“*GNMA*” means Government National Mortgage Association, its successors and assigns.

“*GNMA Delivery Date*” means any date the Lender delivers to the Trustee (i) a CLC in a principal amount equal to the deposit of Bond proceeds made in connection with a corresponding Draw Down Date or (ii) a PLC in a principal amount which exceeds the difference between 100% of the aggregate original principal amount of all CLCs previously delivered to the Trustee, which difference will equal the deposit of Bond proceeds made in connection with a corresponding Draw Down Date.

“*GNMA Document or Documents*” means any document, or, collectively, documents which have been or are required by GNMA to be executed by the Issuer, FHA, GNMA and/or the Lender in connection with the Project.

“*GNMA Guaranty Agreement*” means the Schedule of Subscribers and GNMA Guaranty/Contractual Agreement between GNMA and the Lender, together with all Supplements thereto.

“*GNMA Security*” or “*GNMA Securities*” means a fully modified pass-through security in the form of a CLC or a PLC issued by the Lender, registered in the name of the Trustee or its designee and guaranteed by GNMA as to timely payment of principal of and interest on a PLC and as to timely payment of interest only until maturity and timely payment of principal at maturity on a CLC, pursuant to Section 306(g) of the National Housing Act of 1934, as amended, and the regulations promulgated thereunder, backed by the Mortgage Loan made by the Lender to finance the Project in accordance with the Financing Agreement, the Lender Commitment and the FHA Loan Documents, which Mortgage Loan is insured by the Secretary of Housing and Urban Development by and through the FHA.

“*Government Obligations*” means bonds, notes and other evidences of indebtedness of the United States of America or of any agency or instrumentality thereof backed by the full faith and credit of the United States of America and guaranteed as to full and timely payment of principal and interest.

“*HUD*” means the United States Department of Housing and Urban Development, any authorized representative thereof or any successor thereto.

“*Indenture*” means this Trust Indenture, together with all Supplements hereto.

“*Initial Advance*” means the first advance under the Mortgage Loan by the Lender to the Issuer.

“*Initial CLC*” means with respect to Section 4.03(b)(ii), the CLC delivered by the Lender to the Trustee with respect to the Initial Advance.

“*Initial Draw Amount*” means the initial amount of Bonds drawn down on the Closing Date equal to \$51,000.

“*Interest Payment Date*” means the 20th day of each calendar month, commencing December 20, 2009.

“*Investment Agreement*” means any Investment Agreement for the investment of moneys in the Acquisition Fund and the Bond Fund, provided that the Rating Agency confirms in writing that the proposed investment agreement shall not adversely affect the rating on the Bonds.

“*Issuer*” means the Coulee Medical Foundation, a body politic and corporate of the State, and its successors and assigns.

“*Lease Documents*” means the Operating Lease and the Site Lease.

“*Leasehold Mortgage*” means the Leasehold Deed of Trust from the Issuer to the Lender securing the Mortgage Note, as may be amended.

“*Lender*” means Red Mortgage Capital, Inc., an Ohio corporation its successors and assigns.

“*Lender Commitment*” means the commitment letter relating to the Mortgage Loan from the Lender to the Issuer.

“*MBS Submission Schedule*” means the Document Delivery Schedule for Ginnie Mae I Serial Note, Pools issued by GNMA from time to time.

“*Mortgage Insurance*” means the insurance against certain losses under the Mortgage Loan provided by the FHA, as evidenced by the endorsed Mortgage Note.

“*Mortgage Loan*” means the loan made to the Issuer by the Lender in connection with the issuance of the Bonds, in a principal amount equal to \$23,165,000, in order to provide financing for the Project.

“*Mortgage Note*” means the Leasehold Deed of Trust Note from the Issuer in favor of the Lender evidencing the Mortgage Loan.

“*National Housing Act*” means the National Housing Act of 1934, as amended.

“*Operating Lease*” means the Operating Lease by and between the Issuer, as lessor and the District, as lessee, dated as of October 29, 2009.

“*Outstanding*,” when used with respect to the Bonds, means all Bonds theretofore authenticated and delivered under this Indenture, except:

(a) Bonds theretofore cancelled by the Trustee or theretofore delivered to the Trustee for cancellation;

(b) Bonds for the payment or redemption of which moneys or obligations shall have been theretofore deposited with the Trustee in accordance with Article IX; and

(c) Bonds in exchange for or in lieu of which other Bonds have been authenticated and delivered under this Indenture.

“*Pass-Through Rate*” means the rate of interest on the GNMA Securities which shall be 6.51%.

“*Person*” means any natural person, firm, association, corporation or public body.

“*PLC*” means the project loan certificate (which may bear a “PN” designation) which is the GNMA Security issued after Final Endorsement which shall bear interest at the Pass-Through Rate and which shall be in a principal amount equal to the full principal amount of the Mortgage Loan upon Final Endorsement (without regard to amortization payments received by the Lender and not passed through to the Trustee).

“*PLC Delivery Date*” means the earlier of (a) the date on which the PLC is delivered to the Trustee and (b) October 31, 2012, or such later date as may be permitted by the provisions of Section 4.03(d) or (e) hereof; provided, however, that the PLC Delivery Date may not be extended pursuant to Section 4.03(d) to a date beyond the CLC Maturity Date.

“*PLC Issue Date*” means the first day of the month in which the PLC is issued, but in no event later than October 1, 2012, unless extended pursuant to the provisions of Section 4.03(d) or (e) hereof.

“*Project*” means the hospital facility, located on and including the land described in Exhibit A to the Financing Agreement.

“*Project Costs*” means any and all costs incurred by the Issuer with respect to the acquisition, construction and equipping of the Project, including, without limitation, costs for site preparation, the planning of hospital and related facilities and improvements, the acquisition of property, the removal or demolition of existing structures, the construction of hospital, related facilities and improvements, and all other work in connection therewith, including additional capital projects and/or equipment purchases approved by FHA and all costs of financing, including, without limitation, the cost of consultant, accounting and legal services, other expenses necessary or incident to determining the feasibility of the Project, contractors’ and supervisors’ fees and costs directly allocable to the Project and the financing thereof, interest on the Bonds prior to the Completion Date and all other costs approved by Bond Counsel.

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

“*Qualified Investments*” means any of the following which at the time of investment are legal investments under the laws of the State for the investment of the Issuer’s funds:

- (a) Government Obligations;
- (b) obligations of agencies of the United States government issued by the Federal Home Loan Bank;
- (c) the Investment Agreement;
- (d) interest-bearing time deposits, reverse repurchase agreements, rate guarantee agreements or other similar banking arrangements with a bank or trust company having capital and surplus aggregating at least \$50 million or with any government bond dealer reporting to, trading with and recognized as a primary dealer by the Federal Reserve Bank of New York having capital aggregating at least \$50 million or with any corporation which is subject to registration with the Board of Governors of the Federal Reserve System pursuant to the requirements of the Bank Holding Company Act of 1956 and whose unsecured or uncollateralized long-term debt obligations are assigned a rating by the Rating Agency of “AAA,” provided that each such interest-bearing deposit, repurchase agreement, guarantee agreement or other similar banking arrangement shall permit the moneys so placed to be available for use at the time provided with respect to the investment or reinvestment of such moneys; and

(e) no-load, open-end money market mutual funds (including those of the Trustee and its affiliates) registered under the Investment Company Act of 1940, provided the portfolio of such fund is limited to Government Obligations and such fund has been assigned a rating by the Rating Agency of “AAA.”

Qualified Investments shall not include the following: (i) any investments with a final maturity or any agreements with a term greater than 365 days from the date of the investments (except (A) obligations that provide for the optional or mandatory tender, at par, by the holder thereof at least once within 365 days of the date of purchase, (B) any investments listed in subparagraph (b) above that are irrevocably deposited with the Trustee for payment of Bonds pursuant to Article IX herein, and (C) agreements listed in subparagraphs (c) and (d) above); (ii) any obligation with a purchase price greater or less than the par value of such obligation (except for obligations described in subparagraph (b) above); (iii) mortgage-backed securities, real estate mortgage investment conduits or collateralized mortgage obligations; (iv) interest-only or principal-only stripped securities; (v) obligations bearing interest at inverse floating rates; (vi) investments which may be prepaid or called at a price less than its purchase price prior to stated maturity; or (vii) any investment the interest rate on which is variable and is established other than by reference to a single index plus a fixed spread, if any, and which interest rate moves proportionately with that index, and provided further that if any such investment described in subparagraphs (a) through (f) above is required to be rated, such rating requirements will not be satisfied if such rating is evidenced by the designation of an “r” highlighter affixed to its rating.

“*Rating Agency*” means Standard & Poor’s Rating Services, a division of The McGraw-Hill Companies, Inc., and its successors and assigns.

“*Rebate Amount*” means the amount of arbitrage computed annually for payment as of the last day of every Rebate Period and required to be rebated to the United States pursuant to Section 148 of the Code and Treasury Regulation Section 1.148-2 and any successor regulation as may be applicable thereto.

“*Rebate Analyst*” means an independent certified public accountant, financial analyst or bond counsel, or any firm of the foregoing, or financial institution, experienced in making the arbitrage and rebate calculations required pursuant to Section 148(f) of the Code, selected and retained by the Issuer pursuant to Section 2.06 of the Agreement to make the computations and give the directions required under Section 4.12 of this Indenture. The initial Rebate Analyst is Eichner & Norris PLLC.

“*Rebate Fund*” means the Rebate Fund created pursuant to Section 4.06 of this Indenture.

“*Rebate Period*” means the period beginning on the date of issuance of the Bonds and ending on October 20, 2014, and each fifth anniversary thereof unless the Issuer and the Trustee are advised by the Rebate Analyst that another period is required by law; provided, however, that the last Rebate Period for the Bonds shall end on the Retirement Date.

“*Regular Record Date*” means, with respect to an Interest Payment Date, the close of business on the 15th of each month preceding such Interest Payment Date, whether or not a Business Day.

“*Reserved Rights of the Issuer*” means (a) the right of the Issuer to receive notices, reports or other information, make determinations and grant approvals hereunder and under the other Financing Documents; (b) all rights of the Issuer in connection with any amendment to or modification of the Financing Documents; and (c) all enforcement remedies with respect to the foregoing.

“*Responsible Officer*” of the Trustee shall mean and include any Vice President, Assistant Vice President, Trust Officer or other officer of the Trustee having regular responsibility for corporate trust matters related to this Indenture.

“*Retirement Date*” means the date on which the last Bond is retired.

“*Revenues*” means the revenues, receipts, interest, income, investment earnings and other moneys received or to be received by the Issuer or the Trustee under the Financing Documents (subject to the limitations contained in the Financing Documents and the FHA Loan Documents), including moneys received or to be received from the GNMA Securities and all investment earnings derived or to be derived on any moneys or investments held by the Trustee hereunder, but excluding (a) amounts paid as fees or reimbursement for expenses or for indemnification of the Trustee and (b) any Rebate Amount.

“*Seasoned Funds*” means (a) moneys deposited by the District with the Trustee and all amounts in the Subsidy Escrow Fund, (b) any moneys received as a payment under the GNMA Security (including moneys representing the payment of premium on the Mortgage Note) (c) moneys with respect to which there has been delivered to the Trustee an opinion of nationally recognized bankruptcy counsel to the effect that payment of such moneys to the bondholders in payment of principal of, premium, if any, or interest on the Bonds will not constitute a preferential payment recoverable under Section 547 of the United States Bankruptcy Code and will not be subject to, or will promptly be released from, the automatic stay or transfer provisions provided for in Sections 362(a) and 550(a), respectively, of the United States Bankruptcy Code in the event of the bankruptcy of the Person providing such funds, or (d) moneys deposited on behalf of the Issuer or by a Person other than the Issuer with the Trustee and so designated by the Issuer, which moneys shall have been held by the Trustee for at least 366 days prior to the date such moneys are to be used to make payments on the Bonds, provided that no Act of Bankruptcy shall have occurred with respect to such Person during such 366-day period after such moneys were deposited with the Trustee (as evidenced by a certificate of such Person to the effect that no Act of Bankruptcy has occurred during such period).

“*Site Lease*” means the Site Lease (With Provisions For HUD Section 242 Insured Mortgage of Leasehold Interest in Land and Improvements) by and between the District, as lessor and the Issuer, as lessee, dated as of October 29, 2009.

“*Special Record Date*” (a) in the case of Defaulted Interest, has the meaning specified in Section 2.01 hereof, and (b) in the case of each redemption, such record date as shall be specified

by the Trustee in the notice of redemption required by Section 3.06 hereof, provided that such record date shall be not less than 15 calendar days before the mailing of such notice of redemption. However, the Trustee may specify a record date that is less than 15 calendar days before the mailing of such notice of redemption if the circumstances do not permit the Trustee to specify a record date in accordance with clause (b) of the preceding sentence.

“*State*” means the State of Washington.

“*Supplements*” means all extensions, renewals, modifications, amendments, supplements and substitutions.

“*Taxes*” means all taxes, water rents, sewer rents, assessments and other governmental or municipal or public or private dues, fees, charges and levies and any liens (including federal tax liens) which are or may be levied, imposed or assessed upon the Project or any part thereof, or upon any leases pertaining thereto, or upon the rents, issues, income or profits thereof, whether any or all of the aforementioned be levied directly or indirectly or as excise taxes or federal income taxes.

“*Trustee*” means U.S. Bank National Association, and its successors and assigns, as Trustee under this Indenture.

“*Trust Estate*” means the property rights, money, securities and other amounts pledged and assigned to the Trustee pursuant to the Granting Clauses hereof.

“*Trust Office*” means the appropriate trust office of the Trustee located at the address set forth in Section 10.04 hereof, or such other offices as may be specified in writing to the Issuer by the Trustee.

“*Underwriter*” means Red Capital Markets, Inc.

Section 1.02. Interpretation.

The words “hereof,” “herein,” “hereunder” and “hereto” and other words of similar import refer to this Indenture in its entirety.

The terms “agree” and “agreements” contained herein are intended to include and mean “covenant” and “covenants.”

References to Articles, Sections and other subdivisions of this Indenture are to the designated Articles, Sections and other subdivisions of this Indenture.

The headings of this Indenture are for convenience only and shall not define or limit the provisions hereof.

Any references made (a) in any gender shall be deemed to have been made in all genders and (b) in the singular or plural number shall be deemed to have been made, respectively, in the plural or singular number as well.

Any reference to particular sections or subsections of the Code and applicable Treasury Regulations shall include any successor provisions of law or regulations to the extent the same shall apply to the Bonds.

The parties acknowledge that each party, the Lender and their respective counsel have participated in the drafting and revision of this Indenture and the Financing Agreement. Accordingly, the parties agree that any rule of construction which would disfavor the drafting party shall not apply in the interpretation of this Indenture, the Financing Agreement or any Supplement or exhibit hereto or thereto.

Section 1.03. Content of Certificates and Opinions.

Every certificate or opinion with respect to compliance with a condition or covenant provided for in this Indenture or the Financing Agreement shall include (a) a statement that the person or persons making or giving such certificate or opinion have read such covenant or condition and the definitions herein relating thereto; (b) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate or opinion are based; (c) a statement that, in the opinion of the signers, they have made or caused to be made such examination or investigation as is necessary to enable them to express an informed opinion as to whether or not such covenant or condition has been complied with; and (d) a statement as to whether, in the opinion of the signers, such condition or covenant has been complied with.

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

ARTICLE II

THE BONDS

Section 2.01. Terms of the Bonds.

Bonds may not be issued under this Indenture except in accordance with this Article. The total principal amount of Bonds that may be issued hereunder is expressly limited to \$23,165,000, consisting of an aggregate principal amount of \$23,165,000 designated “Coulee Medical Foundation Taxable Revenue Build America Bonds (Direct Pay) (GNMA Collateralized-Coulee Medical Center), Series 2009A.” The Bonds shall be issued on a draw

down basis as fully registered bonds, without coupons, in Authorized Denominations and shall be numbered separately by series from 1 upward in the order of their issuance.

The Bonds shall mature on April 20, 2036, and shall bear interest at the rate of 6.50% per annum.

Any Bonds drawn prior to the first Interest Payment Date shall be dated as of October 1, 2009 and each subsequent draw of Bonds shall be dated as of the immediately preceding Interest Payment Date. Except as otherwise provided in this Section, the principal amount of Bonds outstanding and due shall only be such aggregate amount as has been drawn down and interest shall accrue only on such principal amount as has been actually drawn and shall bear interest (computed on the basis of a 360-day year of twelve 30-day months and payable on each Interest Payment Date) from the later of its date and the most recent Interest Payment Date to which interest has been paid or duly provided for, except that when there is no existing default in the payment of interest on the Bonds, each Bond authenticated after the Regular Record Date for any Interest Payment Date but prior to such Interest Payment Date shall bear interest from such Interest Payment Date.

The person in whose name any Bond is registered at the Regular Record Date with respect to an Interest Payment Date shall be entitled to receive the interest payable on such Interest Payment Date (unless such Bond has been called for redemption on a redemption date which is prior to such Interest Payment Date) notwithstanding the cancellation of such Bond upon any registration of transfer or exchange thereof subsequent to such Regular Record Date and prior to such Interest Payment Date; provided, however, that if and to the extent the Issuer shall default in the payment of the interest due on any Interest Payment Date, such defaulted interest shall be paid as provided in the next paragraph.

Any interest on any Bond which is payable, but is not punctually paid or duly provided for, on any Interest Payment Date (herein called "Defaulted Interest") shall forthwith cease to be payable to the Bondholder on the relevant Regular Record Date by virtue of having been such Bondholder. The Trustee shall make payment of any Defaulted Interest to the persons in whose names the Bonds (or their respective predecessor Bonds) are registered at the close of business on a Special Record Date for the payment of such Defaulted Interest, which shall be fixed in the following manner. The Trustee shall determine the amount of Defaulted Interest proposed to be paid on each Bond and the date of the proposed payment, shall fix a Special Record Date for the payment of such Defaulted Interest which shall be not more than 15 days or less than 10 days prior to the date of the proposed payment and 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 its address as it appears in the Bond Register not less than 10 days prior to such Special Record Date.

Notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor having been mentioned as aforesaid, such Defaulted Interest shall be paid to the persons in whose names the Bonds (or their respective predecessor Bonds) are registered on such Special Record Date.

Payment of principal of, premium, if any, and interest on the Bonds shall be made in such coin or currency of the United States as at the time of payment is legal tender for payment of private and public debts. Principal of and premium, if any, on the Bonds shall be paid only upon presentation and surrender thereof for cancellation at the Trust Office of the Trustee. Payment of the interest on each Bond shall be made by check or draft mailed by first class mail to the person entitled thereto at its address as it appears on the Bond Register. Upon the request of a registered owner of at least \$1,000,000 principal amount of Outstanding Bonds, all payments of interest on the Bonds owned by such registered owner shall be paid by wire transfer of immediately available funds to an account designated by such registered owner. CUSIP number identification with appropriate dollar amounts for each CUSIP number must accompany all payments of principal, interest or premium, whether by check or by wire transfer.

The Bonds shall be subject to redemption as provided in Article III hereof.

Section 2.02. Authentication, Draw Down Bonds, Sale and Delivery of the Bonds.

Upon execution and delivery of this Indenture, the Trustee shall authenticate the Initial Draw Amount of Bonds and deliver them to the Underwriter, but only upon receipt of the payment to the Trustee for the account of the Issuer of the purchase price of the Initial Draw Amount plus accrued interest, if any, thereon to the date of delivery (as such amount shall be specified by the Issuer to the Trustee) and upon receipt of the following:

- (a) a copy of the Bond Resolution duly certified by the Secretary of the Issuer;
- (b) an original executed counterpart of the Financing Documents;
- (c) a request and authorization to the Trustee on behalf of the Issuer, requesting and authorizing the Trustee to (i) authenticate the Bonds; (ii) deliver the Bonds as authenticated to or upon the order of the Underwriter, upon receipt of the purchase price specified therefor; and (iii) deposit the proceeds from the sale of the Bonds, including any premium thereon, and the moneys to be paid by the Issuer as provided in Article IV of this Indenture;
- (d) an executed copy of the Commitment;
- (e) [reserved];
- (f) a copy of final cash flow statements with respect to the Project verified by Eichner & Norris;
- (g) the Issuer's contribution as provided in Section 3.08(a) of the Financing Agreement;
- (h) an opinion of Eichner & Norris PLLC, Bond Counsel, substantially to the effect that the Indenture creates a lien on the Trust Estate, this Indenture and the Bonds constitute legal, valid and binding obligations of the Issuer, subject to customary exceptions relating to bankruptcy and insolvency; and

(i) an opinion of counsel of the Lender to the effect that the Lender is authorized under GNMA's Commitment to Guaranty Mortgage Backed Securities to issue GNMA Securities in an aggregate principal amount equal to at least \$23,165,000.

From time to time throughout the construction period, additional Bonds shall be drawn down in accordance with the provisions under this Indenture and with written notice to the Trustee from the Underwriter or the Lender. On each Draw Down Date following the Closing Date, the Trustee shall authenticate Bonds in an amount equal to the portion of the deposit made on such Draw Down Date representing the par amount of such drawn down Bonds and deliver them to the Underwriter, but only upon receipt of (i) written confirmation from the Underwriter of the amount of Bonds being drawn down on such Draw Down Date for each of the Bonds along with the amount of accrued interest thereon (collectively, the "Purchase Price") and (ii) the payment to the Trustee for the account of the Issuer of the Purchase Price of such Bonds. The principal amount of such drawn down Bonds shall be noted on the principal log in the form attached to each Bond and acknowledged thereon by the Trustee, provided the Trustee may maintain such principal log through its bond recordkeeping system. Such amounts shall begin to accrue interest only upon applicable deposit on such Draw Down Date and notation on the Bond principal log by the Trustee.

Section 2.03. Limited Obligations.

The Bonds and the interest thereon are limited obligations of the Issuer, payable solely from the Revenues and the Trust Estate, which are hereby specifically assigned and pledged to such purposes in the manner and to the extent provided herein. Neither the United States of America nor HUD, FHA, any other agency of the United States of America, GNMA or the State or any county, municipality or other political subdivision thereof shall in any event be liable for the payment of the principal of, premium, if any, or interest on the Bonds or for the performance of any pledge, obligation or agreement of any kind whatsoever of the Issuer, and none of the Bonds or any of the Issuer's agreements or obligations shall be construed to constitute an indebtedness of or a pledge of the faith and credit of or a loan of the credit of any of the foregoing within the meaning of any constitutional or statutory provision whatsoever.

THE BONDS, TOGETHER WITH INTEREST THEREON, AND REDEMPTION PREMIUM, IF ANY, ARE SPECIAL, LIMITED OBLIGATIONS OF THE ISSUER SECURED BY THE TRUST ESTATE, ARE AND SHALL ALWAYS BE PAYABLE SOLELY FROM THE REVENUES AND INCOME DERIVED FROM THE TRUST ESTATE AND ARE AND SHALL ALWAYS BE A VALID CLAIM OF THE OWNER THEREOF ONLY AGAINST THE REVENUES AND INCOME DERIVED FROM THE TRUST ESTATE, WHICH REVENUES AND INCOME SHALL BE USED FOR NO OTHER PURPOSE THAN TO PAY THE PRINCIPAL INSTALLMENTS OF, REDEMPTION PREMIUM, IF ANY, AND INTEREST ON THE BONDS, EXCEPT AS MAY BE EXPRESSLY AUTHORIZED OTHERWISE IN THIS INDENTURE AND IN THE FINANCING AGREEMENT.

NEITHER THE BOARD OF THE ISSUER NOR ANY PERSON EXECUTING THE BONDS SHALL BE LIABLE PERSONALLY ON THE BONDS BY REASON OF THE ISSUANCE THEREOF. THE BONDS AND THE OBLIGATION TO PAY INTEREST THEREON, PRINCIPAL INSTALLMENTS AND REDEMPTION PREMIUMS, IF ANY, SHALL NOT BE

A DEBT OF ANY CITY, COUNTY, THE STATE OF WASHINGTON, OR ANY POLITICAL SUBDIVISION OF THE STATE. NEITHER THE STATE OF WASHINGTON, NOR ANY POLITICAL SUBDIVISION THEREOF, SHALL BE LIABLE ON THE BONDS OR THE OBLIGATION TO PAY INTEREST THEREON, PRINCIPAL INSTALLMENTS AND REDEMPTION PREMIUMS, NOR IN ANY EVENT SHALL THE BONDS OR THE OBLIGATIONS TO PAY INTEREST THEREON, PRINCIPAL INSTALLMENTS AND REDEMPTION PREMIUMS BE PAYABLE OUT OF ANY FUNDS OR PROPERTIES OF THE ISSUER, THE STATE OF WASHINGTON, NOR ANY POLITICAL SUBDIVISION THEREOF, OTHER THAN FROM THE REVENUES AND INCOME DERIVED FROM THE TRUST ESTATE. THE BONDS SHALL NOT CONSTITUTE AN INDEBTEDNESS WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMITATION OR RESTRICTION.

NO OWNER OF THE BONDS SHALL HAVE THE RIGHT TO COMPEL THE EXERCISE OF THE TAXING POWER, IF ANY, OF THE ISSUER, THE STATE OF WASHINGTON OR ANY POLITICAL SUBDIVISION THEREOF, TO PAY ANY PRINCIPAL INSTALLMENT OF, PREMIUM, IF ANY, OR INTEREST ON THE BONDS.

THE BONDS ARE NOT A DEBT OF THE UNITED STATES OF AMERICA, THE UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT OR ANY OTHER FEDERAL GOVERNMENTAL AGENCY AND ARE NOT GUARANTEED BY THE FULL FAITH AND CREDIT OF THE UNITED STATES.

No recourse shall be had for the payment of the principal of, redemption premium, if any, and interest on any of the Bonds or for any claim based thereon or upon any obligation, covenant or agreement contained in the Indenture or the Financing Agreement or the Bond Purchase Agreement against any past, present or future member, commissioner, officer, agent or employee of the Issuer, or any incorporator, member, officer, employee, director or trustee of any successor corporation, as such, either directly or through the Issuer or any successor corporation, under any rule of law or equity, statute or constitution or by the enforcement of any assessment or penalty or otherwise, and all such liability of any such incorporator, member, officer, employee, director, agent or trustee as such is hereby expressly waived and released as a condition of and consideration for the execution of this Indenture or the Financing Agreement and the issuance of the Bonds.

Section 2.04. Execution.

The Bonds shall be executed on behalf of the Issuer with the manual or facsimile signature of its President or Vice President and shall have impressed or imprinted thereon the official seal of the Issuer or a facsimile thereof and shall be attested by the manual or facsimile signature of its Secretary. All authorized facsimile signatures shall have the same force and effect as if manually signed. In case any official whose signature or a facsimile of whose signature shall appear on the Bonds shall cease to be such official before the delivery of such Bonds, such signature or such facsimile shall nevertheless be valid and sufficient for all purposes, the same as if such official had remained in office until delivery. The Bonds may be signed on behalf of the Issuer by such persons who, at the time of the execution of such Bonds,

are duly authorized or hold the appropriate office of the Issuer, although on the date of the Bonds such persons were not so authorized or did not hold such offices.

Section 2.05. Authentication of Bonds Required.

Only such Bonds as shall have endorsed thereon a certificate of authentication substantially in the form set forth in Exhibit A hereto manually executed by the Trustee shall be entitled to any right or benefit under this Indenture. No Bond shall be valid or obligatory for any purpose unless and until such certificate of authentication shall have been duly executed by the Trustee, and such executed certificate upon any such Bond shall be conclusive evidence that such Bond has been authenticated and delivered under this Indenture. The Trustee's certificate of authentication on any Bond shall be deemed to have been executed by it if signed by an authorized representative of the Trustee, but it shall not be necessary that the same person sign the certificate of authentication on all the Bonds. The Trustee shall not use a facsimile signature to authenticate the Bonds.

Section 2.06. Mutilated, Lost, Stolen or Destroyed Bonds.

In the event any Bond is mutilated, lost, stolen or destroyed, the Issuer may execute and, if so executed, the Trustee shall authenticate and deliver a new Bond in lieu of such mutilated, lost, stolen or destroyed Bond, of like maturity and denomination as that mutilated, lost, stolen or destroyed. Any mutilated Bond shall first be surrendered to the Trustee, and in the case of any lost, stolen or destroyed Bond, there shall first be furnished to the Trustee evidence of such loss, theft or destruction satisfactory to it together with indemnity satisfactory to it. In the event any such Bond shall have matured, instead of issuing a replacement Bond the Trustee shall pay the same without surrender thereof upon receipt of indemnity satisfactory to the Trustee. The Trustee may charge the registered owner of such Bond with its reasonable fees and expenses. If, after the delivery of a new Bond, a bona fide purchaser of the original Bond in lieu of which such new Bond was issued presents for payment or registration such original Bond, the Trustee shall be entitled to recover such new Bond from the person to whom it was delivered or any person talking therefrom, except a bona fide purchaser, and shall be entitled to recover, upon the security or indemnity provided therefor, to the extent of any loss, damage, cost or expense incurred by the Trustee or the Issuer in connection therewith.

Each replacement Bond delivered in accordance with this Section, except as otherwise provided herein, shall constitute an original additional limited obligation of the Issuer and shall be entitled to the benefit and security of this Indenture to the same extent as the original Bond in lieu of which such replacement Bond was delivered.

Section 2.07. Transfer and Exchange of Bonds; Persons Treated as Holders.

The Trustee is hereby appointed Bond Registrar and shall cause a register (herein sometimes referred to as "Bond Register") to be kept for the registration of Bonds and the registration of transfers of Bonds.

The registration of any Bond may be transferred only upon an assignment duly executed by the registered owner or its duly authorized representative in such form as shall be satisfactory

to the Trustee and upon surrender of such Bond to the Trustee for cancellation. Whenever any Bond or Bonds shall be surrendered for registration of transfer, the Issuer shall execute and the Trustee shall authenticate and deliver to the transferee a new Bond or Bonds of like Authorized Denomination or Denominations and for the amount of such Bond or Bonds so surrendered. Any Bond may be exchanged at the office of the Trustee for a new Bond or Bonds, of the same maturity, of any Authorized Denomination or Denominations and for the aggregate amount of such Bond then remaining outstanding.

Notwithstanding the foregoing, no Bonds may be transferred or exchanged in violation of any applicable federal or state securities laws.

In all cases in which the registration of Bonds shall be transferred or Bonds shall be exchanged hereunder, the Trustee may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such transfer or exchange. The Trustee shall not be required to transfer any Bond after the mailing of notice calling such Bond for redemption has been made or during the period of 15 days next preceding mailing of a notice of redemption of any Bonds.

The person in whose name any Bond shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes and payment of or on account of the principal of and premium and interest on any such Bond shall be made only to or upon the order of the registered owner thereof, or its legal representative, and neither the Issuer nor the Trustee shall be affected by any notice to the contrary. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums to be paid.

Section 2.08. Temporary Bonds.

Until definitive Bonds are ready for delivery, there may be executed, and upon the written request of the Issuer the Trustee shall authenticate and deliver, in lieu of definitive Bonds, one or more temporary typewritten, printed, engraved or lithographed Bonds, in any appropriate denomination, in fully registered form and in substantially the tenor set forth in Exhibit A hereto, and with such appropriate omissions, insertions and variations as may be required.

If temporary Bonds shall be issued, the Issuer shall cause the definitive Bonds to be prepared and to be executed and delivered to the Trustee, and the Trustee, upon presentation to it at its Trust Office of any temporary Bond, shall cancel the same and authenticate and deliver in exchange therefor, without charge to the holder thereof, a definitive Bond or Bonds of an equal aggregate principal amount, of the same maturity and bearing interest at the same rate as the temporary Bond surrendered. Until so exchanged, the temporary Bonds shall in all respects be entitled to the same benefit and security of this Indenture as the definitive Bonds to be issued and authenticated hereunder. Interest on temporary Bonds, when due and payable, if the definitive Bonds shall not be ready for exchange, shall be paid by check or draft mailed to the registered owners thereof.

Section 2.09. Cancellation and Destruction of Bonds.

All Bonds which have been surrendered for payment or redemption, for registration of transfer or for exchange pursuant to the provisions hereof shall be cancelled and destroyed by the Trustee and shall not be reissued, and a counterpart of the certificate of destruction evidencing such destruction shall be furnished by the Trustee to the Issuer. Any Bonds so cancelled may be retained by the Trustee for such period of time as the Trustee may determine and shall be destroyed by the Trustee at the end of such period. Any Bond so cancelled shall thereafter no longer be considered Outstanding for any purpose of this Indenture.

Section 2.10. Form of the Bonds.

The Bonds shall be issued substantially in the forms set forth in Exhibit A attached hereto, with such variations, omissions and insertions as are permitted or required by this Indenture. If appropriate, any portion of the text of any Bond as shown on said Exhibit A may be printed on the back of such Bond, and in such case there shall be inserted in place of such text a legend referring thereto to the following effect: "Reference is hereby made to the further provisions of this Bond set forth on the back hereof, and such further provisions are hereby incorporated by this reference as if set forth here in full."

Section 2.11. Book-entry System.

(a) Notwithstanding any of the foregoing provisions of this Article II or other provisions of this Indenture, the Bonds initially shall be issued in the form of a single authenticated fully registered bond for each stated maturity of each series of the Bonds, representing the aggregate principal amount of the Bonds of such maturity, and the Bonds shall be governed by the provisions of this Section 2.11. For purposes of this Section, the term "DTC" means The Depository Trust Company and its successors and assigns; the term "Participants" means those broker-dealers, banks and other financial institutions from time to time for which DTC holds the Bonds as securities depository; and the term "Representation Letter" means, collectively, the Blanket Letter of Representations from the Issuer to DTC and the Operational Arrangements Letter of Representations filed by the Trustee with the DTC, and any similar letters or other agreement with any successor depository for the Bonds.

(b) Except as provided in this paragraph (b) and in paragraph (d) of this Section, all of the Outstanding Bonds shall be registered in the registration books kept by the Bond Registrar in the name of Cede & Co., as nominee of DTC. With respect to the Bonds registered in the name of Cede & Co., as nominee of DTC, the Issuer, the Trustee, the Bond Registrar, and any paying agent shall have no responsibility or obligation to any Participant or to any person on behalf of which a Participant holds an interest in the Bonds. Without limiting the immediately preceding sentence, the Issuer, the Trustee, the Bond Registrar and any paying agent shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any Participant or any other person, other than a Bondholder, as shown in the registration books kept by the Bond Registrar, of any notice with respect to the Bonds, including any notice of

redemption, or (iii) the payment to any Participant or any other person, other than a Bondholder, as shown in the registration books kept by the Bond Registrar, of any amount with respect to principal of, premium, if any, or interest on the Bonds. The Issuer, the Trustee, the Bond Registrar and any paying agent may treat and consider the person in whose name each Bond is registered in the registration books kept by the Bond Registrar as the holder and absolute owner of such Bond for the purpose of payment of principal, premium and interest with respect to such Bond, for the purpose of giving notices of redemption and other matters with respect to such Bond, for the purpose of registering transfers with respect to such Bond and for all other purposes whatsoever. The Trustee shall pay all principal of, premium, if any, and interest on the Bonds only to or upon the order of the respective Bondholders, as shown in the registration books kept by the Bond Registrar as provided in Section 2.07, or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the Issuer's obligations with respect to payment of principal of, premium, if any, and interest on the Bonds to the extent of the sum or sums so paid. No person other than a Bondholder, as shown in the registration books kept by the Bond Registrar, shall receive a certificated Bond evidencing the obligation of the Issuer to make payments of principal, premium, if any, and interest pursuant to the Indenture. Upon delivery by DTC to the Issuer or the Trustee of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions herein with respect to Regular Record Dates, the words "Cede & Co." in this Indenture shall refer to such new nominee of DTC.

(c) The delivery by the Issuer of the Representation Letter shall not in any way limit the provisions of paragraph (b) of this Section or in any other way impose upon the Issuer any obligation whatsoever with respect to persons having interests in the Bonds other than the Bondholders, as shown on the registration books kept by the Bond Registrar.

(d) DTC may determine to discontinue providing its services with respect to the Bonds at any time by giving reasonable written notice to the Issuer and the Trustee and discharging its responsibilities with respect thereto under applicable law. The Issuer, in its sole discretion and without the consent of any other person, may terminate the services of DTC with respect to the Bonds. Upon the discontinuance or termination of the services of DTC with respect to the Bonds, unless a substitute securities depository is appointed to undertake the functions of DTC hereunder, the Issuer is obligated to deliver Bond certificates at the expense of the beneficial owners of the Bonds, as described in this Indenture, and the Bonds shall no longer be restricted to being registered in the name of Cede & Co. as nominee of DTC, but may be registered in whatever name or names Bondholders transferring or exchanging Bonds shall designate, in accordance with the provisions of this Indenture.

(e) Notwithstanding any other provision of this Indenture to the contrary, so long as any Bond is registered in the name of Cede & Co., as nominee of DTC, all payments with respect to principal of, premium, if any, and interest on such Bond and all notices with respect to such Bond and all registration, delivery or transfer of such Bond shall be made and given, respectively, in the manner provided in the Representation

Letter. Bondholders shall have no lien or security interest in any rebate or refund paid by DTC to the Trustee which arises from the payment by the Trustee of principal of or interest on the Bonds in immediately available funds to DTC.

(f) The Trustee, if required, is hereby authorized and requested to execute and deliver the Operational Arrangements letter to DTC and, in connection with any successor nominee for DTC or any successor depository, enter into comparable arrangements and shall have the same rights with respect to its actions thereunder as it has with respect to its actions under this Indenture.

ARTICLE III

REDEMPTION OF BONDS

Section 3.01. Redemption of the Bonds.

The Bonds shall be subject to redemption prior to maturity, as provided in the form of the Bonds and as provided in this Article III.

Section 3.02. Special Mandatory Redemption.

The Bonds shall be subject to redemption prior to maturity on the earliest practicable date for which notice of redemption can be given by the Trustee pursuant to Section 3.06 hereof, unless otherwise provided, at a redemption price equal to the principal amount thereof plus accrued interest to the redemption date but without premium (except as provided in the last paragraph of this Section 3.02):

(a) After the Closing Date, in part, on the first Business Day which is 10 days after any Draw Down Date if the corresponding GNMA Delivery Date has not occurred (and the corresponding CLC delivered to the Trustee) within 10 days of such Draw Down Date (or such later date as shall be permitted by Section 4.03), in a principal amount equal to the Bonds that were drawn down on such Draw Down Date, from amounts on deposit in the Acquisition Fund; provided however, that such 10-day period may be extended as set forth in Section 4.03 hereof.

(b) [Reserved]

(c) As a whole or in part, on the first Business Day at least 10 days after the PLC Delivery Date if the PLC is not delivered to the Trustee by the PLC Delivery Date (or such later date as shall be permitted by Section 4.03), to the extent of amounts remaining on deposit in the Acquisition Fund.

(d) In part on the earliest practicable date after delivery of the PLC to the Trustee, to the extent the PLC, as delivered, is in a principal amount less than the principal amount of Bonds drawn to date and Outstanding (less any regularly scheduled principal payments made on the Mortgage Loan prior to the PLC Delivery Date), from amounts on deposit in the Acquisition Fund.

(e) As a whole or in part on the earliest practicable date to the extent that the Trustee receives payments on the GNMA Securities in excess of regularly scheduled payments (except payments representing optional prepayments on the Mortgage Loan) including (but not limited to) payments representing:

(i) casualty insurance proceeds, condemnation awards or other amounts applied to the prepayment of the Mortgage Loan following a partial or total destruction or condemnation of the Project;

(ii) mortgage insurance proceeds or other amounts received with respect to the Mortgage Loan following the occurrence of an event of default under the Mortgage Loan; or

(iii) a mandatory prepayment of the Mortgage Loan required by the applicable rules, regulations, policies and procedures of FHA or GNMA (including the possible exercise by HUD of its right to override the prepayment and premium provisions of the Mortgage Note under certain circumstances).

(f) As a whole on the CLC Maturity Date (or such later date as shall be permitted by this Indenture) in the event the PLC is not delivered to the Trustee at least 5 days prior to the CLC Maturity Date (or such later date as shall be permitted by this Indenture).

If less than all the Outstanding Bonds shall be called for redemption pursuant to subparagraphs (a) through (e) of this Section, an amount of Bonds of each maturity of each series shall be redeemed (and the scheduled sinking fund redemptions described below will be reduced) so that the resulting decrease in debt service on the Bonds for the one-month period ending on each Interest Payment Date is proportional, as nearly as practicable, to the decrease in the payments on the GNMA Securities in each such one-month period.

In the event of a redemption pursuant to this Section 3.02, the Bonds will be redeemed at a redemption price of 100% of the principal amount thereof plus accrued interest to the redemption date.

Section 3.03. Scheduled Mandatory Redemption.

The Bonds shall be subject to scheduled mandatory redemption on the respective Interest Payment Dates set forth on Exhibit B attached hereto, at a redemption price equal to the principal amount thereof plus accrued interest to the redemption date, in the principal amounts set forth on Exhibit B, subject to pro rata reduction of such scheduled mandatory redemption payments to the extent that such Bonds are redeemed prior to maturity otherwise than pursuant to such scheduled mandatory redemption; provided, however, that any such scheduled mandatory redemption payments set forth on Exhibit B that occur prior to the PLC Delivery Date shall be deferred to the Interest Payment Date immediately following the PLC Delivery Date (as such date may be extended pursuant to the Indenture).

Section 3.04. Optional Redemption.

The Bonds shall be subject to redemption on any date on or after December 20, 2019, in whole or in part, from payments on the GNMA Securities representing voluntary prepayments on the Mortgage Loan pursuant to Section 3.06(a) of the Financing Agreement, whether from the proceeds of refunding bonds, other funds of the Issuer or otherwise, from such maturities or parts thereof as may be selected by the Issuer, at the redemption prices set forth in the table below, expressed as percentages of the principal amount of the Bonds to be redeemed, plus accrued interest to the redemption date, as follows:

<u>Redemption Dates</u>	<u>Redemption Prices</u>
December 20, 2019 through December 19, 2020	102%
December 20, 2020 through December 19, 2021	101
December 20, 2021 and thereafter	100

In the event of an optional redemption of the Bonds on a date on which the redemption price includes a redemption premium, the Bonds shall not be redeemed unless the Trustee shall have Seasoned Funds in its possession in an amount equal to the redemption premium on the Bonds.

Section 3.05. Selection of Bonds for Redemption.

The Bonds may be redeemed only in Authorized Denominations. If less than all of the Bonds are redeemed, in the case of redemption pursuant to Section 3.03, Bonds shall be redeemed in accordance with the respective schedules set forth in such Section. In the event the Bonds are redeemed in part and not in whole other than in accordance with Section 3.03 or 3.04, the Bonds to be redeemed shall be selected pro rata by maturity and the scheduled mandatory redemption requirements for each maturity described in Section 3.03 shall be adjusted so that the resulting decrease in debt service on the Bonds (including scheduled mandatory redemption payments) during each one-month period commencing on each Interest Payment Date is proportional, as nearly as practicable, to the decrease in the payments on the GNMA Securities during each such one-month period. All Bonds to be redeemed within the same maturity shall be selected randomly or in such other manner as the Trustee deems fair.

Except as otherwise described above, any Bonds to be called for redemption shall be selected by the Trustee by lot in such manner as the Trustee in its absolute discretion shall determine, such selection to be made prior to the date on which notice of such redemption must be given. Bonds shall be redeemed as soon as practicable after an event causing a redemption shall have occurred.

If it is determined that less than all of the principal amount represented by any Bond is to be called for redemption, then, following notice of intention to redeem such principal amount, the holder thereof shall surrender such Bond to the Trustee on or before the applicable redemption date for (a) payment on the redemption date to such Bondholder of the redemption price of the amount called for redemption and (b) delivery to such Bondholder of a new Bond or Bonds of such Series in an aggregate principal amount equal to the unredeemed balance of such

Bond, which shall be an Authorized Denomination. A new Bond representing the unredeemed balance of such Bond shall be issued to the registered owner thereof, without charge therefor. If the registered owner of any Bond or integral multiple of the Authorized Denomination selected for redemption shall fail to present such Bond to the Trustee for payment and exchange as aforesaid, such Bond shall, nevertheless, become due and payable on the date fixed for redemption to the extent of the amount called for redemption (and to that extent only).

Section 3.06. Notice of Redemption.

Except as provided below, notice of redemption shall be mailed, first-class postage prepaid, by the Trustee, not less than 15 or more than 30 days prior to the redemption date (except as otherwise described below), to (a) the respective holders of any Bonds designated for redemption at their addresses appearing on the bond registration books of the Trustee as of the Special Record Date, and (b) the MSRB's Electronic Municipal Market Access system as provided at <http://www.emma.msrb.org> ("EMMA"). Notice of redemption shall also be given by telecopy or certified, registered or overnight mail to Securities Depositories (described below) two days prior to the mailing of notice of redemption to the Bondholders and EMMA. Each notice of redemption shall state the date of such notice, the applicable Special Record Date, the redemption date, the redemption price, the place or places of redemption (including the name and appropriate address or addresses of the Trustee), the CUSIP number (if any), the distinctive numbers of the Bonds to be redeemed and, in the case of Bonds to be redeemed in part only, the respective portions of the principal amount thereof to be redeemed. Each such notice shall also state that on said date there will become due and payable on each of said Bonds the redemption price thereof or of said specified portion of the principal amount thereof in the case of a Bond to be redeemed in part only, together with interest accrued thereon to the redemption date, and that from and after such redemption date interest thereon shall cease to accrue, and shall require that such Bonds be then surrendered at the address of the Trustee specified in the redemption notice.

Notice of redemption of Bonds shall be given by the Trustee for and on behalf of, and at the expense of, the Issuer. The Trustee shall mail a second notice to Bondholders with respect to any Bond called for redemption but not tendered for redemption within 60 days of the redemption date.

Failure by the Trustee to give notice pursuant to this Section 3.06 to EMMA or the Securities Depositories shall not affect the sufficiency of the proceedings for redemption. Failure by the Trustee to mail notice of redemption pursuant to this Section 3.06 to any one or more of the respective holders of any Bonds designated for redemption shall not affect the sufficiency of the proceedings for redemption with respect to the Bondholder or Bondholders to whom such notice was mailed.

Notwithstanding the foregoing or any other provision of this Indenture, in the event of a redemption by reason of (a) voluntary prepayments on the GNMA Securities, (b) a redemption pursuant to Section 3.02(a), (c) or (d), (c) prepayments on the Mortgage Loan without notice or prepayment penalty pursuant to Section 3.02(e)(i), (ii) or (iii), or (d) principal of the CLCs pursuant to Section 3.02(f), the Trustee shall give notice of redemption of Bonds at least 5 days, and not more than 10 days, prior to such redemption immediately upon receipt of notice of prepayment of the Mortgage Loan or the principal payment of the CLCs, in each case from the

Lender in accordance with Section 3.6 of the Financing Agreement. However, such notice of redemption shall not be required if the circumstances do not permit the Trustee to give such notice in accordance with the preceding sentence, provided that the Trustee shall give such notice as soon as practicable.

Notice of redemption having been given in the manner provided above, and money sufficient for the redemption being held by the Trustee for that purpose, the Bonds so called for redemption shall become due and payable on the redemption date, and interest thereon shall cease to accrue from and after the redemption date, and the holders of the Bonds so called for redemption shall thereafter no longer have any security or benefit under this Indenture except to receive payment of the redemption price for such Bonds from such money.

In addition to sending notice of redemption of Bonds to Bondholders, the Trustee shall, immediately upon receipt of notice of prepayment of the Mortgage Loan or the principal payment of the CLCs from the Lender in accordance with Section 3.6 of the Financing Agreement, notify the Rating Agency then rating the Bonds of such prepayment or principal payment.

Securities Depositories include The Depository Trust Company, 711 Stewart Avenue, Garden City, New York 11530, Fax: (516) 227-4039 or 4190; Philadelphia Depository Trust Company, Reorganization Division, 1900 Market Street, Philadelphia, Pennsylvania 19103, Attention: Bond Department, Fax: (215) 496-5058; or, in accordance with the then current guidelines of the Securities and Exchange Commission, such other addresses and/or such other securities depositories or any such other depositories as the Issuer may designate in writing to the Trustee.

ARTICLE IV

FUNDS; INVESTMENTS

Section 4.01. Establishment of Funds.

The following funds and accounts shall be established and maintained by the Trustee under this Indenture for the benefit of the Bonds:

- (a) Acquisition Fund, including therein a Negative Arbitrage Account;
- (b) Bond Fund, including therein a Seasoned Funds Account;
- (c) Reserved;
- (d) Costs of Issuance Fund;
- (e) Rebate Fund; and
- (f) Subsidy Escrow Fund.

The funds and accounts created under this Indenture shall be held in trust in the custody of the Trustee. The Issuer authorizes and directs the Trustee to withdraw moneys from said funds and accounts for the purposes specified herein, which authorization and direction the Trustee hereby accepts. All moneys required to be deposited with or paid to the Trustee under any provision of this Indenture shall be held by the Trustee in trust and shall (except for moneys on deposit in the Rebate Fund and the Subsidy Escrow Fund), while held by the Trustee, constitute a part of the Trust Estate and be subject to the lien hereof.

Section 4.02. Application of Bond Proceeds and Other Amounts.

Upon issuance of the Bonds, the proceeds from the sale of the Initial Draw Amount (plus accrued interest) shall be deposited or transferred by the Trustee as follows:

(a) the interest accrued on the Initial Draw Amount between the date of such Bonds and the date of delivery thereof (\$257.83) shall be deposited into the Bond Fund; and

(b) \$51,000 of the 2009A Bond proceeds shall be deposited into the Acquisition Fund.

Upon issuance of the Bonds, \$609,738 paid to the Trustee by the District as required by Section 3.08(a) of the Financing Agreement shall be deposited as follows: \$426,738 shall be deposited into the Cost of Issuance Fund and \$183,000 shall be deposited into the Bond Fund, which represents the lag deposit.

On each Draw Down Date after the Closing Date, the proceeds from such draw down of Bonds shall be deposited by the Trustee as follows:

(a) the interest accrued on such Bonds between the prior Interest Payment Date and the date of delivery thereof shall be deposited into the Bond Fund; and

(b) the par amount of such Bonds shall be deposited into the Acquisition Fund.

Section 4.03. Acquisition Fund.

(a) The Trustee shall deposit into the Acquisition Fund the amounts required by Section 4.02 and any amounts paid to the Trustee for deposit into the Acquisition Fund in accordance with Section 4.03(e) and shall invest such proceeds in Qualified Investments. The Trustee shall request funds invested under Qualified Investments in accordance with the terms thereof such that funds will be timely available in advance of the date such funds are needed hereunder.

(b) Subsequent to the Closing Date, Seasoned Funds may be deposited with the Trustee for deposit in the Negative Arbitrage Account as set forth in 4.03(e) hereto. Moneys in the Negative Arbitrage Account of the Acquisition Fund shall be transferred to the Bond Fund on each Interest Payment Date, and on any date of redemption of Bonds pursuant to Section 3.02(a), (c), (d), (e) or (f); as needed to pay interest on the Bonds when due. Subject to the requirements

of Section 3.03 of the Financing Agreement, moneys in the Acquisition Fund shall be disbursed by the Trustee to acquire GNMA Securities from the Lender representing Mortgage Loan advances previously funded by the Lender as follows:

(i) On each date upon which the Trustee acquires from the Lender a CLC representing Mortgage Loan advances previously funded by the Lender, the Trustee shall transfer from the Acquisition Fund to the Lender an amount equal to 100% of the principal amount of such CLC; provided, however, that the Trustee shall make no disbursements with respect to Mortgage Loan advances (including the amount used to purchase the Initial CLC and the PLC) in excess of the aggregate Bonds drawn down to date, nor shall the Trustee permit any draw from the Acquisition Fund (excluding accrued interest thereon) unless immediately after such draw the amount on deposit in the Acquisition Fund (excluding amounts in the Negative Arbitrage Account) would be equal to the amount of the aggregate Bonds drawn down to date minus the sum of the aggregate principal amount of all CLCs delivered to the Trustee including the one being purchased. Accrued and unpaid interest on such CLC at the Pass-Through Rate shall be paid simultaneously by the Trustee to the Lender from amounts in the Bond Fund.

(ii) On the date on which the Trustee acquires the PLC from the Lender, the Trustee shall remit to the Lender as payment for the PLC, all CLCs therefore acquired by the Trustee plus, to the extent of available funds on deposit in the Acquisition Fund, an amount equal to the difference between 100% of the aggregate original principal amount of all CLCs theretofore acquired by the Trustee and the current balance on the PLC, plus accrued and unpaid interest thereon at the Pass-Through Rate, provided that any amount expended from the Acquisition Fund in connection with acquisition of the PLC will not, when added to the amounts previously expended pursuant to (i) and (ii) above, exceed the principal amount of Bonds drawn and currently Outstanding. Accrued and unpaid interest on the PLC shall be paid from the Bond Fund.

In the event the principal balance of the PLC as of the PLC Delivery Date is less than the aggregate principal amount of all CLCs theretofore acquired by the Trustee, the Trustee shall not exchange the CLCs held by it for the PLC unless and until the Lender causes to be paid to the Trustee for deposit to the Acquisition Fund, as partial prepayment on such CLCs (or pursuant to 4.04(j)), an amount equal to the difference between the then current outstanding principal balance of the PLC as of the PLC Delivery Date and the aggregate principal amount of the CLCs theretofore acquired by the Trustee, which amount shall be transferred to the Bond Fund to redeem Bonds in accordance with Section 3.02(d).

(c) If a GNMA Delivery Date does not occur (and the corresponding CLC or PLC is not delivered to the Trustee) within 10 days of a corresponding Draw Down Date or the PLC is not delivered to the Trustee on or before the PLC Delivery Date (October 31, 2012) (or such later dates as may be established in paragraphs (d) or (e) below), the Trustee shall, on the Business Day immediately after (i) the 10th day following the applicable Draw Down Date or (ii) the PLC Delivery Date, as applicable (or such later dates as may be established in paragraphs (d) or (e) below), transfer to the Bond Fund amounts on deposit in the Acquisition Fund (including the Negative Arbitrage Account therein) for application to the mandatory redemption of Bonds in accordance with Sections 3.02(a) or (c) hereof, as applicable.

(d) The PLC Delivery Date will be extended and the transfer and redemption described in paragraph (c) above will be delayed if the Trustee has received no later than 10 Business Days preceding the current PLC Delivery Date, a request signed by either the Issuer or the Lender (whether or not a conflicting request is received from the such other party) for such delay. The length of the delay in terms of number of days shall be determined in writing by a firm of certified public accountants or financial consultants acceptable to the Rating Agency by application of the following steps: Step 1—multiply (w) the remaining balance in the Acquisition Fund (other than amounts in the Negative Arbitrage Account thereof) times (x) the Daily Negative Arbitrage Rate (as herein defined), Step 2—divide (y) the amount remaining in the Negative Arbitrage Account by (z) the result of Step 1, Step 3—multiply the result of Step 2 by 90% and round down to the nearest whole number and subtract 20. Add this number of days to the then current PLC Delivery Date to arrive at a new PLC Delivery Date. Such new date shall not be extended past the date which is 20 days prior to the first scheduled mandatory redemption date in Section 3.03 hereof. For purposes of this paragraph (d), the term “Daily Negative Arbitrage Rate” means the amount equal to 0.01806% (being the Bond weighted average coupon of 6.50% plus the fee stack of 0.00%, divided by 360). The Trustee shall be provided with written evidence that the CLC Maturity Date shall be extended to at least 15 days after the date of the new PLC Delivery Date before any extension is made pursuant to this Section.

(e) GNMA Delivery Dates and the PLC Delivery Date (if Section (d) is not available) shall be extended and such corresponding transfer and redemption described in (c) above shall be delayed one or more times, provided that the Trustee shall have received no later than the Business Day next preceding the foregoing dates, respectively (or any dates to which such dates have been extended pursuant to the provisions hereof), a request from either the Lender or the Issuer for such delay (whether or not a conflicting request is received from such other party) accompanied by (i) a cash flow projection demonstrating that the sum of (A) the amount in the Acquisition Fund and the Bond Fund, (B) the investment earnings to accrue on the amounts held in the Acquisition Fund and the Bond Fund during the period ending 30 days after the end of any period of delay requested, (C) any additional sums paid to or held by the Trustee by or on behalf of the Issuer or the Lender for deposit into the Negative Arbitrage Account of the Acquisition Fund or Bond Fund (which are Seasoned Funds) and (D) all scheduled payments on the CLCs held by the Trustee through the last day of such extension and all scheduled payments on the PLC assuming its issuance on the last day of such extension, will be at least equal to (1) the debt service on the Bonds drawn down and Outstanding as originally scheduled and will also be at least equal to (2) without regard to scheduled payments on the PLC, the debt service on the Bonds drawn down and Outstanding through the date which is 30 days after the end of any such extension period, plus, in each case, originally scheduled and accrued unpaid Trustee fees and rebate calculation fees (assuming redemption of all Bonds on the date set forth in this clause (2)) and any other amounts which were shown to be available at such time for debt service on the Bonds in the original cash flows prepared in connection with the issuance of the Bonds; (ii) instructions satisfactory to the Trustee for the making of the investments contemplated by the cash flow projection; (iii) in the case of an extension of the PLC Delivery Date, written evidence or confirmation from the Lender that the CLC Maturity Date will be extended at least to the end of the period of such requested delay (subject to the requirements set forth in the next succeeding paragraph); and (iv) written notice from the Rating Agency that the rating then assigned to the Bonds will not be lowered or withdrawn as a result of such extensions. In connection with any extension, the Trustee shall not consent to the extension of the CLC

Maturity Date unless the Trustee has received written evidence that the CLCs will then mature after the PLC is then required to be delivered. Upon the receipt of the documents and upon the arrangements listed in this subdivision, the Trustee shall permit the extension(s); provided, however, that if such documents have not been received and such arrangements have not been made by the Business Day next preceding the applicable GNMA Delivery Date or the PLC Delivery Date, as applicable (or any date to which such date has previously been extended), then the moneys remaining on deposit in the Acquisition Fund on such date shall be transferred to the Bond Fund on the Business Day next preceding the foregoing dates, as applicable, and applied to the redemption of Bonds on such dates (except as such dates may be extended pursuant to the provisions hereof).

In connection with any extension of the CLC Maturity Date, the Trustee shall not consent to the extension of the maturity date of the CLCs held by it unless such maturity date is extended at least to the date which is the date on which the PLC would be issued pursuant to such extension. The Trustee's consent shall be conditional upon the Lender's consent to the extension of the maturity date of the CLCs. The Trustee shall provide the Lender with the Trustee's written consent to the extension upon its receipt of the items required in (i) through (iv) above.

In the event Commencement of Amortization occurs prior to the PLC Delivery Date, under no circumstances shall the Trustee accept any prepayment on the CLCs representing principal payments on the Mortgage Note prior to the PLC Delivery Date unless required to do so by GNMA or FHA or permitted pursuant to Section 4.04(j) hereof; such prepayments of principal on the CLCs shall be paid by the Lender to the Trustee only pursuant to the requirements of GNMA.

The Trustee shall notify the Rating Agency at least 30 days prior to the maturity of the respective CLCs of a proposed extension of such maturity date of the CLCs.

The Trustee shall disburse such remaining moneys on deposit in the Acquisition Fund for purchase of the PLC only upon delivery of the PLC in accordance with Section 4.04(h) or such other evidence of issuance of the PLC as GNMA provides under its book entry system of securities transactions. The Trustee shall, prior to acquisition of the PLC, receive a certificate of the Lender specifying the amount of principal, if any, received by the Lender as regularly scheduled payments of principal on the Mortgage Loan prior to delivery of the PLC.

On the PLC Delivery Date, amounts remaining in the Acquisition Fund (other than the Negative Arbitrage Account) after purchase of the PLC shall be transferred to the Bond Fund. On the first business day after the first Interest Payment Date following the PLC Delivery Date, amounts on deposit in the Negative Arbitrage Account shall be transferred first to the Bond Fund in an amount which when added to the amount in the Bond Fund totals \$15,000 (or such other amount as required by the rating agency), second, the Trustee shall transfer to the Lender an amount certified by the Lender on the PLC Delivery Date to represent actual out of pocket expenses incurred by the Lender in connection with the extension of the PLC Delivery Date or funding of the Mortgage Loan and third, upon receipt of written confirmation from the Rating Agency that the proposed transfer shall not adversely affect the rating on the Bonds, the Trustee shall transfer any remaining balance to the Issuer. The Trustee shall transfer to the Lender all CLCs held by it in exchange for the PLC. Notwithstanding such transfer by the Trustee of the

CLCs, all such CLCs shall remain registered in the name of the Trustee and continue to be enforceable by the Trustee until such time as the Trustee has received delivery of the PLC.

(f) The Trustee shall not be required to acquire a GNMA Security unless the GNMA Security pays interest at the Pass-Through Rate and, in the case of the PLC, matures on April 15, 2036. All GNMA Securities shall be registered in the name of the Trustee or its designee.

(g) If the PLC is not delivered by the PLC Delivery Date, as such dates may be extended pursuant to Section 4.03(d) or (e), the Trustee shall redeem all CLCs held by it upon their maturity and redeem Bonds as provided in Section 3.02(f) and shall also transfer the proceeds remaining in the Acquisition Fund to the Bond Fund pursuant to Section 4.03(c) to redeem Bonds in accordance with Section 3.02(a) or (c), as applicable unless the PLC Delivery Date is extended. In the event the Bonds are redeemed pursuant to Section 3.02(a), (c), (d), (e) or (f), the Trustee shall also transfer to the Bond Fund amounts on deposit in the Negative Arbitrage Account to the extent necessary to pay interest on the Bonds.

(h) The Trustee shall compare each GNMA Security or its book-entry form with the GNMA prospectus relating to the GNMA Securities and GNMA Guaranty Agreement provided by the Lender to assure delivery of correct GNMA Securities.

Section 4.04. Bond Fund.

(a) The Trustee shall deposit, upon receipt, into the Bond Fund (i) the amounts required by Sections 4.02 and 4.03; (ii) all income, revenues, proceeds and other amounts received from or in connection with the GNMA Securities; (iii) all earnings and gains from the investment of moneys held in the Bond Fund (except for earnings and gains from the investment of moneys held in the Seasoned Funds Account which are to be retained therein), and the Acquisition Fund; and (iv) any other amounts received by the Trustee which are subject to the lien and pledge of the Indenture.

(b) The Trustee shall apply moneys on deposit in the Bond Fund to pay accrued interest upon its acquisition of the GNMA Securities.

(c) The Trustee shall apply all other amounts on deposit in the Bond Fund (including the Seasoned Funds Account) after application of (b) above on each Interest Payment Date (or any other date on which Bonds are to be redeemed) to first pay the principal of and premium, if any, and interest on the Bonds becoming due and payable in accordance herewith.

(d) Reserved.

(e) The GNMA Securities shall be held at all times for the benefit of the Bond Fund. If the Trustee does not receive a payment on any of the GNMA Securities when due by the close of business on the sixteenth day of any month, the Trustee shall immediately notify and demand payment from the Lender. If the Lender shall not make such payment by the next Business Day, the Trustee shall immediately notify and demand payment from GNMA. Subject to Section 4.03, the Trustee shall deliver all CLCs held by it to the Lender as agent of GNMA upon their maturity (as such maturity may be extended) in return for payment of their principal amount or to the Lender as agent of GNMA for presentation in connection with delivery of the PLC.

(f) The Trustee shall deposit into the Seasoned Funds Account of the Bond Fund and in subaccounts thereof, which the Trustee is authorized to establish in the Seasoned Funds Account for each such payment for internal bookkeeping purposes, all amounts representing payments made to the Trustee by the Issuer for deposit therein as specified by the Issuer. Moneys on deposit in the Seasoned Funds Account which represent Seasoned Funds shall be applied only to pay the premium, if any, on the Bonds as the same shall become due and payable by redemption. Such moneys shall be paid to the Bondholders only if they constitute Seasoned Funds.

(g) The Trustee shall transfer to the Rebate Fund from the Bond Fund the amounts, if any, required pursuant to Section 4.06 hereof.

(h) If any GNMA Securities are in book entry form, the GNMA Securities must be registered in the name of the Trustee at the Federal Reserve Bank at the time of purchase of the GNMA Securities by the Trustee and the Trustee shall have a first lien position perfected security interest in the GNMA Securities.

(i) The Trustee shall not transfer any moneys from the Bond Fund except in accordance with the provisions of this Section 4.04.

(j) Notwithstanding anything to the contrary in this Section 4.04, the Lender shall have the right to purchase CLCs from the Trustee on a date not more than 5 days prior to any scheduled mandatory redemption date or the CLC Maturity Date at a price equal to the applicable redemption price or the principal balance of the CLCs, plus accrued interest at the Pass-Through Rate, which amount shall be deposited by the Trustee in the Bond Fund make such scheduled mandatory redemption or to otherwise redeem Bonds outstanding, as applicable on the first practical date thereafter.

Section 4.05. Reserved.

Section 4.06. Rebate Fund.

The Rebate Fund shall be used as a repository of the Rebate Amount, if any. Moneys in the Rebate Fund are not subject to the lien of this Indenture and are not a part of the Trust Estate. Such Rebate Fund shall be held in trust for the benefit of the United States of America and shall not be subject to any lien, security interest, right, claim or encumbrance of any other person, including the Issuer or the Bondholders. The Issuer in the Financing Agreement has covenanted to employ and pay the Rebate Analyst to determine on the last day of each Rebate Period, or within 20 days thereafter, the Rebate Amount. All calculations and determinations made by the Rebate Analyst shall be accompanied by the opinion of the Rebate Analyst that such calculations and determinations have been made in accordance with the requirements of Section 148 of the Code and the regulations promulgated thereunder.

The Trustee will make information that it has access to regarding the Bonds and investments under the Indenture available to the Rebate Analyst prior to the end of each Rebate Period (commencing with the date of delivery of the Bonds), will make deposits into and disbursements from the Rebate Fund in accordance with the directions received solely from the

Rebate Analyst, will invest moneys in the Rebate Fund pursuant to directions of the Issuer and will deposit income from such investments immediately upon receipt thereof in the Rebate Fund.

If a deposit to the Rebate Fund is required as a result of the computations made as of the end of each Rebate Period by the Rebate Analyst, the Issuer will pay the Trustee such amounts as are necessary to make such deposit not more than 25 days after the end of such Rebate Period as provided in Sections 2.06 and 3.08(g) of the Financing Agreement.

Within 60 days after the end of each Rebate Period, the Rebate Analyst shall deliver to the Issuer and the Trustee a certificate stating that all necessary actions have been taken as required by this Indenture, in order to ensure that all necessary actions have been taken, including, but not limited to, (a) the required annual arbitrage rebate calculations, (b) the transfer of funds to the Rebate Fund to reserve for the anticipated Rebate Amount, and (c) payment of the Rebate Amount, if any, in accordance with Section 148(f) of the Code.

The Trustee shall remit from the Rebate Fund to the United States Treasury, at the times designated by the Rebate Analyst but in no event later than 30 days after every Rebate Period, the amount specified by the Rebate Analyst. Within 30 days after any Retirement Date, the Trustee shall remit to the United States Treasury the entire aggregate amount of the Rebate Amount, as finally computed by the Rebate Analyst, not theretofore paid to the United States Treasury. If on any such payment date the amount on deposit in the Rebate Fund is less than the amount of the payment required to be made to the United States Treasury, the Trustee shall have the right to withdraw funds from the Bond Fund in the amount of such insufficiency. The Trustee shall retain reports of the Rebate Analyst and records of rebate payments required by this Section for a period ending six years after the date on which the last Bond is retired.

If, at any time when the Trustee is required to withdraw money from the Rebate Fund and to pay to the United States of America the amount so withdrawn as Rebate, the amount held by the Trustee to the credit of the Rebate Fund is insufficient to permit such withdrawal and payment, the Trustee shall deliver a demand for such deficiency to the Issuer. If, at any time when the Trustee is required to retain or pay the Rebate Analyst, there is an insufficient amount of money in the Rebate Fund to retain or pay for the fees and expenses of the Rebate Analyst, then the Trustee shall deliver to the Issuer a demand for payment of an amount sufficient to pay the Rebate Analyst.

Section 4.07. Costs of Issuance Fund.

The Trustee shall deposit in the Costs of Issuance Fund the amount set forth in Section 4.02(e) of this Indenture and shall pay Costs of Issuance promptly upon the written direction of the Issuer, which Costs of Issuance shall not exceed the amounts set forth in a certificate of the Issuer. Any funds remaining in the Costs of Issuance Fund 180 days after the Closing Date, and not specifically committed to the payment of Costs of Issuance, shall be transferred to the Acquisition Fund.

Section 4.08. Custody of Funds; Moneys Held in Trust.

The funds created under this Indenture for the benefit of the Bondholders shall be held in trust by the Trustee. The Issuer hereby authorizes and directs the Trustee to withdraw moneys

from the funds hereunder for the purposes specified herein, which authorization and direction the Trustee hereby accepts. All moneys required to be deposited with or paid to the Trustee under any provisions of this Article shall be held by the Trustee in trust, and except for moneys deposited with or paid to the Trustee for the redemption of the Bonds, notice of redemption of which has been duly given, or for the payment of principal and interest on Bonds which have become due at the stated maturity thereof, shall while held by the Trustee constitute part of the security for the registered owners of Outstanding Bonds and be subject to the lien hereof.

Section 4.09. Nonpresentment of Bonds.

In the event any Bonds shall not be presented for payment when the principal thereof becomes due, either at maturity or at the date fixed for redemption thereof or otherwise, if moneys sufficient to pay such Bonds shall have been made available to the Trustee (whose duty it shall be to hold such moneys, without liability to the Issuer, any Bondholder or any other person for interest thereon) for the benefit of the registered owners thereof and shall have remained unclaimed for a period up to six months prior to the date when such moneys would escheat under applicable law after such principal or interest has become due and payable, such funds shall be paid to the Issuer and all liability of the Trustee to the registered owners thereof for the payment of such Bonds shall forthwith cease, determine and be completely discharged; provided, however, that the Trustee, before being required to dispose of such funds as stated above, shall cause to be published once in a financial newspaper or journal of general circulation in New York, New York notice that such moneys remain unclaimed and that, after a date specified therein, which shall not be less than 30 days from the date of such publication, any unclaimed balance of such moneys then remaining will be paid to the Issuer. The cost of such publication shall be paid from the unclaimed funds so held by the Trustee. The obligation of the Trustee under this Section to pay any such funds to the Issuer shall be subject to any other provisions of law applicable to the Trustee or to such funds providing other requirements for disposition of unclaimed property.

Section 4.10. Investment of Funds.

Unless the Trustee receives written direction from the Issuer to the contrary, the Trustee shall invest all moneys in the Acquisition Fund and the Bond Fund in Qualified Investments. Subject to the provisions of the foregoing sentence, any moneys held as part of any fund created by this Article, shall be invested or reinvested from time to time by the Trustee upon receipt by the Trustee of the written direction of the Issuer in Qualified Investments having a maturity not exceeding the shorter of (a) the date on which such funds may be needed under the Indenture and (b) six months. In no event shall a maturity be longer than the longest maturity of the Bonds. If no investment direction is given to the Trustee by the Issuer, and, with regard to the Acquisition Fund and the Bond Fund, pending deposit in, or after withdrawal from, any Investment Agreement, funds shall be invested in investments described in (e) of the definition of Qualified Investments. The investments so made shall be held by the Trustee and shall be deemed at all times to be a part of the fund in which such moneys were held, provided that for purposes of investment moneys held in any of the funds established hereunder may be commingled. The Trustee shall sell and reduce to cash a sufficient amount of such investments whenever the cash balance in any fund shall be insufficient to cover a proper disbursement therefrom. For the purpose of determining the amount in any fund, Qualified Investments (other than an Investment

Agreement) credited to such fund or account shall be valued at their cost (exclusive of accrued interest after the first payment of interest following acquisition) or market value, whichever is less. The Issuer shall invest at the highest yields prudently available consistent with this Indenture and in accordance with the applicable provisions of the Code.

The Trustee will furnish the Issuer periodic cash transaction statements which include detail for all investment transactions made by the Trustee hereunder.

Moneys credited to any fund or account under this Indenture which are uninvested pending disbursement or receipt of proper investment directions or as directed herein, may be deposited to and held in a non-interest-bearing demand deposit account established with the commercial banking department of the Trustee or any bank affiliated with the Trustee.

The Trustee may make any investments hereunder through its own bond or investment department or trust investment department, or those of its parent or any affiliate.

The Trustee or any of its affiliates may act as sponsor, advisor or manager in connection with any investments made by the Trustee hereunder.

In making any valuations of investments hereunder, the Trustee may utilize computerized securities pricing services that may be available to it, including those available through its regular accounting system and rely thereon.

The Trustee shall not be liable for any loss arising from investments made in accordance with this Section or for any loss resulting from the redemption or sale of any such investments as authorized by this Section.

All investment earnings shall be deposited as provided in Section 4.04(a)(iii) hereof.

Section 4.11. Payments of Funds Upon Discharge of Lien.

Upon discharge of the lien of this Indenture in accordance with Article IX hereof, any moneys remaining in any funds created by this Indenture shall be paid by the Trustee to (a) the Lender if, within 30 days after receipt of notice from the Trustee of the discharge of the lien of this Indenture, the Lender advises the Trustee in writing that an Event of Default has occurred and is continuing under any of the FHA Loan Documents, (b) the Lender, to the extent of any fees or expenses due and owing to the Lender or any of the Lender's Agents or representatives or to the extent of any deposits made by the Lender, confirmed in writing to the Trustee, or (c) otherwise, to the Issuer.

Section 4.12. Subsidy Escrow Fund.

The Issuer shall submit a properly completed IRS Form 8038-CP to the Internal Revenue Service no later than 45 days after the last Interest Payment Date of each quarter (March 20, June 20, September 20, December 20 being such Interest Payment Dates) for the Bonds in order to obtain the applicable refundable credit relating to the Bonds provided for under Section 54AA(g) of the Code. Unless otherwise approved in writing by the Lender, the Issuer shall file IRS Form 8038-CPs for variable rate bonds. In addition, prior to the PLC Delivery Date, the Authority

shall (1) as set forth on the IRS Form 8038-CP, instruct the Internal Revenue Service to pay such refundable credit to the Trustee and (2) deliver a copy of each properly completed IRS Form 8038-CP to the Trustee promptly following the delivery thereof to the Internal Revenue Service. Following the PLC Delivery Date, as set forth on the IRS Form 8038-CP, the Issuer may instruct the Internal Revenue Service to pay such refundable credit directly to the Issuer. The Trustee hereby agrees to assist the Issuer in completing the IRS Form 8038-CP (including any necessary mathematical calculations required) and to review a completed IRS Form 8038 so that the Issuer has properly reflected the interest paid on the Bonds which have been drawn and are outstanding, including the filing of any amended forms that may be necessary for Bonds. If the Trustee does not receive a copy of a properly completed IRS Form 8038-CP on or prior to the April 1, July 1, October 1, and January 1 for the immediately preceding calendar quarter while the Bonds remain Outstanding, the Trustee will promptly notify the Issuer's Chief Executive Officer via telephone and confirmed in writing of such failure to receive a copy of a properly completed IRS Form 8038-CP in a timely manner and reminding the Issuer of its obligation hereunder to deliver a properly completed IRS Form 8038-CP to the Internal Revenue Service.

Prior to the PLC Delivery Date, the Trustee shall apply moneys on deposit in the Subsidy Escrow Fund only at the written direction of the Lender for (i) amounts certified by the Lender to represent actual out of pocket expenses incurred by the Lender in connection with the extension of GNMA Delivery Dates, the PLC Delivery Date or funding of the Mortgage Loan, and (ii) release of such moneys to the Issuer. On the first business day following the first Interest Payment Date after the PLC Delivery Date, any remaining amounts in the Subsidy Escrow Fund shall be released to the Issuer upon prior written consent of the Lender. Any subsequent amounts deposited into the Subsidy Escrow Fund following such consent shall immediately be transferred to the Issuer to be used for any lawful purpose of the Issuer. Moneys in the Subsidy Escrow Fund are not subject to the lien of the Indenture and are not a part of the Trust Estate.

ARTICLE V

GENERAL COVENANTS AND REPRESENTATIONS

Section 5.01. Payment of Bonds; Priority of Lien.

The Issuer shall promptly pay, but only out of the Revenues and the Trust Estate and not from any other fund or source of the Issuer, the principal of, premium, if any, and interest on every Bond issued under this Indenture at the place, on the dates and in the manner provided herein and in the Bonds, according to the true intent and meaning thereof. Nothing in this Indenture or the Bonds shall be considered as assigning or pledging any other funds or assets of the Issuer other than the Trust Estate.

Section 5.02. Instruments of Further Assurance.

The Trustee shall defend its title to the GNMA Securities for the benefit of the holders of the Bonds against the claims and demands of all persons whomsoever and shall do, execute, acknowledge and deliver such indentures supplemental hereto and such further acts, instruments and transfers as the Trustee may reasonably require for the better assuring, transferring, conveying, pledging, assigning and confirming unto the Trustee all its interest in the property

herein described and the revenues, receipts and other amounts pledged hereby to the payment of the principal of, premium, if any, and interest on the Bonds. Any and all interest in property hereafter acquired which is of any kind or nature herein provided to be and become subject to the lien hereof shall and without any further conveyance, assignment or act on the part of the Issuer or the Trustee, become and be subject to the lien of this Indenture as fully and completely as though specifically described herein, but nothing contained in this sentence shall be deemed to modify or change the obligations of the Issuer under this Section.

Section 5.03. No Disposition of GNMA Securities.

The Trustee hereby agrees that any GNMA Securities delivered to the Trustee hereunder shall at all times be held by the Trustee for the sole benefit of the holders of the Bonds. The Trustee shall not sell or otherwise dispose of any GNMA Security after its acquisition without the prior written consent of the Issuer. There shall be no disposition of GNMA Securities for an amount less than an amount sufficient, together with other amounts then held under this Indenture and available for the payment of the principal of, premium, if any, and interest on the Bonds, to provide for the payment of the Bonds in accordance with Article IX without the consent of the holders of 100% of the Bonds. This provision does not apply to the exchange of the CLCs for the PLC or delivery of the CLCs to the Lender upon their maturity.

Section 5.04. Recordation and Filing.

In order to perfect the security interest of the Trustee in the Trust Estate, the Issuer, to the extent permitted by law, will execute such security agreements and hereby authorizes the filing of financing statements, naming the Trustee as assignee and pledgee of the Trust Estate assigned and pledged under this Indenture for the payment of the principal of, premium, if any, and interest on the Bonds, as is necessary to perfect to Trustee's security interest in the Trust Estate. The Issuer, to the extent permitted by law, shall execute and cause to be executed any and all further instruments as shall be reasonably required by the Trustee for such protection and perfection of the interests of the Trustee and the registered owners. The Trustee will cause financing statements with respect to the Trust Estate described in this Indenture and the pledge of the GNMA Securities to be at all times filed in such manner and in such places as required by law in order to fully preserve and protect the rights of the Trustee hereunder and to perfect the security interest created by this Indenture in the Trust Estate described herein. To the extent possible under applicable law, as in effect in the jurisdiction in which the Trust Estate is located, the Trustee shall maintain the priority of the security interest herein created in the Trust Estate as a first lien thereon and warrant, protect, preserve and defend its interest in the Trust Estate and the security interest of the Trustee therein and all rights of the Trustee under this Indenture against all actions, proceedings, claims and demands of all persons, all paid solely from the Trust Estate. The Trustee shall timely file such UCC continuation statements as are necessary to continue and preserve the Trustee's perfected security interest in and to the Trust Estate. GNMA Securities in the form of physical certificates acquired by the Trustee on behalf of the Issuer shall be held at all times by the Trustee in trust for the benefit of the Bondholders and shall be registered in the name of the Trustee or its nominee. The perfection and maintenance of priority of the security interest in GNMA Securities held in book-entry form shall be governed by the provisions of Section 404(h) hereof.

Section 5.05. Modification of Security; Additional Indebtedness.

The Issuer shall not, without the written consent of the Trustee, alter, modify or cancel, or agree to consent to alter, modify or cancel, any agreement which relates to or affects the security for the Bonds. Such consent of the Trustee may be given only as provided in Article VIII hereof. No additional indebtedness prior to or on parity with the Bonds may be issued under this Indenture or otherwise.

Section 5.06. Reports.

The Trustee shall furnish to any Bondholder who requests in writing copies thereof, and furnishes an address to which such reports and statements are to be sent, at the sole cost and expense of such Bondholder, and to the Underwriter and the Rating Agency, copies of (a) any reports furnished to the Trustee with regard to the Project (including, but not limited to, the most recent annual financial and management audit with respect to the Project), (b) annual statements of the Trustee with regard to fund balances under this Indenture, and (c) additional information, including outstanding balances by maturity, redemption history, including redemption dates, amounts, sources of funds, distribution of redemptions by maturities and current status of insurance coverages required under the Financing Agreement, provided that if more than one copy is requested, the Trustee may require reimbursement of its expenses (including, without limitation, photocopying and delivery charges) in advance from such requesting party. The Trustee shall notify the Rating Agency of any of the following events: (i) any GNMA Security is sold (except for the exchange of the CLCs for the PLC), (ii) a partial prepayment is made on any GNMA Security, (iii) the Investment Agreement is amended or replaced by a new Investment Agreement, (iv) the Bonds are no longer Outstanding in accordance with Article LX hereof, and (v) this Indenture or any Financing Document is amended in accordance with Article VIII hereof. In addition, the Trustee shall notify the Rating Agency in writing that it has acquired the PLC within 30 days of such acquisition. The Trustee shall also furnish to the Rating Agency information as may be reasonably requested by the Rating Agency in order to maintain the rating on the Bonds.

Section 5.07. Performance of Covenants by Issuer; Authority.

The Issuer covenants that it will faithfully perform on its part at all times any and all covenants, undertakings, stipulations and provisions contained in this Indenture, in any and every Bond executed, authenticated and delivered hereunder and in all of its proceedings pertaining thereto. The Issuer covenants that it is duly authorized under the Constitution and the laws of the State, including particularly the Bond Resolution, to issue the Bonds authorized hereby and to execute this Indenture, to grant the security interest herein provided, to assign and pledge the Trust Estate (except as otherwise provided herein) and to assign and pledged the amounts hereby assigned and pledged in the manner and to the extent herein set forth, that all action on its part for the issuance of the Bonds and the execution and delivery of this Indenture has been duly and effectively taken and that the Bonds in the hands of the owners thereof are and will be valid and enforceable obligations of the Issuer according to the terms thereof and hereof. Anything contained in this Indenture to the contrary notwithstanding, it is hereby understood that none of the covenants of the Issuer contained in this Indenture are intended to create a general or primary obligation of the Issuer.

Section 5.08. Reserved.

Section 5.09. Issuer's Obligation Limited.

The obligations of the Issuer hereunder shall be limited as provided in Section 2.03 hereof. To implement such provisions, it is recognized that, notwithstanding any other provision of this Indenture, the holders of the Bonds shall not look to the Issuer for damages suffered by the holders of the Bonds as a result of the Issuer's failure to perform any covenant, undertaking or obligation under this Indenture, the Bonds or any other document, or as a result of the incorrectness of any representation made by the Issuer in this Indenture, the Financing Agreement or any other document to which the Issuer is a party, or for any other reason. Although this Indenture recognizes that the documents shall not give rise to any pecuniary liability of the Issuer, nothing in the provisions of this Indenture shall be deemed to preclude in any way any action or proceeding (other than that element of any action or proceeding involving a claim for monetary damages against the Issuer) in any court or before any governmental body, agency or instrumentality or otherwise against the Issuer or any of its officers, agents or employees to enforce the provisions of any document which the Issuer is obligated to perform and the performance of which the Issuer has not assigned to the Trustee or any other person.

By this Indenture the Issuer assigns to the Trustee the right, the burden and the duty of taking action, in order to implement the purposes and intent of the Bond Resolution, without the Issuer's incurring any pecuniary obligation or liability. In any case where action by the Trustee requires simultaneous or subsequent action by the Issuer, the Issuer shall cooperate with the Trustee and take any and all action necessary to effectuate the purposes and intent of this Indenture upon receipt of indemnification satisfactory to the Issuer. Notwithstanding the foregoing, the Issuer hereby reserves the Reserved Rights of the Issuer, including, without limitation, its rights to receive notices and give consents to the extent provided herein and in the other documents referred to herein.

Section 5.10. Reserved.

Section 5.11. Trustee To Retain Information.

So long as any of the Bonds shall be outstanding, the Trustee shall, in accordance with its document retention policies, retain all certificates, financial statements and other written information furnished to it by or on behalf of the Issuer or any other person under the Financing Agreement and any other agreement or instrument pertaining to the Bonds and shall make such documentation available to any Bondholder for review after reasonable notice during regular business hours at the Trust Office of the Trustee. The Trustee shall permit such reviewers to take copies of all or any part of such documentation, subject to their payment of such reasonable copying and handling charges as the Trustee may impose.

Section 5.12. Continuing Disclosure.

Pursuant to Section 5.11 of the Financing Agreement but subject to the limitations set forth in this Section 5.12, the Issuer covenants to comply with the provisions of the Continuing Disclosure Agreement. Notwithstanding any other provision of this Indenture, failure of the Issuer to comply with the requirements of the Continuing Disclosure Agreement shall not be

considered an Event of Default; however, the Trustee, at the written request of the holders of at least 25% aggregate principal amount of Outstanding Bonds, shall (but only to the extent the Trustee has been provided indemnity satisfactory to it from any costs, liabilities or expenses, including fees and expenses of its attorneys), or any Bondholder may, take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Issuer to comply with its obligations under Section 5.11 of the Financing Agreement.

ARTICLE VI

DEFAULT AND REMEDIES

Section 6.01. Events of Default.

Each of the following shall be an “Event of Default” hereunder:

- (a) default in the due and punctual payment of any interest on any Bond;
- (b) default in the due and punctual payment of the principal of or premium, if any, on any Bond whether at the stated maturity thereof, or on proceedings for redemption thereof, or on the maturity thereof by declaration; or
- (c) default in the performance or observance of any other of the covenants, agreements or conditions on the part of the Issuer in this Indenture or in the Bonds (subject to Section 6.11 hereof).

The Issuer’s failure to pay obligations owing to the Lender under the Mortgage Loan or to otherwise comply with the terms of the FHA Loan Documents shall not constitute an Event of Default hereunder.

The Trustee shall give written notice to the Rating Agency of the occurrence of any Event of Default described in subsection (a) or (b) above, within 15 days after a Responsible Officer of the Trustee has notice or knowledge thereof.

Section 6.02. Acceleration.

If an Event of Default described in Section 6.01 (a) or (b) has occurred and is continuing with respect to a Bond, the Trustee may, and upon the written request of the holders of a majority of the Bond Obligation the Trustee shall, by notice in writing delivered to the Issuer, declare the principal of all Bonds then outstanding and the interest accrued thereon immediately due and payable without premium, and such principal and interest shall thereupon become and be immediately due and payable.

If an Event of Default described in Section 6.01(c) has occurred and is continuing, the Trustee shall, upon the written request of the holders of 100% of the Bond Obligation and subject to Section 7.01(h) hereof, by notice in writing delivered to the Issuer, declare the principal of all Bonds then outstanding and the interest accrued thereon immediately due and

payable without premium, and such principal and interest shall thereupon become and be immediately due and payable.

Notwithstanding the occurrence of any Event of Default or acceleration of the principal and interest due on the Bonds hereunder, the Trustee shall continue to acquire GNMA Securities and fund advances in accordance with Section 4.03, and funds in the Acquisition Fund and the Bond Fund shall remain available for that purpose.

The foregoing provisions of this Section 6.02, however, are subject to the condition that if at any time after the principal of the Bonds shall have been so declared due and payable, and before any judgment or decree for the payment of the money due shall have been obtained or entered as hereinafter provided, there shall be paid or deposited with the Trustee a sum sufficient to pay all principal of the Bonds matured (or due upon mandatory redemption) prior to such declaration and all matured installments of interest (if any) upon all the Bonds, with interest at the rate borne by the Bonds on such overdue principal and premium, if any, and (to the extent legally enforceable) on such overdue installments of interest (other than in the payment of principal of and interest on the Bonds due and payable solely by reason of such declaration), and the reasonable fees and expenses of the Trustee shall have been made good or cured or adequate provisions shall have been made therefor, then, and in every case, the holders of at least a majority of the Bond Obligation, by written notice to the Trustee and the Issuer, may direct the Trustee on behalf of the holders of all the Bonds to rescind and annul such declaration and its consequences, but no such rescission and annulment shall extend to or shall affect any subsequent default, nor shall it impair or exhaust any right or power consequent thereon. Nothing herein shall be construed to obligate the Issuer to make a payment or deposit referred to herein from any revenues other than the revenues derived from the Trust Estate.

Notwithstanding anything to the contrary herein, no acceleration of the Bonds shall result in an acceleration or prepayment of the Mortgage Loan and/or the GNMA Security.

Section 6.03. Remedies.

Upon the occurrence of an Event of Default, the Trustee shall have the power to proceed with any right or remedy granted by the Constitution and laws of the State, as it may deem best, including, without limitation, any suit, action or special proceeding in equity or at law for the specific performance of any covenant or agreement contained herein or under the GNMA Securities or for the enforcement of any proper legal or equitable remedy as the Trustee shall deem most effectual to protect the rights aforesaid, insofar as such may be authorized by law, and specifically including the right to bring action on behalf of Bondholders against third parties.

No remedy by the terms of this Indenture conferred upon or reserved to the Trustee or to the Bondholder is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to any other remedy given to the Trustee or to the Bondholders hereunder or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any default or Event of Default shall impair any such right or power or shall be construed to be a waiver of any such default or Event of Default or acquiescence therein, and every such right and power may be exercised from time to time and as often as may be deemed expedient. No waiver of any default or Event of Default

hereunder, whether by the Trustee or by the Bondholders, shall extend to or shall affect any subsequent default or Event of Default or shall impair any rights or remedies consequent thereto.

Section 6.04. Rights of Bondholders.

If any Event of Default shall have occurred and, except as provided in Section 6.02 hereof, if requested in writing so to do by the holders of not less than a majority of the Bond Obligation, and if indemnified as provided herein, the Trustee shall be obligated to exercise such one or more of the rights and powers conferred by this Article and to proceed to protect its rights and the rights of the Bondholders under applicable law, the GNMA Securities, the GNMA Guaranty Agreement, the Financing Agreement and this Indenture, as the Trustee, being advised by counsel, shall deem most expedient in the interest of the Bondholders. Anything in this Indenture to the contrary notwithstanding, but subject to the provisions of Sections 6.08 and 7.01(h) hereof, the holders of a majority of such Bond Obligation shall have the right at any time, by an instrument in writing executed and delivered to the Trustee, to direct the time, method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of this Indenture, or for the appointment of a receiver or any other proceedings hereunder, in accordance with the provisions of law, this Indenture and the GNMA Securities.

Section 6.05. Waiver by Issuer.

Upon the occurrence of an Event of Default hereunder, to the extent that such right may then lawfully be waived, neither the Issuer nor anyone claiming through or under it shall set up, claim or seek to take advantage of any appraisal, valuation, stay, extension or redemption laws now or hereinafter in force in order to prevent or hinder the enforcement of this Indenture, and the Issuer, for itself and all who may claim through or under it, hereby waives, to the extent that it lawfully may do so, the benefit of all such laws and all right of appraisal and redemption to which it may be entitled under the laws of the State.

Section 6.06. Application of Moneys.

Any moneys received by the Trustee pursuant to this Article, together with available funds in the Acquisition Fund and the Bond Fund, shall, after payment of any unpaid fees of the Trustee and the costs and expenses of the proceedings with respect to a default and liabilities and advances incurred or made by the Trustee, including, without limitation, fees and expenses of the Trustee's attorneys, advisors and agents, be deposited in the Bond Fund and applied in the following order:

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

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

SECOND, to the payment to the persons entitled thereto of the unpaid principal of any of the Bonds which shall have become due, in the order of their due dates, with interest on such Bonds from the respective dates upon which they become due and, if the amount available shall not be sufficient to pay in full principal of and interest on the Bonds due on any particular date, then to the payment ratably, according to the amount of the principal and interest due on such date, to the persons entitled thereto.

(b) If the principal of all the Bonds shall have become due or shall have been declared due and payable, all such moneys shall be applied to the payment of all amounts then due on the Bonds for principal, premium, if any, and interest in respect of which or for the benefit of which money has been collected (other than Bonds which have matured or otherwise become payable prior to such Event of Default and money for the payment of which is held in the Bond Fund), ratably without preference or priority of any kind, according to the amounts due and payable on such Bonds, for principal, premium, if any, and interest, respectively.

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

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

Section 6.07. Remedies Vested in Trustee.

All rights of action, including the right to file proof of claims, under this Indenture or under any of the Bonds may be enforced by the Trustee without the possession of any of the Bonds or the production thereof in any trial or other proceedings relating thereto, and any such suit or proceeding instituted by the Trustee shall be brought in its name as Trustee without the necessity of joining as plaintiffs or defendants any holders of the Bonds, and any recovery or judgment shall be for the equal benefit of the holders of the outstanding Bonds.

Section 6.08. Remedies of Bondholders.

No holder of any Bond shall have any right to institute any suit, action or proceeding in equity or at law for the enforcement of this Indenture, or for the execution of any trust hereunder

or for the appointment of a receiver or any other remedy hereunder, unless (a) a default shall have occurred of which the Trustee shall have been notified as provided herein; (b) such default shall have become an Event of Default; (c) the holders of at least a majority of the Bond Obligation shall have made written request to the Trustee and shall have offered reasonable opportunity to the Trustee either to proceed to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in its own name; (d) such holders shall have offered to the Trustee indemnity as provided herein; and (e) the Trustee shall within 60 days thereafter fail or refuse to exercise the powers hereinbefore granted or to institute such action, suit or proceeding. Such notification, request and offer of indemnity are hereby declared in every case at the option of the Trustee to be conditions precedent to the execution of the powers and trusts of this Indenture, and to any action or cause of action for the enforcement of this Indenture, or any other remedy hereunder; and it is understood and intended that no one or more holders of the Bonds shall have any right in any manner whatsoever to affect, disturb or prejudice the lien of this Indenture or the rights of any other holders of Bonds or to obtain priority or preference over any other holders or to enforce any right under this Indenture, except in the manner herein provided and for the equal and ratable benefit of all holders of Bonds then Outstanding. Nothing contained in this Indenture shall, however, affect or impair the right of any Bondholder to enforce the payment of the principal of, the premium, if any, and interest on any Bond at the maturity thereof or the obligation of the Issuer to pay the principal of, premium, if any, and interest on the Bonds issued hereunder to the respective holders thereof, at the time, in the place, from the sources and in the manner expressed in said Bonds.

Section 6.09. Termination of Proceedings.

In case the Trustee shall have proceeded to enforce any right under this Indenture by the appointment of a receiver or otherwise, and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely, then and in every such case the Issuer and the Trustee shall be restored to their former positions and rights hereunder with respect to the Trust Estate herein conveyed, and all rights, remedies and powers of the Trustee shall continue as if no such proceedings had been taken.

Section 6.10. Waivers of Events of Default.

The Trustee shall waive any Event of Default hereunder and its consequences and rescind any declaration of maturity of principal of and interest on the Bonds upon the written request of the holders of a majority of the Bond Obligation; provided, however, that there shall not be waived (a) any default in the payment of the principal of any Bonds at the date of maturity specified therein, or upon proceedings for mandatory redemption, or (b) any default in the payment when due of the interest or premium on any such Bonds, unless prior to such waiver or rescission all arrears of interest, with interest (to the extent permitted by law) at the rate borne by the Bonds in respect of which such default shall have occurred on overdue installments of interest or all arrears of payments of principal or premium, if any, when due (whether at the stated maturity thereof or upon proceedings for mandatory redemption), as the case may be, and all expenses of the Trustee in connection with such default, shall have been paid or provided for, and in case of any such waiver or rescission, then and in every such case the Issuer, the Trustee and the Bondholders shall be restored to their former positions and rights hereunder respectively,

but no such waiver or rescission shall extend to any subsequent or other default or impair any right consequent thereto.

Section 6.11. Notice of Defaults; Opportunity To Cure.

Anything herein to the contrary notwithstanding, no default under Section 6.01(c) hereof shall constitute an Event of Default until actual notice of such default by certified mail shall be given by the Trustee or by the holders of not less than a majority of the Bond Obligation to the Issuer, and the Issuer (or the Lender on the Issuer's behalf) shall have had 60 days after receipt of such notice to correct said default or cause said default to be corrected and shall not have corrected said default or caused said default to be corrected within the applicable period; provided, however, if said default be such that it cannot be corrected within the applicable period, it shall not constitute an Event of Default if the Issuer has commenced and is diligently pursuing appropriate action to cure such default, and there will be no material adverse effect on the rights of the Trustee or the Bondholders under this Indenture, the Financing Agreement or the GNMA Securities as a result of such extension.

The Trustee shall not be deemed to have notice of or be required to take notice of an Event of Default under Section 6.01(c) hereof unless a Responsible Officer of the Trustee has received notice in writing from any Bondholder of such Event of Default, which notice references the Bonds and the Event of Default which has occurred.

ARTICLE VII

THE TRUSTEE

Section 7.01. Acceptance of the Trusts.

The Trustee hereby accepts the trust imposed upon it by this Indenture and agrees to perform said trusts upon the following terms and conditions:

(a) The Trustee may execute any of the trusts or powers hereof and perform any of its duties by or through attorneys, agents, receivers or employees and shall be entitled to advice of counsel concerning all matters of the trusts hereof and the duties hereunder and may in all cases pay such reasonable compensation to all such attorneys, agents, receivers and employees as may be reasonably employed in connection with the trusts hereof. The Trustee may act upon the opinion or advice of any attorney, who may be the attorney or attorneys for the Issuer, and the Trustee shall not be responsible for any loss or damage resulting from any action or inaction taken in good faith in reliance upon such opinion or advice.

(b) The Trustee shall not be responsible for any recital herein, or in the Bonds (except in respect to the authentication certificate of the Trustee endorsed on the Bonds), or for the validity of the execution by the Issuer of this Indenture or of any supplements hereto or instruments of further assurance, or for the sufficiency of the security for the Bonds issued hereunder or intended to be secured hereby.

(c) The Trustee may become the owner or pledgee of the Bonds secured hereby and otherwise deal with the Issuer with the same rights which it would have if not Trustee.

(d) To the extent permitted hereunder, the Trustee may rely and shall be protected in acting upon any notice, request, consent, certificate, order, affidavit, letter, telegram or other paper or document reasonably believed to be genuine and correct and to have been signed or sent by the proper person or persons, and the Trustee shall not be bound to make any investigation into the facts or matters stated in any such document so delivered and signed unless requested in writing so to do by the holders of a majority of the Bond Obligation.

(e) The permissive rights of the Trustee to do things enumerated in this Indenture shall not be construed as a duty unless so specified herein.

(f) At any and all reasonable times, the Trustee and its duly authorized agents, attorneys, experts, engineers, accountants and representatives shall have the right, but shall not be required, to inspect the Project fully, including all books, papers and records of the Issuer relating to the Project and the Bonds, and to take such memoranda from and in regard thereto as may be desired.

(g) Notwithstanding anything elsewhere in this Indenture contained, the Trustee shall have the right, but shall not be required, to reasonably demand, in respect of the authentication of any Bonds, the withdrawal of any moneys, the release of any interest in property or any action whatsoever within the purview of this Indenture, any showings, certificates, opinions, appraisals or other information, or official action or evidence thereof, in addition to those required herein.

(h) Before taking any action hereunder, other than any action involved in accelerating Bonds, calling Bonds for mandatory redemption, seeking payment from the Lender or GNMA and making payments of principal and interest on Bonds, the Trustee may require that an indemnity bond satisfactory to it be furnished for the reimbursement of all expenses to which it may be put and to protect it against all liability, except liability which is adjudicated to have resulted from its negligence or willful misconduct by reason of any action so taken.

(i) All moneys received by the Trustee or any paying agent shall, until used or applied or invested as herein provided, be held in trust for the purposes for which they were received but need not be segregated from other funds except to the extent required by law or by this Indenture. Neither the Trustee nor any paying agent shall be under any liability for interest on any moneys received hereunder except such as may be agreed upon in writing with the Issuer.

(j) The Trustee undertakes to perform only such duties as are specifically set forth in this Indenture and shall not be answerable for other than its negligence or bad faith in the performance of those express duties. In case an Event of Default has occurred which has not been cured, the Trustee shall exercise the rights, duties and powers vested

in it by this Indenture in good faith and with that degree of diligence, care and skill which a reasonable person would exercise under similar circumstances in like situations.

(k) The Trustee shall not be responsible for insuring the Project or for collecting any insurance moneys.

(l) The Trustee shall not be required to give any bond or surety with respect to the performance of its duties or the exercise of its powers hereunder.

(m) In the event the Trustee receives inconsistent or conflicting requests and indemnity from two or more groups of Bondholders, each representing less than a majority of the aggregate principal amount of Bonds then Outstanding, the Trustee, in its sole discretion, may determine what action, if any, shall be taken, including the right to interplead said parties in any court of applicable jurisdiction.

(n) No personal recourse may be taken, directly or indirectly, against any officer, director, employee or agent of the Trustee with respect to the obligations of the Trustee under this Indenture, the Financing Agreement or any certificate or other writing delivered in connection therewith.

(o) The Trustee's immunities and protections from liability and its right to indemnification in connection with the performance of its duties and functions under this Indenture and the Financing Agreement shall extend to the Trustee's officers, directors, employees and agents.

(p) The Trustee's immunities and protections from liability and its right to payment of compensation and indemnification in connection with performance of its duties and functions under this Indenture and the Financing Agreement shall survive the Trustee's resignation or removal and the final payment of the Bonds.

(q) The Trustee shall have no responsibility for any information in any offering memorandum or other disclosure material distributed with respect to the Bonds, and the Trustee shall have no responsibility for compliance with any state or federal securities laws in connection with the Bonds.

(r) In acting or omitting to act under the Financing Agreement, the Trustee shall be entitled to all of the rights, protections and immunities, and to its rights of indemnification, accorded to it under this Indenture.

(s) Whether or not expressly provided for herein, every provision of this Indenture relating to the conduct of or affecting the liability of the Trustee shall be subject to the provisions of this Section 7.01.

(t) The Trustee shall not in any event be responsible for ensuring that the rate of interest due and payable on the Bonds under this Indenture does not exceed the highest legal rate of interest permissible under federal or state law applicable thereto.

(u) The Trustee shall not be responsible for the application of any of the proceeds of the Bonds or any other moneys deposited with it and paid out, withdrawn or transferred hereunder if such application, payment, withdrawal or transfer shall be made in accordance with the provisions of this Indenture.

Section 7.02. Notice of Default.

Within 30 days after the occurrence of any default hereunder of which the Trustee has or is deemed to have notice hereunder, the Trustee shall transmit by registered, certified or first-class mail, to the holders of all Bonds then Outstanding, notice of such default unless such default shall have been cured or waived; provided, however, that, except in the case of a default in the payment of the principal of (or premium, if any) or interest on any Bond when due, the Trustee shall be protected in withholding such notice if and so long as the Trustee in good faith determines that the withholding of such notice is in the interests of the holders of the Bonds. For the purpose of this Section, the term “default” means any event which is, or after notice or lapse of time or both would become, an Event of Default.

Section 7.03. Compensation and Reimbursement.

Subject to Section 6.06, the following payments shall be made to the Trustee from amounts paid by the Issuer pursuant to the Financing Agreement, or, after payment in full of the Bonds, from amounts in the Bond Fund:

(a) The Trustee shall be paid from time to time its annual administrative fee as reasonable compensation for all services rendered by it hereunder in an amount equal to \$2,150 per year which shall be billed and collected by the Trustee directly and not paid through this Indenture, and shall not be limited by any provision of law in regard to the compensation of a trustee of an express trust; and

(b) Except as otherwise expressly provided herein, the Trustee shall be reimbursed upon its request for all reasonable expenses, disbursements and advances incurred or made by the Trustee in accordance with the enforcement of any provision of this Indenture, including default administration (including the reasonable compensation and the expenses and disbursements of its agents and counsel), and any extraordinary expense except any such expense, disbursement or advance as may be attributable to its negligence or willful misconduct.

The Trustee shall also be entitled to indemnification in accordance with the Financing Agreement against any loss, liability or expense incurred without negligence or willful misconduct on its part, arising out of or in connection with the acceptance or administration of this trust, including the costs and expenses of defending itself against any claim or liability in connection with the exercise or performance of any of its powers or duties hereunder until replaced by a successor Trustee, provided that payment therefor is payable only from funds received from the Issuer pursuant to Article V of the Financing Agreement.

The Trustee agrees to continue to serve as trustee hereunder until a successor is appointed, and to the extent the Trustee has not been paid or reimbursed any amounts due as

provided in this Section, the Trustee shall look only to the Issuer under the Financing Agreement.

Upon the occurrence of an Event of Default hereunder, the Trustee shall have a first lien with the right of payment prior to the payment of any Bond upon the amounts held hereunder for its fees and the foregoing charges and expenses incurred by it.

Section 7.04. Intervention by the Trustee.

In any judicial proceeding to which the Issuer is a party and which in the opinion of the Trustee and its counsel has a substantial bearing on the interests of the holders of Bonds, the Trustee may intervene on behalf of such Bondholders and shall do so if requested in writing by the registered owners of at least 25% of the Bond Obligation. The rights and obligations of the Trustee under this Section are subject to the approval of a court of competent jurisdiction.

Section 7.05. Successor Trustee.

Any corporation or association into which the Trustee may be converted or merged, or with which it may be consolidated, or to which it may sell or transfer its trust business and assets as a whole or substantially as a whole, or any corporation or association resulting from any such conversion, sale, merger, consolidation or transfer to which it is a party shall, ipso facto, be and become successor Trustee hereunder and vested with all the title to the whole property or Trust Estate and all the trusts, powers, discretions, immunities, privileges and all other matters as was its predecessor, without the execution or filing of any instruments or any further act, deed or conveyance on the part of any of the parties hereto, anything herein to the contrary notwithstanding.

Section 7.06. Resignation by the Trustee.

The Trustee and any successor Trustee may at any time resign from the trusts hereby created by giving written notice by registered or certified mail to the Issuer, the Lender and each holder of the Bonds then Outstanding, provided that no such resignation shall take effect until either (a) a successor Trustee shall have been appointed and shall have accepted such appointment as provided in Section 7.09, or (b) a temporary trustee shall be appointed as provided in Section 7.08. If no successor Trustee shall have been appointed and have accepted appointment within 30 days following the giving of all required notices of resignation, the resigning Trustee may petition any court of competent jurisdiction for the appointment of a successor Trustee.

Section 7.07. Removal of the Trustee.

The Trustee may be removed at any time by an instrument or concurrent instruments in writing delivered to the Trustee, the Issuer and the Lender and signed by the holders of a majority of the Bond Obligation. So long as no Event of Default has occurred and is continuing hereunder, the Trustee may be removed at any time by an instrument in writing signed by an Authorized Issuer Representative and delivered to the Trustee and the Lender. No such removal shall take effect until the appointment of a successor Trustee.

Section 7.08. Appointment of Successor Trustee.

In case the Trustee hereunder shall resign or be removed, or be dissolved, or shall be in course of dissolution or liquidation, or otherwise become incapable of acting hereunder, or in case it shall be taken under the control of any public officer or officers, or of a receiver appointed by a court, a successor may be appointed by the Issuer (if no Event of Default has occurred and is continuing hereunder) or, if an Event of Default has occurred and is continuing hereunder, by the holders of a majority of the Bond Obligation by an instrument or concurrent instruments in writing signed by such holders or by their duly authorized attorneys.

Every such Trustee appointed pursuant to the provisions of this Section shall be a trust company or bank organized under the laws of the United States of America or any state thereof and which is in good standing, within or outside the State, having trust powers and a reported capital and surplus of not less than \$75,000,000 and at least \$50,000,000 in trust assets under management if there be such an institution willing, qualified and able to accept the trust upon reasonable or customary terms.

Section 7.09. Concerning Any Successor Trustee.

Every successor Trustee appointed hereunder shall execute, acknowledge and deliver to its predecessor and also to the Issuer an instrument in writing accepting such appointment hereunder as Trustee and making the representations set forth in Section 7.13 hereof, and thereupon such successor, 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, but such predecessor Trustee shall, nevertheless, on the written request of the Issuer, or of the successor Trustee, and upon payment of all amounts due such predecessor, execute and deliver an instrument transferring to such successor Trustee all the estates, properties, rights, powers and trusts of such predecessor hereunder, and every predecessor Trustee shall deliver all securities and moneys held by it as Trustee hereunder to its successor. Should any instrument in writing from the Issuer be required by a successor Trustee for more fully and certainly vesting in such successor the estate, rights, powers and duties hereby vested or intended to be vested in the predecessor, any and all such instruments in writing shall, on request, be executed, acknowledged and delivered by the Issuer. The resignation of any Trustee and the instrument or instruments removing any Trustee and appointing a successor hereunder, together with all other instruments provided for in this Article, shall be filed or recorded by the successor Trustee in each recording office where the Indenture shall have been filed and/or recorded.

Section 7.10. Trustee Protected in Relying Upon Instruments.

The resolutions, opinions, certificates and other instruments provided for in this Indenture may be accepted by the Trustee as conclusive evidence of the facts and conclusions stated therein and shall be full warrant, protection and authority to the Trustee for the release of property hereunder.

Section 7.11. Trustee as Paying Agent and Bond Registrar.

The Trustee is hereby designated and agrees to act as paying agent, separate and apart from its duties as Trustee hereunder, and as Bond Registrar for and in respect to the Bonds.

In the event of a change in the office of Trustee, the predecessor Trustee which has resigned or has been removed shall cease to be Trustee, paying agent on the Bonds and Bond Registrar, and the successor Trustee shall become such Trustee, paying agent and Bond Registrar.

Section 7.12. Appointment of Co-Trustee.

It is the purpose of this Indenture that there shall be no violation of any law of any jurisdiction (including particularly the law of the State) denying or restricting the right of banking corporations or associations to transact business as a trustee in such jurisdiction. It is recognized that in case of litigation under this Indenture or the Financing Agreement, and in particular in case of the enforcement thereof on default, or in the case the Trustee deems that by reason of any present or future law of any jurisdiction it may not exercise any of the powers, rights or remedies herein granted to the Trustee or hold title to the properties, in trust, as herein granted, or take any action which may be desirable or necessary in connection therewith, it may be necessary that the Trustee appoint an additional individual or institution as a separate or co-trustee. The following provisions of this Section are adopted to these ends.

In the event that the Trustee appoints an additional individual or institution as a separate or co-trustee, each and every remedy, power, right, claim, demand, cause of action, immunity, estate, title, interest and lien expressed or intended by this Indenture to be exercised by or vested in or conveyed to the Trustee with respect thereto shall be exercisable by and vest in such separate or co-trustee but only to the extent necessary to enable such separate or co-trustee to exercise such powers, rights and remedies, and every covenant and obligation necessary to the exercise thereof by such separate or co-trustee shall run to and be enforceable by either of them.

Should any instrument in writing from the Issuer be required by the separate or co-trustee so appointed by the Trustee for more fully and certainly vesting in and confirming to it such properties, rights, powers, trusts, duties and obligations, any and all such instruments in writing shall, on request, be executed, acknowledged and delivered by the Issuer. In case any separate or co-trustee or a successor to either shall die, become incapable of acting, resign or be removed, all the estates, properties, rights, powers, trusts, duties and obligations of such separate or co-trustee, so far as permitted by law, shall vest in and be exercised by the Trustee until the appointment of a successor to such separate or co-trustee.

Section 7.13. Representations, Warranties and Covenants of the Trustee.

All federal, state and local governmental, public and regulatory authority approvals, consents, notices, authorizations, registrations, licenses, exemptions and filings that are required to have been obtained or made by the Trustee with respect to the authorization, execution, delivery and performance by, or the enforcement against or by, the Trustee of the Indenture have been obtained and are in full force and effect and all conditions of such approvals, consents, notices, authorizations, registrations, licenses, exemptions and filings have been fully complied with.

The Trustee has a combined capital and surplus of at least \$75,000,000. The Trustee has an operations group of at least four experienced trust officers, with primary responsibility for

municipal bond issues. The Trustee administers at least 25 municipal bond indentures aggregating at least \$25,000,000 under its administration.

ARTICLE VIII

SUPPLEMENTAL INDENTURES AND AMENDMENTS OF OTHER FINANCING DOCUMENTS

Section 8.01. Supplemental Indentures Not Requiring Consent of Bondholders.

The Issuer and the Trustee may, without the consent of or notice to any of the Bondholders, enter into an indenture or indentures supplemental to this Indenture as shall not be inconsistent with the terms and provisions hereof or materially adverse to the interests of the holders of the Bonds, including, without limitation, for any one or more of the following purposes:

(a) to cure any ambiguity or to cure or correct any defect or inconsistent provisions contained in this Indenture or to make such provisions in regard to matters or questions arising under this Indenture as may be necessary or desirable and not contrary to or inconsistent with this Indenture or adverse to the Bondholders;

(b) to change or modify any provision of this Indenture so as to harmonize to the maximum extent practicable the provisions hereof with existing rules, regulations and procedures of FHA;

(c) to add to the covenants and agreements of the Issuer in this Indenture other covenants and agreements, to surrender any right or power reserved or conferred upon the Issuer or amend or supplement any other provision hereof if the foregoing shall not, in the judgment of the Trustee, materially adversely affect the interests of the Bondholders, the Trustee being authorized to rely on an opinion of counsel (including counsel to the Issuer) with respect thereto;

(d) to confirm, as further assurance, any pledge of or lien on the Financing Agreement or the Revenues or of any other moneys, securities or funds subject to the lien of this Indenture;

(e) to modify any of the provisions hereof relating to the use of a book-entry system for registration of the Bonds;

(f) to preserve the status of the Bonds as “Build America Bonds” (Direct Payment)” under Section 54AA(g) of the Code, as set forth in an opinion of Bond Counsel;

(g) to subject to the lien and pledge of this Indenture additional revenues, properties or collateral;

(h) to grant to or confer upon the Trustee for the benefit of the Bondholders any additional rights, remedies, powers or authority that may lawfully be granted to or conferred upon the Bondholders or the Trustee or any of them; or

(i) to modify, amend or supplement this Indenture or any indenture supplemental hereto in such manner as to permit the qualification hereof and thereof under the Indenture of Trust Act of 1939 or any similar federal statute hereafter in effect or under any state securities laws.

Section 8.02. Supplemental Indentures Requiring Consent of Bondholders.

With the consent of the holders of not less than two-thirds of the Bond Obligation, the Issuer and the Trustee may, from time to time, enter into supplemental indentures for the purpose of modifying, altering, amending, adding to or rescinding any of the terms or provisions contained in this Indenture or in any supplemental indenture; provided, however, that nothing contained in this Section shall permit, or be construed as permitting, (a) an extension of the stated maturity of or a reduction in the principal amount of or reduction in the interest rate on, or an extension of time of payment of interest on, or reduction of any premium payable on the redemption of, any Bonds, without the consent of the registered owner of such Bonds; (b) the creation of any lien on all or any portion of the Trust Estate prior to or on a parity with the lien of this Indenture, without the consent of the holders of all of the Bonds; (c) a reduction in the amount of Bond Obligation, the holders of which are required to approve any such supplemental indenture, without the consent of the holders of all the Bonds at the time Outstanding which would be affected by the action to be taken; (d) a privilege or priority of any Bond over any other Bonds without the consent of the holders of all Bonds adversely affected thereby; or (e) an amendment of Section 5.03 hereof (relating to disposition of the GNMA Securities) or the second paragraph of Section 6.02 hereof (relating to acceleration upon an Event of Default under Section 6.01(c) hereof), without in each case the consent of the holders of all the Bonds then Outstanding.

If at any time the Issuer shall request the Trustee to enter into any such supplemental indenture for any of the purposes of this Section, the Trustee shall, upon being satisfactorily indemnified with respect to expenses, cause notice of the proposed execution of such supplemental indenture to be mailed, postage prepaid, to all Bondholders. Such notice shall briefly set forth the nature of the proposed supplemental indenture and shall state that copies thereof are on file at the Trust Office of the Trustee for inspection by all Bondholders. If, within 60 days following the mailing of such notice, the holders of the required portion of Bonds at the time of the execution of any such supplemental indenture shall have consented to and approved the execution thereof as herein provided, no holder of any Bond shall have any right to object to any of the terms and provisions contained therein, or the operation thereof, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the Trustee or the Issuer from executing the same or from taking any action pursuant to the provisions thereof. Upon the execution of any such supplemental indenture as is in this Section permitted and provided, this Indenture shall be and be deemed to be modified and amended in accordance therewith.

Section 8.03. Required Consents.

Notwithstanding anything herein to the contrary, the Trustee shall not be required to enter into or consent to any supplemental indenture or any amendment of any other Financing Document which, in the sole judgment of the Trustee, might materially adversely affect the rights, obligations, powers, privileges, indemnities, immunities or other security provided the Trustee herein or therein, except to the extent necessary, as set forth in an opinion of Bond Counsel, to preserve the exclusion of interest on the Bonds from gross income for federal income tax purposes.

Additionally, any supplemental indenture which amends the provisions hereof regarding the acquisition of the GNMA Securities shall not become effective unless and until the Lender shall have consented to the execution and delivery of such supplemental indenture. In this regard, the Trustee shall cause notice of the proposed execution and delivery of any such supplemental indenture to be mailed by certified or registered mail to the Lender at least 15 days prior to the proposed date of execution and delivery of any supplemental indenture. Finally, any amendment hereto which modifies Section 10.11 hereof shall require the written consent of HUD.

Section 8.04. Amendment of Certain Documents.

(a) The Issuer and the Trustee may, with the consent of the Lender, make or consent to any amendment, change or modification of the Financing Agreement and the GNMA Securities, for the purpose of curing any ambiguity, or of curing, correcting or supplementing any defective or inconsistent provision contained therein, or in regard to matters or questions arising under said documents, as the Issuer and the Trustee may deem necessary or desirable and not inconsistent with said documents or this Indenture and which shall not adversely affect the interests of the holders of the Bonds.

(b) Except for the amendments, changes or modifications as provided in subsection (a) above, the Trustee shall not consent to or approve any other amendment, change or modification of any of the Financing Documents (other than the Indenture) without notice to and the written approval or consent of the Issuer, the Lender and the registered owners of not less than two-thirds of the Bond Obligation given and procured as provided in Section 8.02 hereof. If, at any time, the Issuer shall request the consent to or approval of the Trustee to any such proposed amendment, change or modification of any of the Financing Documents (other than the Indenture), the Trustee shall, upon being satisfactorily indemnified by the Issuer with respect to expenses, cause notice of such proposed amendment, change or modification to be given in the same manner as provided by Section 8.02 hereof with respect to supplemental indentures. Such notice shall briefly set forth the nature of such proposed amendment, change or modification and shall state that copies of the instrument embodying the same are on file at the principal corporate trust office of the Trustee for inspection by all Bondholders. If, within 60 days or such longer period as shall be prescribed by the Trustee following the giving of such notice, the holders of not less than two-thirds of the Bond Obligation at the time of the execution of such proposed amendment shall have consented to and approved the execution thereof as herein provided, subject to the provisions of the second paragraph of Section 8.02 hereof, no holder of any Bond shall have any right to object to any of the terms and provisions contained therein, or the

operation thereof, or in any manner to question the propriety of the execution thereof, or shall have any right to object to any of the terms and provisions contained therein, or the operation thereof, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the Trustee from agreeing to the execution thereof. Upon the execution of any such amendment as in this Section is permitted and provided, the Financing Documents shall be and be deemed to be modified and amended in accordance therewith.

(c) Anything herein to the contrary notwithstanding, the Issuer and the Trustee shall not consent to any amendment, change or modification of the GNMA Securities which would reduce the Lender's obligations to make payments thereunder or GNMA's guarantee of such payments (other than as a result of a prepayment of the GNMA Securities permitted pursuant to the terms thereof) without the consent of the holders of 100% of the Bond Obligation.

(d) Notwithstanding anything to the contrary herein, no amendment to the Financing Documents or the FHA Loan Documents which adversely affects the rights of HUD or the Lender thereunder shall be effective without the consent of HUD or the Lender, as appropriate.

Section 8.05. Amendment by Unanimous Consent.

Notwithstanding any other provision of this Indenture, the Issuer and the Trustee may consent to any Supplement to any Financing Document upon receipt of the consent of the Lender and the holders of all Bonds then Outstanding.

Section 8.06. Opinions; Certificate.

The Trustee shall not enter into or consent to any supplemental indenture or any amendment of any provision of any other Financing Document unless there shall have been delivered to the Issuer and the Trustee an opinion of Bond Counsel stating that such supplemental indenture or such amendment is authorized or permitted, or otherwise not prohibited, by the Bond Resolution. In addition, the Trustee may obtain, and shall be protected in relying on, an opinion of counsel to the effect that such supplemental indenture or such amendment is authorized or permitted by this Indenture and complies with the terms hereof.

Section 8.07. Effect of Amendments.

Upon the execution and delivery of any supplemental indenture or any amendment to any other document pursuant to the provisions of this Article, this Indenture or such other document shall be, and be deemed to be, modified and amended in accordance therewith, and the respective rights, duties and obligations under the Financing Documents of the Issuer, the Trustee, the Lender and the Bondholders shall thereafter be determined, exercised and enforced hereunder and under the Financing Documents subject in all respects to such modifications and amendments.

ARTICLE IX

SATISFACTION AND DISCHARGE OF INDENTURE

If the Issuer (a) shall pay or cause to be paid to the holders of the Bonds the principal, interest and premium, if any, to become due thereon at the times and in the manner stipulated therein and herein, and shall pay or cause to be paid all fees and expenses of the Trustee, and (b) shall keep, perform and observe all and singular the covenants and promises in the Bonds and in this Indenture expressed as to be kept, performed and observed by it or on its part, then these presents and the estate and rights hereby granted shall cease, determine and be void, and thereupon the Trustee shall cancel and discharge the lien of this Indenture and execute and deliver to the Issuer such instruments in writing as shall be requisite to satisfy the lien hereof, shall convey to the Issuer the estate hereby conveyed and shall assign and deliver to the Issuer any interest in property at the time subject to the lien of this Indenture which may then be in its possession, except amounts held by the Trustee for the payment of principal of, premium, if any, and interest on the Bonds.

All Outstanding Bonds shall, prior to the maturity or redemption date thereof, be deemed to have been paid within the meaning and with the effect expressed in item (a) of the first paragraph of this Section if the following conditions shall have been fulfilled: (i) there shall be on deposit with the Trustee either moneys which are Seasoned Funds or direct noncallable Government Obligations purchased with Seasoned Funds in an amount sufficient to pay when due the principal or redemption price, if applicable, and interest due and to become due on the Bonds on and prior to the redemption date or maturity date thereof, as the case may be; (ii) if any of the Bonds are to be redeemed on any date prior to their maturity, the Issuer shall have given to the Trustee, in form satisfactory to it, irrevocable instructions to mail, as provided in Article X hereof, notice of redemption of such Bonds on such date; (iii) the Issuer shall have given the Trustee irrevocable instructions to mail, as soon as practicable, in the manner prescribed by Article III hereof, a notice to the holders of such Bonds that the deposit required by this paragraph has been made with the Trustee and that the Bonds are deemed to have been paid in accordance with this Article and stating the redemption date upon which moneys are to be available for the payment of the principal or redemption price, if applicable, on said Bonds; and (iv) the Trustee shall have received the opinion required by the last paragraph of this Section.

No deposit under this Article shall be made or accepted hereunder and no use made of any such deposit unless the Trustee shall have received (a) an opinion of Bond Counsel to the effect that such deposit and use is permitted by this Indenture and the affect, if any, to the Issuer on the status of the Bonds as Build America Bonds and that upon such deposit the lien of this Indenture shall be discharged in accordance with this Article IX, and (b) a certificate of the Issuer that they have received such opinion and still would like to proceed with the discharge contemplated under this section.

ARTICLE X

MISCELLANEOUS

Section 10.01. Consents and Other Instruments of Bondholders.

Any consent, request, direction, approval, waiver, objection, appointment or other instrument required by this Indenture to be signed and executed by the Bondholders may be signed and executed in any number of concurrent writings of similar tenor and may be signed or executed by such Bondholders in person or by agent appointed in writing. Proof of the execution of any such instrument, if made in the following manner, shall be sufficient for any of the purposes of this Indenture and shall be conclusive in favor of the Trustee with regard to any action taken under such instrument, namely:

(a) The fact and date of the execution by any person of any such instrument may be proved by the affidavit of a witness of such execution or by the certificate of any notary public or other officer of any jurisdiction, authorized by the laws thereof to take acknowledgments of deeds, certifying that the person signing such instrument acknowledged to him the execution thereof. Where such execution is by an officer of a corporation or association or a member of a partnership on behalf of such corporation, association or partnership, such affidavit or certificate shall also constitute sufficient proof of his authority.

(b) The ownership of Bonds shall be proved by the Bond Register.

(c) Any request, consent or vote of the holder of any Bond shall bind every future holder of the same Bond and the holder of every Bond issued in exchange therefor or in lieu thereof in respect of anything done or permitted to be done by the Trustee or the Issuer pursuant to such request, consent or vote.

(d) In determining whether the holders of the requisite amount of the Bond Obligation have concurred in any demand, request, direction, consent or waiver under this Indenture, Bonds which are owned by the Issuer or by any person directly or indirectly controlled or controlled by or under direct or indirect common control with the Issuer shall be disregarded and deemed not to be Outstanding for the purpose of determining whether the Trustee shall be protected in relying on any such demand, request, direction, consent or waiver. Only Bonds which the Trustee has evidence in the Bond Register to be so owned shall be disregarded. Bonds so owned which have been pledged in good faith may be regarded as Outstanding for the purposes of this Section if the pledgee shall establish to the satisfaction of the Trustee the pledgee's right to vote such Bonds. In case of a dispute as to such right, any decision by the Trustee taken upon the advice of counsel shall be full protection to the Trustee.

Section 10.02. Limitation of Rights.

To the extent permitted by applicable law, whenever under the provisions of this Indenture the approval of the Issuer or the Trustee is required for any action, and whenever the Issuer or the Trustee is required to deliver any notice or other writing, such approval or such

notice or other writing shall be given, respectively, on behalf of the Issuer by an Authorized Issuer Representative or on behalf of the Trustee by a Responsible Officer, and the Issuer and the Trustee shall be authorized to act on any such approval or notice or other writing, and, to the extent permitted by law, neither party hereto shall have any complaint against the others as a result of any such action taken.

Section 10.03. Severability.

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

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

Section 10.04. Notices.

All notices, certificates, requests or other communications hereunder shall be sufficiently given and shall be deemed given on the date received when mailed by certified or registered mail, postage prepaid, or received by telecopy (with confirming copies via overnight courier) addressed, unless notice of a different address is given as provided in this Section, as follows:

If to the Issuer:

Coulee Medical Foundation
c/o Douglas, Grant, Lincoln & Okanogan Counties Public Hospital District No. 6
d/b/a Coulee Medical Center
411 Fortuyn Road
Grand Coulee, WA 99133
Telephone: (509) 633-1753
Facsimile: (509) 633-0295

With a copy to:

Stamper Rubens, P.S.
720 West Boone Avenue, Suite 200
Spokane, WA 99201
Attention: Randall Stamper, Esq.
Telephone: (509) 326-4800
Facsimile: (509) 326-4891

If to the Trustee:

U.S. Bank National Association
1420 Fifth Avenue, Suite 700
Mail Code: PD-WA-T7CT
Seattle, WA 98101
Attention: Thomas Zrust
Telephone: (206) 344-4687
Facsimile: (206) 344-4630

If to the Lender:

Red Mortgage Capital, Inc./Red Capital Markets, Inc.
Two Miranova Place, 12th Floor
Columbus, OH 43215
Attention: Eric Mestemaker
Telephone: (614) 857-1658
Facsimile: (614) 857-9752

With a copy to:

Krooth and Altman LLP
1850 M Street, NW
Suite 400
Washington, DC 20036
Attention: Rod Owens, Esq.
Telephone: (202) 293-8200
Facsimile: (202) 327-5535

With a copy to:

Red Mortgage Capital, Inc.
Two Miranova Place, 12th Floor
Columbus, Ohio 43215
Attention: Servicing
Telephone: (614) 857-1563
Facsimile: (614) 857-1620

If to the Rating Agency:

Standard & Poor's Rating Services, a division of
The McGraw-Hill Companies, Inc.
55 Water Street, 42nd Floor
New York, New York 10041
Attention: Moraa Andima

Any of the foregoing may, by notice given hereunder to each of the others, designate any further or different addresses to which subsequent notices, certificates, requests or other communications shall be sent hereunder.

Any registered owner (or beneficial owner in the event that all or part of the Bonds are registered in the name of any depository institution) of at least \$1,000,000 principal amount of Outstanding Bonds may request that the Trustee send an additional copy of any notice of default, redemption or any other correspondence by first-class mail to a second address simultaneously and in addition to the regular mailing of such notices to registered owners recorded on the books of the Trustee.

Section 10.05. Notice to Rating Agency.

As long as the Bonds are Outstanding, and in addition to any information requested pursuant to Section 5.06 hereof, the Trustee agrees to provide the Rating Agency with written notice of:

- (a) any amendments or supplements to the Financing Agreement, this Indenture or any document relating to the Mortgage Loan;
- (b) acquisition of the PLC;
- (c) payment in full of the Bonds;
- (d) notice of the appointment of any successor Trustee;
- (e) initial and/or final endorsement of the Mortgage Note;
- (f) partial Leasehold Mortgage prepayment;
- (g) defeasance or discharge of the Indenture;

- (h) appointment of a new Investment Agreement provider; and
- (i) impending sale of the Project.

All notices required under this Section 10.05 shall be given in the manner provided in Section 10.04 hereof.

Section 10.06. Payments or Actions on Other Than Business Days.

Unless otherwise provided herein, if the date for making any payment or the last date for the performance of any act or the exercising of any right, as provided in this Indenture, is not a Business Day, such payment may be made, act performed or right exercised on the next succeeding Business Day, with the same force and effect as if made or done on the nominal date provided therefor, and, with respect to any payment so made, no interest shall accrue for the period between such nominal date and the date of payment.

Section 10.07. Counterparts.

This Indenture may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 10.08. Governing Law.

The effect and meanings of this Indenture and the rights of all parties hereunder shall be governed by and construed according to the laws of the State.

Section 10.09. Successors and Assigns.

All the covenants and representations contained in this Indenture, by or on behalf of the Issuer, shall bind and inure to the benefit of its successors and assigns whether so expressed or not.

Section 10.10. Limitation of Rights.

With the exception of rights herein expressly conferred, nothing expressed or to be implied by this Indenture or the Bonds is intended or shall be construed to give to any person other than the parties hereto and the registered owners of the Bonds any legal or equitable right, remedy or claim under or in respect to this Indenture or any covenants, conditions and provisions hereof.

Section 10.11. GNMA/FHA Documents and Regulations Control; FHA Requirements.

(a) To the extent that there is any conflict, inconsistency or ambiguity between or among this Indenture and (i) any applicable FHA mortgage insurance, or other applicable FHA or GNMA statutory, regulatory, administrative requirements, (ii) any of the Documents (including the Lease Documents) which have been or are required by FHA and/or the Lender to be executed by the Issuer, FHA and/or the Lender in connection with the subject transaction

(each, an “FHA Loan Document,” or collectively, the “FHA Loan Documents” as the context may require) or (iii) any of the documents which have been or are required by GNMA to be executed by the Issuer, FHA, GNMA and/or the Lender in connection with the subject transaction (each, a “GNMA Document” or collectively, the “GNMA Documents” as the context may require), said FHA mortgage insurance and other applicable FHA and GNMA statutory, regulatory and administrative requirements and said FHA Loan Documents and GNMA Documents will be deemed to be controlling and any such ambiguity or inconsistency will be resolved in favor of, and pursuant to the FHA mortgage insurance, and other applicable FHA and GNMA statutory, regulatory or administrative requirements and the terms of the FHA Loan Documents and GNMA Documents, as applicable. For purposes hereof, the reference to FHA’s statutory, regulatory and administrative requirements shall be deemed to include, but shall not be limited to, any statutory, regulatory or administrative requirements pertaining to Section 242 of the National Housing Act, as may be applicable. The parties hereto agree to amend this instrument as may be necessary or required by FHA, GMNA or the Lender to conform this instrument to the above-cited requirements and FHA Loan Documents and GNMA Documents. In addition, it is understood and agreed that any default under this Indenture shall not constitute a default under the FHA Loan Documents or the GNMA Documents; and further, that nothing herein contained shall be construed to limit or affect the Lender’s rights under the FHA Loan Documents or the GNMA Documents.

(b) No amendment to this Indenture shall conflict with the provisions of the National Housing Act, any applicable HUD regulations, related administrative requirements, the FHA Loan Documents, any applicable GNMA regulations, related administrative requirements and the GNMA Documents.

(c) The Lender will hold escrow funds required under the Mortgage Loan in trust for the benefit of the Issuer outside the terms of this Indenture, and any Project funds held by the Lender will not be deposited in any of the funds or accounts created by this Indenture or under the control of the Trustee.

(d) Nothing contained herein shall inhibit or impair the right of the Lender to require or agree to any amendment, charge or modification of the FHA Loan Documents or the GNMA Documents for the purpose of curing any ambiguity, or of curing, correcting or supplementing any defective or inconsistent provision contained therein, or in regard to matters or questions arising under said FHA Loan Documents or the GNMA Documents so long as any such amendment, change or modification shall not adversely affect the payment terms of the Bonds.

(e) This Indenture shall not be construed to restrict or adversely affect the duties and obligations of the Lender under the contract of mortgage insurance between FHA and the Lender with respect to the Mortgage Loan.

(f) Neither the Trustee, or any of the Bondholders has or shall be entitled to assert any claim against the Project, the Mortgage Loan proceeds, any reserves or deposits required by HUD in connection with the Mortgage Loan transaction, or the revenues, receipts, rents or deposits or other income of the property other than available "Residual Receipts" (as defined in the FHA Regulatory Agreement) authorized for release by HUD.

(g) Proceeds from any condemnation award or from the payment of a claim under any hazard insurance policy relating to the Project will not be payable to the Trustee, but will be payable to the Lender, and the Bonds will be subject to redemption in whole or in part, prior to their stated maturity date, in said event from payments the Trustee receives on the GNMA Security representing and subsequent to a prepayment of the Note and the Leasehold Mortgage from such proceeds or claims payment.

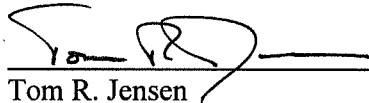
(h) In the event of any conflict between the provisions of this Section 10.11 and the provisions contained in any other Section of this Indenture, the provisions of this Section 10.11 shall govern and be controlling in all respects.

(i) Nothing in this Section 10.11 shall be interpreted to increase the obligations of the Issuer hereunder or otherwise impose additional obligations on the Issuer.


(j) The parties hereto acknowledge and agree that an indemnification obligation of Issuer hereunder shall not succeed to or become an obligation of FHA and/or HUD.

IN WITNESS WHEREOF, the Issuer has caused this Indenture to be executed and attested in its name and on its behalf by its duly authorized officers, and the Trustee has caused this Indenture to be executed in its name by its duly authorized officers, all as of the date set forth above.

COULEE MEDICAL FOUNDATION

By: 
Name: Tom R. Jensen
Title: President

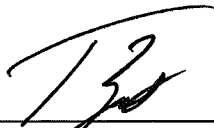
ATTEST:


Secretary

(Signature page to Trust Indenture)

[Trustee Signature Page to Indenture]

U.S. BANK NATIONAL ASSOCIATION, as
Trustee

By: 
Name: Thomas Zrust
Title: Vice President

(Signature page to Trust Indenture)

EXHIBIT A

FORM OF 2009A BOND

THIS BOND IS NOT A DEBT OR GENERAL OBLIGATION OF THE ISSUER, THE STATE OF WASHINGTON, OR ANY POLITICAL SUBDIVISION THEREOF, BUT IS A SPECIAL, LIMITED OBLIGATION OF THE ISSUER PAYABLE SOLELY FROM THE REVENUES PLEDGED PURSUANT TO THE INDENTURE. THIS BOND SHALL NOT CONSTITUTE AN INDEBTEDNESS WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMITATION OR RESTRICTION. NEITHER DOES THIS BOND CONSTITUTE A DEBT OR A PLEDGE OF THE FAITH AND CREDIT OF THE UNITED STATES OF AMERICA OR THE DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT OR ANY SUBDIVISION THEREUNDER.

UNITED STATES OF AMERICA

COULEE MEDICAL FOUNDATION

TAXABLE REVENUE BUILD AMERICA BONDS (DIRECT PAY)

(GNMA COLLATERALIZED-COULEE MEDICAL CENTER)

SERIES 2009A

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Dated Date</u>	<u>CUSIP</u>
6.50%	April 20, 2036	October 1, 2009	222102 AA3

Registered Owner: **CEDE & CO.**

Principal Amount: \$23,165,000 (IN DRAW-DOWN INSTALLMENTS)

The Coulee Medical Foundation, a Washington nonprofit corporation formed pursuant to Chapter 24.03 of the Revised Code of the State of Washington and a resolution of Douglas, Grant, Lincoln & Okanogan Counties Public Hospital District No. 6 (the "District") (the "Issuer"), for value received, hereby promises to pay (but only out of the revenues and other assets hereinafter referred to) to the Registered Owner specified above or registered assigns, on the Maturity Date specified above (subject to any right of prior redemption hereinafter mentioned), the Principal Amount specified above and to pay interest thereon from the Dated Date specified above, or from the most recent Interest Payment Date to which interest has been paid or duly provided for, on the 20th day of each calendar month, commencing December 20, 2009 (each, an "Interest Payment Date"), at the Interest Rate per annum specified above, until the principal hereof is duly paid, or provided for, in full. Notwithstanding the foregoing, if the date of authentication hereof is after a Regular Record Date for the payment of such interest (which shall be the fifth day of the month in which such interest payment is due) and before the

following Interest Payment Date, and if the Issuer shall not default in the payment of interest due on such Interest Payment Date, this Bond shall bear interest from such Interest Payment Date. The interest so payable on any Interest Payment Date will, subject to certain exceptions provided in the Indenture referred to below, be paid to the person in whose name this Bond (or one or more predecessor Bonds) is registered at the close of business on the Regular Record Date preceding such Interest Payment Date. Payment of principal of, premium, if any, and interest on this Bond shall be made in such coin or currency of the United States as at time of payment is legal tender for payment of private and public debts. The principal amount hereof and premium, if any, on this Bond shall be payable upon presentation and surrender hereof for cancellation at the office of U.S. Bank National Association in Seattle, Washington, or as it may otherwise direct, or its successor in trust (the "Trustee"). Payment of interest on and principal of this Bond shall be made by check or draft mailed to the person entitled thereto as such address shall appear on the registration books for the Bonds (hereinafter defined). Upon the request of a Registered Owner of at least \$1,000,000 principal amount of Outstanding Bonds, all payments of interest on the Bonds owned by such registered owner, and upon presentation and surrender thereof, the principal and premium of all such Bonds shall be paid by wire transfer of immediately available funds to an account designated by such Registered Owner.

This Bond is one of a duly authorized issue of bonds of the Issuer known as Coulee Medical Foundation Taxable Revenue Build America Bonds (Direct Pay) (GNMA Collateralized-Coulee Medical Center), Series 2009A issued in the aggregate principal amount of \$23,165,000 (the "Bonds") pursuant to the resolution adopted by the Board of the Issuer on September 30, 2009 (the "Bond Resolution"). The Bonds are issued under and are equally and ratably secured as to principal, premium, if any, and interest by a Trust Indenture dated as of October 1, 2009 between the Issuer and the Trustee (as may be supplemented and amended, the "Indenture"). Reference is hereby made to the Indenture, which is on file at the aforesaid office of the Trustee, for a description of the trust estate under the Indenture, the nature and extent of the security, the terms and conditions upon which the Bonds are issued and secured and the rights of the holders thereof, to all of which the holder of this Bond, by acceptance hereof, accepts and agrees. The terms and provisions contained in the Indenture are hereby incorporated herein by reference, and the owner of this Bond, by purchase hereof, assents to all of such terms and provisions. All capitalized, undefined terms used herein will have the meanings ascribed to them in the Indenture.

THIS BOND IS BEING ISSUED AS A DRAW-DOWN BOND, IN THAT THE HOLDERS OF THE BONDS WILL PURCHASE THE PRINCIPAL AMOUNT OF THE BONDS IN INSTALLMENTS, IN ACCORDANCE WITH THE TERMS OF THE INDENTURE. ACCORDINGLY, THE PRINCIPAL AMOUNT OF THE BONDS WHICH HAVE BEEN PURCHASED BY THE HOLDERS AND ARE OUTSTANDING AT ANY GIVEN TIME MAY BE LESS THAN THE MAXIMUM PRINCIPAL AMOUNT OF THE BONDS AS SET FORTH ON THE FACE OF THIS BOND. UPON EACH PURCHASE OF A PORTION OF THE PRINCIPAL AMOUNT OF THE BONDS IN ACCORDANCE WITH THE TERMS OF THE INDENTURE, THE TRUSTEE WILL NOTE ON A LOG MAINTAINED BY THE TRUSTEE FOR SUCH PURPOSE THE PRINCIPAL AMOUNT OF THE BONDS SO PURCHASED, THE DATE OF SUCH PURCHASE AND THE IDENTITY OF SUCH PURCHASER. THE RECORDS MAINTAINED BY THE TRUSTEE IN SUCH REGARD

WILL BE CONCLUSIVE EVIDENCE OF THE PRINCIPAL AMOUNT OF THE BONDS WHICH HAVE BEEN PURCHASED AND ARE OUTSTANDING. IF PRESENTED TO THE TRUSTEE BY THE HOLDER OF THIS BOND, THE PRINCIPAL AMOUNT OF THE BONDS PURCHASED BY THE OWNER OF THIS BOND WILL BE NOTED BY THE TRUSTEE ON SCHEDULE A ATTACHED TO THIS BOND.

The Bonds are limited obligations of the Issuer payable solely from the Revenues and the Trust Estate as provided in the Indenture. Pursuant to and in accordance with a Financing Agreement dated as of October 1, 2009 (the "Financing Agreement") among the Issuer, the District, the Trustee and Red Mortgage Capital, Inc., an Ohio corporation (the "Lender"), the Lender has made a secured loan to the Issuer in the amount of \$23,165,000 (the "Mortgage Loan") to provide for the acquisition, construction and equipping of the Issuer's hospital facility located in Grand Coulee, Washington and known as Coulee Medical Center (the "Project"). The Mortgage Loan is insured by the Federal Housing Administration (the "FHA"), an organizational unit within the United States Department of Housing and Urban Development ("HUD") pursuant to Section 242 of the National Housing Act of 1934, as amended (the "National Housing Act"). The Mortgage Loan will be evidenced by the Issuer's deed of trust note (the "Mortgage Note") in favor of the Lender and secured by a leasehold deed of trust (the "Leasehold Mortgage") on the Project. In order to provide security for the Bonds, the Trustee is to use the proceeds of the Bonds to purchase from the Lender fully modified mortgage-backed securities (the "GNMA Securities") which will be guaranteed as to timely payment of principal and interest by the Government National Mortgage Association ("GNMA"). Payment of principal of and interest on the Bonds is not guaranteed by GNMA or FHA. Payments required to be made by GNMA pursuant to the GNMA Securities and the earnings from the investment of the Bond proceeds, however, have been calculated to be sufficient to make payments of principal or redemption price of and interest on the Bonds.

THIS BOND, TOGETHER WITH INTEREST THEREON, AND REDEMPTION PREMIUM, IF ANY, IS A SPECIAL, LIMITED OBLIGATIONS OF THE ISSUER SECURED BY THE TRUST ESTATE, IS AND SHALL ALWAYS BE PAYABLE SOLELY FROM THE REVENUES AND INCOME DERIVED FROM THE TRUST ESTATE AND IS AND SHALL ALWAYS BE A VALID CLAIM OF THE OWNER THEREOF ONLY AGAINST THE REVENUES AND INCOME DERIVED FROM THE TRUST ESTATE, WHICH REVENUES AND INCOME SHALL BE USED FOR NO OTHER PURPOSE THAN TO PAY THE PRINCIPAL INSTALLMENTS OF, REDEMPTION PREMIUM, IF ANY, AND INTEREST ON THIS BOND, EXCEPT AS MAY BE EXPRESSLY AUTHORIZED OTHERWISE IN THE INDENTURE AND IN THE FINANCING AGREEMENT.

NEITHER THE BOARD OF THE ISSUER NOR ANY PERSON EXECUTING THIS BOND SHALL BE LIABLE PERSONALLY ON THIS BOND BY REASON OF THE ISSUANCE THEREOF. THIS BOND AND THE OBLIGATION TO PAY INTEREST ON, PRINCIPAL INSTALLMENTS AND REDEMPTION PREMIUMS, IF ANY, SHALL NOT BE A DEBT OF ANY CITY, COUNTY, THE STATE OF WASHINGTON, OR ANY POLITICAL SUBDIVISION OF THE STATE OF WASHINGTON. NEITHER THE STATE OF WASHINGTON, NOR ANY POLITICAL SUBDIVISION THEREOF, SHALL BE LIABLE ON THIS BOND OR THE OBLIGATION TO PAY INTEREST ON, PRINCIPAL

INSTALLMENTS AND REDEMPTION PREMIUMS, NOR IN ANY EVENT SHALL THIS BOND OR THE OBLIGATIONS TO PAY INTEREST ON, PRINCIPAL INSTALLMENTS AND REDEMPTION PREMIUMS BE PAYABLE OUT OF ANY FUNDS OR PROPERTIES OF THE ISSUER, THE STATE OF WASHINGTON, NOR ANY POLITICAL SUBDIVISION THEREOF, OTHER THAN FROM THE REVENUES AND INCOME DERIVED FROM THE TRUST ESTATE. THIS BOND SHALL NOT CONSTITUTE AN INDEBTEDNESS WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMITATION OR RESTRICTION.

NO OWNER OF THIS BONDS SHALL HAVE THE RIGHT TO COMPEL THE EXERCISE OF THE TAXING POWER, IF ANY, OF THE ISSUER, THE STATE OF WASHINGTON OR ANY POLITICAL SUBDIVISION THEREOF, TO PAY ANY PRINCIPAL INSTALLMENT OF, PREMIUM, IF ANY, OR INTEREST ON THIS BOND.

THIS BOND IS NOT A DEBT OF THE UNITED STATES OF AMERICA, THE UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT OR ANY OTHER FEDERAL GOVERNMENTAL AGENCY AND ARE NOT GUARANTEED BY THE FULL FAITH AND CREDIT OF THE UNITED STATES.

The Bonds are subject to mandatory redemption (a) after the Closing Date, in part, on the first Business Day which is 10 days after any Draw Down Date if the corresponding GNMA Delivery Date has not occurred (and the corresponding CLC delivered to the Trustee) within 10 days of such Draw Down Date (or such later date as shall be permitted by the Indenture), in a principal amount equal to the Bonds that were drawn down on such Draw Down Date, from amounts on deposit in the Acquisition Fund (provided however, that such 10-day period may be extended as set forth in the Indenture); (b) as a whole or in part, on the first Business Day at least 10 days after the PLC Delivery Date if the PLC (as defined in the Indenture) is not delivered to the Trustee by the PLC Delivery Date to the extent of amounts remaining in the Acquisition Fund; (c) in part on the earliest practicable date after delivery of the PLC to the Trustee to the extent that the principal amount of the PLC, as delivered, is less than the principal amount of Bonds drawn to date and Outstanding (less any regularly scheduled principal payments made on the Mortgage Loan prior to delivery of the PLC), from amounts on deposit in the Acquisition Fund; (d) as a whole or in part, on the earliest practicable date, to the extent the Trustee receives payments on the GNMA Securities in excess of regularly scheduled payments (other than optional prepayments of the Mortgage Loan), including, but not limited to, payments representing (i) casualty insurance proceeds, condemnation awards or other amounts applied to the prepayment of the Mortgage Loan following a partial or total destruction or condemnation of the Project, (ii) mortgage insurance proceeds or other amounts received with respect to the Mortgage Loan following an event of default thereunder, or (iii) a mandatory prepayment of the Mortgage Loan required by the applicable rules, regulations, policies and procedures of FHA or GNMA (including the possible exercise by HUD of its right to override the prepayment and premium provisions of the Mortgage Note under certain circumstances), or (e) as a whole on the CLC Maturity Date (or such later date as shall be permitted by the Indenture) in the event the PLC is not delivered to the Trustee at least 5 days prior to the CLC Maturity Date (or such later date as shall be permitted by the Indenture). If less than all the Bonds then outstanding shall be called for redemption, Bonds to be redeemed shall be selected by lot in multiples of \$5,000.

In the event of a redemption as described in the preceding paragraph, the Bonds will be redeemed at a redemption price of 100% of the principal amount thereof plus accrued interest to the redemption date.

If less than all the Outstanding Bonds shall be called for redemption pursuant to clauses (a) through (d) above, an amount of Bonds of each maturity shall be redeemed (and the scheduled sinking fund redemptions described below will be reduced) so that the resulting decrease in debt service on the Bonds for the one-month period ending on each Interest Payment Date is proportional, as nearly as practicable, to the decrease in the payments on the GNMA Securities in each such one-month period.

The Bonds shall be subject to scheduled mandatory redemption on the respective Interest Payment Dates set forth in the Indenture, at a redemption price equal to the principal amount thereof plus accrued interest to the redemption date, subject to pro rata reduction of such scheduled mandatory redemption payments to the extent that such Bonds are redeemed prior to maturity otherwise than pursuant to such scheduled mandatory redemption.

The Bonds shall be subject to redemption on any date on or after December 20, 2019, in whole or in part, from payments on the GNMA Securities representing voluntary prepayments on the Mortgage Loan pursuant to Section 3.06(a) of the Financing Agreement, or otherwise at the option of the Issuer from the proceeds of refunding bonds or other funds of the Issuer from such maturities or parts thereof as may be selected by the Issuer, at the redemption prices set forth in the table below, expressed as percentages of the principal amount of the Bonds to be redeemed, plus accrued interest to the redemption date, as follows:

<u>Redemption Dates</u>	<u>Redemption Prices</u>
December 20, 2019 through December 19, 2020	102%
December 20, 2020 through December 19, 2021	101
December 20, 2021 and thereafter	100

Except as provided below, notice of redemption shall be mailed, first-class postage prepaid, by the Trustee, not less than 15 or more than 30 days prior to the redemption date to (a) the respective holders of any Bonds designated for redemption at their addresses appearing on the bond registration books of the Trustee as of the Special Record Date (as defined in the Indenture), and (b) the MSRB's Electronic Municipal Market Access system as provided at <http://www.emma.msrb.org> "EMMA". Notice of redemption shall also be given by telecopy or certified, registered or overnight mail to Securities Depositories two days prior to the mailing of notice of redemption to the Bondholders and EMMA.

In the event of a redemption by reason of (a) voluntary prepayments on the GNMA Securities on (b) a mandatory redemption (other than a scheduled mandatory redemption) the Trustee shall give notice of redemption of Bonds at least 5, and not more than 10 days, prior to such redemption immediately upon receipt of notice of prepayment of the Mortgage Loan or the principal payment of the CLCs, in each case from the Lender in accordance with the Financing Agreement. However, if the circumstances do not permit the Trustee to give such notice in

accordance with the preceding sentence, the Trustee is only required to give such notice as soon as practicable.

THE INDENTURE CONTAINS NO PROVISION REQUIRING PUBLICATION OF NOTICE OF REDEMPTION OF ANY OR ALL OF THE BONDS UNDER ANY CIRCUMSTANCES. IN ACCORDANCE WITH THE INDENTURE, NOTICE OF REDEMPTION OF ANY BONDS IS REQUIRED TO BE GIVEN ONLY AT THE ADDRESS OF THE REGISTERED OWNERS THEREOF AS SHOWN ON THE BOND REGISTER. IN THE EVENT THAT ANY BOND IS CALLED FOR REDEMPTION, THE BOND SO CALLED FOR REDEMPTION SHALL BECOME DUE AND PAYABLE ON THE REDEMPTION DATE AND INTEREST THEREON SHALL CEASE TO ACCRUE FROM AND AFTER THE REDEMPTION DATE.

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

Modifications or alterations of the Indenture or of any indenture supplemental thereto may be made only to the extent and in the circumstances permitted by the Indenture.

This Bond shall be registered on the books of the Issuer to be kept for that purpose by the Trustee, which shall act as bond registrar for the Bonds. This Bond may be exchanged, and its transfer may be effected, only by the Registered Owner hereof in person or by attorney duly authorized in writing at the aforesaid office of the Trustee, but only in the manner, subject to the limitations and upon payment of the charges provided in the Indenture, and upon surrender and cancellation of this Bond. Upon exchange or registration of such transfer, a new registered Bond or Bonds of the same maturity and interest rate and of authorized denomination or denominations for the same aggregate principal amount will be issued in exchange therefor.

The Issuer and the Trustee may deem and treat the person in whose name this Bond shall be registered on the Bond Register (as defined in the Indenture) as the absolute owner hereof for the purpose of receiving payment of or on account of principal hereof and interest due hereon and for all other purposes, and neither the Issuer nor the Trustee shall be affected by any notice to the contrary.

The Bonds are issuable only as registered Bonds without coupons in denominations of \$5,000 principal amount and any integral multiple of \$1,000 in excess thereof.

The principal hereof may be declared or may become due on the conditions and in the manner and at the time set forth in the Indenture, upon the occurrence of an event of default as provided in the Indenture.

No recourse shall be had for the payment of the principal of, premium, if any, or interest on this Bond or for any claim based thereon or upon any obligation, covenant or agreement in the Indenture contained against the Issuer, any past, present or future member or commissioner of its governing body, its officers, attorneys, accountants, financial advisors, agents or staff, or the

officers, attorneys, accountants, financial advisors, agents or staff of any successor public entity, as such, either directly or through the Issuer or any successor public entity, under any rule of law or penalty or otherwise, and all such liability of the Issuer, any member of its governing body and its officers, attorneys, accountants, financial advisors, agents and staff is, by the acceptance of this Bond, expressly waived and released as a condition of, and in consideration for, the execution of the Indenture and the issuance of the Bonds.

It is hereby certified, recited and declared that all acts, conditions and things required to exist, happen and be performed precedent to and in the execution and delivery of the Indenture and the issuance of this Bond do exist, have happened and have been performed in the time, form and manner as required by law.

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

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

IN WITNESS WHEREOF, the Issuer has caused this Bond to be duly executed in its name and on its behalf by the manual or facsimile signature of the President of the Issuer and attested by the manual or facsimile signature of the Secretary of the Issuer, all as of the Dated Date set forth above.

COULEE MEDICAL FOUNDATION

By: _____
Name: Tom R. Jensen
Title: President

ATTEST:

Secretary

[FORM OF CERTIFICATE OF AUTHENTICATION]

CERTIFICATE OF AUTHENTICATION

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

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

By: _____
Name: Thomas Zrust
Title: Vice President

Date of Authentication:

* * * * *

[FORM OF ASSIGNMENT]

ASSIGNMENT

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

UNIF GIFT MIN ACT

TEN COM—as tenants in common Custodian

TEN ENT—as tenants by the entireties (Cust) (Minor)

JT TEN—as joint tenants with right under Uniform Gifts to Minors Act of
of survivorship and not as tenants
in common
(State)

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

For Value Received, _____ hereby sells, assigns and transfers unto

PLEASE INSERT SOCIAL SECURITY OR

OTHER IDENTIFYING NUMBER OF ASSIGNEE:

(Please Print or Typewrite Name and Address of Assignee)

the within Bond of the Coulee Medical Foundation and does hereby irrevocably constitute and appoint _____ Attorney to register the transfer of said Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

Signature: _____

Signature Guaranteed:

NOTICE: Signature(s) must be guaranteed by an “eligible guarantor institution” that is a member of or a participant in a “signature guarantee program” (e.g., the Securities Transfer

Agents Medallion Program, the Stock Exchange Medallion Program or the New York Stock Exchange, Inc. Medallion Signature Program).

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

SCHEDULE A

Draw-Down Purchases

The installment reflected by the draw-down of this Bond may be registered only by the registered owner in person or by its duly authorized officer or attorney upon presentation hereof to the Bond Registrar, who shall make note thereof in the books kept for such purpose and in the registration blank below.

<u>Date</u> <u>Draw-Down</u>	of	<u>Name</u> <u>Registered Owner</u>	of	<u>Principal</u> <u>Amount</u>		<u>Signature</u> <u>Bond Registrar</u>	of
_____		_____		_____		_____	
_____		_____		_____		_____	
_____		_____		_____		_____	
_____		_____		_____		_____	
_____		_____		_____		_____	

EXHIBIT B

SCHEDULE OF MANDATORY REDEMPTIONS

Redemption Date	Principal Amount	Redemption Date	Principal Amount
11/20/2012	595,000	3/20/2016	41,000
12/20/2012	33,000	4/20/2016	41,000
1/20/2013	33,000	5/20/2016	42,000
2/20/2013	33,000	6/20/2016	42,000
3/20/2013	34,000	7/20/2016	42,000
4/20/2013	34,000	8/20/2016	42,000
5/20/2013	34,000	9/20/2016	43,000
6/20/2013	34,000	10/20/2016	43,000
7/20/2013	34,000	11/20/2016	43,000
8/20/2013	35,000	12/20/2016	43,000
9/20/2013	35,000	1/20/2017	44,000
10/20/2013	35,000	2/20/2017	44,000
11/20/2013	35,000	3/20/2017	44,000
12/20/2013	35,000	4/20/2017	44,000
1/20/2014	36,000	5/20/2017	45,000
2/20/2014	36,000	6/20/2017	45,000
3/20/2014	36,000	7/20/2017	45,000
4/20/2014	36,000	8/20/2017	45,000
5/20/2014	36,000	9/20/2017	46,000
6/20/2014	37,000	10/20/2017	46,000
7/20/2014	37,000	11/20/2017	46,000
8/20/2014	37,000	12/20/2017	46,000
9/20/2014	37,000	1/20/2018	47,000
10/20/2014	37,000	2/20/2018	47,000
11/20/2014	38,000	3/20/2018	47,000
12/20/2014	38,000	4/20/2018	47,000
1/20/2015	38,000	5/20/2018	48,000
2/20/2015	38,000	6/20/2018	48,000
3/20/2015	39,000	7/20/2018	48,000
4/20/2015	39,000	8/20/2018	48,000
5/20/2015	39,000	9/20/2018	49,000
6/20/2015	39,000	10/20/2018	49,000
7/20/2015	39,000	11/20/2018	49,000
8/20/2015	40,000	12/20/2018	50,000
9/20/2015	40,000	1/20/2019	50,000
10/20/2015	40,000	2/20/2019	50,000
11/20/2015	40,000	3/20/2019	50,000
12/20/2015	40,000	4/20/2019	51,000
1/20/2016	41,000	5/20/2019	51,000
2/20/2016	41,000	6/20/2019	51,000

SCHEDULE OF MANDATORY REDEMPTIONS

Redemption Date	Principal Amount	Redemption Date	Principal Amount
7/20/2019	52,000	1/20/2023	65,000
8/20/2019	52,000	2/20/2023	66,000
9/20/2019	52,000	3/20/2023	66,000
10/20/2019	52,000	4/20/2023	66,000
11/20/2019	53,000	5/20/2023	67,000
12/20/2019	53,000	6/20/2023	67,000
1/20/2020	53,000	7/20/2023	67,000
2/20/2020	54,000	8/20/2023	68,000
3/20/2020	54,000	9/20/2023	68,000
4/20/2020	54,000	10/20/2023	69,000
5/20/2020	55,000	11/20/2023	69,000
6/20/2020	55,000	12/20/2023	69,000
7/20/2020	55,000	1/20/2024	70,000
8/20/2020	55,000	2/20/2024	70,000
9/20/2020	56,000	3/20/2024	71,000
10/20/2020	56,000	4/20/2024	71,000
11/20/2020	56,000	5/20/2024	71,000
12/20/2020	57,000	6/20/2024	72,000
1/20/2021	57,000	7/20/2024	72,000
2/20/2021	57,000	8/20/2024	73,000
3/20/2021	58,000	9/20/2024	73,000
4/20/2021	58,000	10/20/2024	73,000
5/20/2021	58,000	11/20/2024	74,000
6/20/2021	59,000	12/20/2024	74,000
7/20/2021	59,000	1/20/2025	75,000
8/20/2021	59,000	2/20/2025	75,000
9/20/2021	60,000	3/20/2025	75,000
10/20/2021	60,000	4/20/2025	76,000
11/20/2021	60,000	5/20/2025	76,000
12/20/2021	61,000	6/20/2025	77,000
1/20/2022	61,000	7/20/2025	77,000
2/20/2022	61,000	8/20/2025	78,000
3/20/2022	62,000	9/20/2025	78,000
4/20/2022	62,000	10/20/2025	79,000
5/20/2022	62,000	11/20/2025	79,000
6/20/2022	63,000	12/20/2025	79,000
7/20/2022	63,000	1/20/2026	80,000
8/20/2022	63,000	2/20/2026	80,000
9/20/2022	64,000	3/20/2026	81,000
10/20/2022	64,000	4/20/2026	81,000
11/20/2022	65,000	5/20/2026	82,000
12/20/2022	65,000	6/20/2026	82,000

SCHEDULE OF MANDATORY REDEMPTIONS

Redemption Date	Principal Amount	Redemption Date	Principal Amount
7/20/2026	83,000	1/20/2030	104,000
8/20/2026	83,000	2/20/2030	105,000
9/20/2026	83,000	3/20/2030	106,000
10/20/2026	84,000	4/20/2030	106,000
11/20/2026	84,000	5/20/2030	107,000
12/20/2026	85,000	6/20/2030	107,000
1/20/2027	85,000	7/20/2030	108,000
2/20/2027	86,000	8/20/2030	109,000
3/20/2027	86,000	9/20/2030	109,000
4/20/2027	87,000	10/20/2030	110,000
5/20/2027	87,000	11/20/2030	111,000
6/20/2027	88,000	12/20/2030	111,000
7/20/2027	88,000	1/20/2031	112,000
8/20/2027	89,000	2/20/2031	112,000
9/20/2027	89,000	3/20/2031	113,000
10/20/2027	90,000	4/20/2031	114,000
11/20/2027	90,000	5/20/2031	114,000
12/20/2027	91,000	6/20/2031	115,000
1/20/2028	91,000	7/20/2031	116,000
2/20/2028	92,000	8/20/2031	116,000
3/20/2028	92,000	9/20/2031	117,000
4/20/2028	93,000	10/20/2031	118,000
5/20/2028	93,000	11/20/2031	118,000
6/20/2028	94,000	12/20/2031	119,000
7/20/2028	94,000	1/20/2032	120,000
8/20/2028	95,000	2/20/2032	120,000
9/20/2028	96,000	3/20/2032	121,000
10/20/2028	96,000	4/20/2032	122,000
11/20/2028	97,000	5/20/2032	122,000
12/20/2028	97,000	6/20/2032	123,000
1/20/2029	98,000	7/20/2032	124,000
2/20/2029	98,000	8/20/2032	124,000
3/20/2029	99,000	9/20/2032	125,000
4/20/2029	99,000	10/20/2032	126,000
5/20/2029	100,000	11/20/2032	126,000
6/20/2029	100,000	12/20/2032	127,000
7/20/2029	101,000	1/20/2033	128,000
8/20/2029	102,000	2/20/2033	129,000
9/20/2029	102,000	3/20/2033	129,000
10/20/2029	103,000	4/20/2033	130,000
11/20/2029	103,000	5/20/2033	131,000
12/20/2029	104,000	6/20/2033	132,000

SCHEDULE OF MANDATORY REDEMPTIONS

Redemption Date	Principal Amount	Redemption Date	Principal Amount
7/20/2033	132,000	12/20/2034	145,000
8/20/2033	133,000	1/20/2035	146,000
9/20/2033	134,000	2/20/2035	147,000
10/20/2033	135,000	3/20/2035	148,000
11/20/2033	135,000	4/20/2035	149,000
12/20/2033	136,000	5/20/2035	150,000
1/20/2034	137,000	6/20/2035	150,000
2/20/2034	138,000	7/20/2035	151,000
3/20/2034	138,000	8/20/2035	152,000
4/20/2034	139,000	9/20/2035	153,000
5/20/2034	140,000	10/20/2035	154,000
6/20/2034	141,000	11/20/2035	155,000
7/20/2034	141,000	12/20/2035	156,000
8/20/2034	142,000	1/20/2036	156,000
9/20/2034	143,000	2/20/2036	157,000
10/20/2034	144,000	3/20/2036	158,000
11/20/2034	145,000	4/20/2036*	161,000

* Maturity